

# Can This President Be Saved?

**A SIX-POINT**

**PLAN TO BEAT**

**THE ONE-**

**TERM ODDS**

*Our problems are rooted in our priorities and lack of discipline.*

*Our No. 1 priority . . . should be to get America's economy growing again . . .*

*Second, the Democratic Party must learn what New York Mayor Fiorello La Guardia called the most important lesson of politics: how to say no to your friends . . .*

*Third, the Democratic Party should take the lead in reforming the very systems it had the foresight to initiate. Clearly, many of these systems cannot be sustained as they now exist . . .*

*The election is over. The people sent us a message. Now they are waiting for us to send one back . . .*

—GOVS. BILL CLINTON AND RICHARD LAMM  
CHRISTIAN SCIENCE MONITOR, JANUARY 15, 1985

## Dear President Clinton:

You already know how to save your presidency. You've known the formula for a long time—and you've been preaching it to other Democrats for 10 years.

You learned it in 1980 when, after your first two years as governor, Arkansas voters repudiated you and elected a Republican

**BY DAVID OSBORNE**



political novice. The loss was humiliating. But it taught you the most important lessons you have ever learned in politics. You spent two years out of office, rethinking the fundamentals, and you returned a much different leader.

You changed your politics, publicly apologizing for trying to "lead without listening." You exiled the young, inexperienced, liberal staffers who made so many blunders in your first administration. You brought in a new chief of staff who established discipline. You worked hard to project mainstream values. You focused your message on just two priorities: education reform and economic development. And you went to war with the state's most powerful liberal interest group, the teachers' union, to get genuine education reform.

The results: four straight reelection victories. Now you just have to do it again—without the two-year interlude to clear the decks.

Unfortunately for you, the Republican Congress has the initiative now, so when you propose new directions, it looks as if you are simply following its lead. That's why talking about these things will not help. You have to *act*. Much of the public has tuned you out. The only way to regain people's ears—and gradually, their trust—is with action.

And that action has to hurt. You have to fire some of your closest friends. You have to eliminate some of your favorite programs. You have to give up one of your fondest dreams, universal health insurance. If you do not, no one will believe you are serious.

You have already begun the process. You fired Joycelyn Elders. You have proposed a modest tax break, targeted at education, training and families with children; announced five-year spending cuts of nearly \$20 billion in three departments and two agencies; advocated moving control of job training and public housing money from bureaucracies to individuals, with some form of voucher; suggested consolidating many programs and moving others into public corporations; and promised a second National Performance Review to find an additional \$56 billion in savings. By the time this article is printed—I am writing in late December—you may have fleshed out more of the details.

The trouble is, people have heard such words from you before.

Your new agenda comes right out of the Democratic Leadership Council, a group you chaired until you ran for president. But you chose not to pursue it in 1993, and few believe you will deliver on it now.

The critical question is: Can you discipline yourself, and your administration, over the long haul? Unless you have the courage to go all the way—unless you embrace a new agenda, new advisers, new values and a new communications strategy, and stick to them—you'll never win the disillusioned voters back.

Many would argue that it is already too late. I disagree. Had this election simply been about slashing government and repudiating Bill Clinton, it might be too late. But it wasn't.

Voters want smaller government, yes, but they also want government that *works*. They want a government that narrows the deficit, creates economic growth, improves the schools, reduces crime, protects the environment and helps them find the opportunities they need to succeed. They want a more efficient government, but they are desperate for a more *effective* government.

I know this from personal experience. Three years ago, when Ted Gaebler and I published our book about making government

work, few expected it to sell more than ten or twenty thousand copies. But *Reinventing Government* hit the bestseller list and went on to sell 250,000 copies. More important, it kicked off a nationwide movement to restructure the public sector, from the smallest cities to the biggest federal bureaucracy.

In 1993, I had the privilege of helping Vice President Gore run your reinventing government task force, the National Performance Review. When the vice president released the report, few again thought it would have much impact. After all, the NAFTA and health care campaigns were unveiled the same month. But when a Gallup poll asked people that September what the administration's highest priority should be, 51 percent said reinventing government, 43 percent said health care reform and 4 percent said NAFTA. When pollster Peter Hart casually threw reinventing government ("reforming government and making it more efficient") into one of his surveys, it beat both health care and crime. And during the two weeks following the release of our report, your approval rating jumped 11 percent—the largest single rise of your presidency.

Was this simply because people want *less* government? No. Stan Greenberg, in a 1993 poll for the DLC, asked whether people would be more likely to vote for a candidate who "wants to radically change the way government does things—cut bureaucracy, make government more efficient, and give ordinary people better service and more choices"—or a candidate who "wants to cut the federal bureaucracy by 20 percent." All three voter groups ranked the first alternative far ahead of the second: Perot voters by 72 to 51 percent; Clinton voters by 59 to 40 percent; Bush voters by 57 to 42 percent. Perot voters rated the reinventing government agenda second in importance only to "creating 8 million jobs"—ahead of reducing the deficit, reforming health care or cutting middle-class taxes. Clinton voters rated it fourth, just behind jobs, health reform and deficit reduction.

After last November's election, Greenberg did another poll for the DLC. He asked whether it was most important to make "government smaller so it will cost and do less," to make government "more efficient so it delivers more services for less money," or several other options. Only 25 percent chose the first option, while 51 percent chose the second. He also asked whether people preferred "New Democrats who believe government should help people equip themselves to solve their own problems" or "Republicans who believe government should leave people alone to solve their own problems." New Democrats won 52 to 38.

Finally, Greenberg found that while many are disappointed in your performance, most people have not given up on you yet: 73 percent said it was too early to tell if the Clinton presidency had failed; 68 percent were still hopeful that you would succeed; and 45 percent said they were sending a message about "politics as usual" with their midterm vote. Only 13 percent said the message was about Bill Clinton.

So it's not too late. That said, here are six things you need to do to resurrect the Clinton presidency—and with it, the idea that government can still be a positive force in people's lives.



## HAD THIS ELECTION SIMPLY BEEN ABOUT SLASHING GOVERNMENT AND REPUDIATING BILL CLINTON, IT MIGHT BE TOO LATE. BUT IT WASN'T.



# MOST OF YOUR ADVISERS BELIEVED IN THE SPENDING SIDE OF YOUR VISION, BUT DIDN'T BELIEVE IN THE CUTTING AND REINVENTING SIDE.

## 1. CLEAN HOUSE

*We must scale the walls of the people's skepticisms, not with our words but with our deeds.*

—BILL CLINTON

ADDRESS TO CONGRESS, FEBRUARY 17, 1993

You made a good start in December. But you made a good start in February 1993 as well. In your first address to Congress, you talked about cutting 150 programs. You said your economic plan contained a dollar of spending cuts for every dollar of tax increases. You said there would be no sacred cows.

Unfortunately, these things were not true. When your opponents and the media began dissecting your package, they found two dollars of tax increases for every dollar of spending cuts. When Congress resisted tough cuts, you backed down.

There were no doubt several reasons: your own ambivalence about deep spending cuts; your fear of offending liberal interest groups and members of Congress; and real political resistance. But reading Bob Woodward's book *The Agenda*, a fourth reason becomes obvious. Among the dozen or so advisers in your inner circle, Al Gore was the only New Democrat. Most of your advisers believed in the spending side of your vision, but not the cutting and reinventing side.

They advised you to put a \$30 billion stimulus package on the table before you cut a dime of spending. They advised you to lead with a health plan that relied heavily on federal regulation—at a time when public faith in the federal government was at its nadir. They advised you to put welfare reform on the back burner. And according to Woodward, at least one of them advised you that the most popular thing you did during your first year was raise taxes on the rich.

This was bad advice. Your approval ratings plummeted during the stimulus and budget battles, picked up in the fall with the reinventing government initiative and NAFTA, and plunged again when you got into the health reform battle. Post-election polls showed that people turned against you in large part because they thought you were an Old Democrat who favored big government.

I experienced the problem firsthand. During the National Performance Review, our task force developed a list of government programs to eliminate. It was nothing radical; in fact, it would pale in comparison to the lists being kicked around today.

The task force suggested eliminating the Helium Fund, created in 1925 to ensure adequate supplies of helium for a strategic weapon, the blimp. (Today the fund has a 176-year supply and a debt of \$1.4 billion.) It suggested deregulating shipping and doing away with the Maritime Administration, the Maritime Commission and the Merchant Marine Academy. It saw no need for the Selective Service System, since we've had volunteer armed forces for 22 years. It suggested scrapping airport grants; subsidies for lead, mercury and asbestos production; unemployment insurance payments for people who voluntarily left the military; crop-deficiency pay-

ments to corporations; and farm credits for high-income farmers.

Its suggestions also included substituting insurance and loans for federal disaster relief, to save billions of dollars; combining border-control functions from 21 different agencies, including the Customs Service and the Immigration and Naturalization Service; reducing the Amtrak subsidy; merging economic development programs from seven different agencies into one quasi-public corporation; and raising fees on veterans' guaranteed home loans.

Your administration killed every proposal listed above. The Performance Review did win a few fights—thanks to hand-to-hand combat by the vice president—and it did recommend eliminating a few programs. But each time it sent a list of program and subsidy eliminations over to George Stephanopoulos and his team, the list came back in tatters. Too radical. Too dangerous. Too offensive to Congressman So-and-So.

Our drafting team finally made a personal plea to Gore to include a recommendation—then under vigorous debate—to eliminate 250,000 jobs over six years, through attrition. Without it, we argued, NPR's report would not pass the smell test. Gore was persuaded, and the report passed the test.

(Ironically, the media assumed that the White House was pushing the Performance Review to come up with more cuts, to fulfill the president's budget-deal promise to Sen. Bob Kerrey to find more spending reductions. Some reported this as fact, though exactly the opposite was happening.)

When it came time to plan the report's release, the same dynamic emerged. The vice president wanted two weeks of the administration's time devoted to the release, with new elements of the report released each day, around the country. Your advisers wanted to move on to NAFTA and health reform. So Gore got three days, and you spent much of the next year promoting a health plan that smacked of big government.

Today polls show that the majority of Americans have never heard of your reinventing government efforts—much less the fact that they have already locked in more than \$60 billion in savings.

The lesson is simple: If you want New Democratic politics, get New Democratic advisers.

## 2. ESTABLISH DISCIPLINE

*We live in a time when politicians too often fear decisions, especially if they break new ground, alienate entrenched groups or carry the possibility of error.*

—BILL CLINTON

DEMOCRATIC CONVENTION, JULY 16, 1984

Your advisers are only part of the problem. The other part is you. You hate conflict. You instinctively try to be on both sides of many issues, to avoid offending anyone. You have trouble making tough decisions. The result has been the most undisciplined White House in modern history.

This underlies many of your political problems. It explains why you're the Velcro president, not the Teflon president. It explains why your approval rating stays so low even as the economy steams ahead. Too many people have given up on you, because they don't think you have the backbone to be president.

In Arkansas, you dealt with your personal shortcomings by cre-





ating a strong chief of staff, who forced discipline upon you. You have done the same thing by hiring Leon Panetta—one of your best moves. But Panetta lacks vision; he is more a moderate Democrat than a New Democrat. You should give him two deputies. One should be in charge of policy, the other in charge of message (all communications, media relations and speech writing). Both should understand your new vision of government—in their bones.

When you have a team in place, choose a strategy and stick to it. Yours is the most ad hoc White House the American people have ever seen, and they find it unsettling. With a Republican Congress, you'll be buffeted by powerful political winds. If you're going to stay on strategy, you must give Panetta and his deputies the power to discipline your administration—and to discipline you.

The tax issue provides a good example. You have proposed \$60 billion in tax cuts over five years—a reasonable fulfillment of your campaign promise. The Republicans have proposed much more. You say now that you will block any tax cut that isn't paid for with spending cuts. But when the time comes—when Congress has passed a generous income tax cut that swells the deficit—will you stick to your guns?

If you want to succeed, you must. You can't win a tax-cut bidding war. You *can* win by fighting for a lower deficit and a government that offers people the opportunities they need to improve their lives.

That's what the majority of voters want. Greenberg's post-election poll asked people if spending cuts should be used to re-

ularly true on fiscal issues. The best thing you could do to erase your image as a weak, waffling president would be to veto an irresponsible tax cut.

### 3. CLEAN GOVERNMENT'S HOUSE

*I have to say that we all know our government has been just great at building programs. The time has come to show the American people that we can limit them too; that we can not only start things, that we can actually stop things.*

—BILL CLINTON

ADDRESS TO CONGRESS, FEBRUARY 17, 1993

Your most important goal is to change the way government works, expanding opportunity for Americans by reinventing its role in education, job training, welfare, housing and health care. You'll get much further on this agenda, however, if you first prove that you're willing to throw obsolete programs overboard.

But remember: Proposed cuts are worthless. Only real ones count. So before the second National Performance Review gets underway, you might take a lesson from the mistakes of the first.

Congress has passed 30 bills containing NPR recommendations, including two big ones: elimination of 272,900 positions over six years and reforming the wasteful procurement system. But several hundred other recommendations await action. They include:

## PEOPLE LOOK TO THEIR LEADERS FOR AUTHORITY AND STABILITY. THEY WANT STRENGTH, ASSURANCE AND STEADINESS—NOT INTIMACY.

duce the deficit, cut taxes or invest in education, training and infrastructure. Thirty-three percent said reduce the deficit, 30 percent said invest and only 9 percent said cut taxes. So veto irresponsible tax cuts. Even if the poll proves wrong, the veto will show you standing up for your beliefs.

Your newfound discipline should include following a few basic rules:

- **Be presidential.** In times like this, people look to their leaders for authority and stability. They want strength, assurance and steadiness—not intimacy. Be a little less visible, a little more remote. Quit jogging in public and answering questions about your underwear.
- **Slow down.** People don't want their president in their face every day. They don't need constant motion. To borrow a line from the *Tao*: "Governing a large country is like frying a small fish. You spoil it with too much poking."
- **Play offense, not defense.** If congressional Republicans can keep you on the run, you're dead. Agree with them when they're right, but don't respond to every shot they fire at you. Move your own agenda; introduce your own proposals. When they block you, open another front. And when you veto, don't be defensive. Use your veto to force Congress to deal with *your* agenda.
- **Reframe the debate.** When the Republicans go on the offense, shift the terms of debate. Don't play by their ground rules. When they introduce under-funded tax cuts, hammer them on the deficit. When they try to kill vital programs, ask them why they haven't passed the cuts you've already proposed. (More on this below.)
- **Be honest with the public.** People want straight talk today—about the deficit, about taxes, about foreign policy. In the '80s, they were in denial; they rewarded leaders who avoided problems. In the '90s, they reward those who speak the truth. This is partic-

- Eliminating highway demonstration projects, a costly form of congressional pork.
- Closing the Uniformed Services University, which educates fewer than 10 percent of the military's physicians at five times the cost of scholarships to other medical schools.
- Scrapping the Food Safety and Inspection Service and moving all food safety responsibilities into the Food and Drug Administration.
- Selling the Alaska Power Administration.
- Consolidating 55 grant programs for state and local governments and allowing them to consolidate grants under \$10 million on their own.
- Passing Civil Service reform, to give managers freedom to hire, promote and reward good people, fire nonperformers and move people around without wasting half their time fighting the rigidities of the personnel system.

NPR's remaining recommendations would save \$40 billion over the next five years—twice as much as the cuts you specified in December. More important, if Congress doesn't pass things like Civil Service and budget reform—which would eliminate the work many of those 272,900 people do before eliminating their jobs—government will cost less but not necessarily work better. I suggest you tell Congress, in your State of the Union address, that the nation can't afford to wait on this agenda any longer.

This time, however, offer Congress a partnership. When you launched the first National Performance Review, you chose not to accept a partnership offered by the Senate Governmental Affairs Committee. Many of its members had introduced bills, patterned after one first authored by Sen. William Roth of Delaware, to create a bipartisan reinventing government commission, with powers much like the military base-closing commission. It would have prepared a package of recommendations *continued on page 28*



the bread. It honors tradition by being brought rolled up in a white napkin to keep it warm, but it is merely a flaccid French roll rather than a crisp and airy authentic New Orleans loaf.

The meal will get better.

First, there's the matter of beer: The 10 draft choices include Lone Star, Yuengling Porter and Leinenkugel Red Lager, any of which would brighten a meal's prospects. The half-dozen bottled choices include two from Louisiana's Abita, Cave Creek's chili-spiked beer and my favorite, Dixie Blackened Voodoo Lager.

Alligator pops up among the appetizers, fried and stewed. If novelty tempts you, it's not bad, though you can do better with other appetizer choices (it's more bland than you'd expect). The she crab soup looks thick and pink and not particularly interesting, but it's such a knockout that you might as well go for a bowl rather than a cup. You hardly expect something pale and creamy to deliver a blast of tartness and hot pepper. Yet the quiet sweetness of the crab still comes through.

Crab appears also in sausage cakes with andouille—Louisiana's fiery sausage—and in quesadillas that are fine but not exciting. Oysters and shrimp upstage them. Oysters are stuffed with deviled crayfish, flavored with the Louisiana trinity of celery, bell pepper and green onion, then barely crumbed and deep-fried to a remarkably greaseless finish. Crystal Buffalo-style shrimp are a takeoff on Buffalo wings but much better; the shrimp don't even look fried, but have a slight crunchy coating, and attack your mouth with lemon and hot pepper in a ketchup-red base. Nor would you go wrong by starting with a house salad, a bed of crisp greens scattered with bacon, blue cheese and hard-cooked egg, a Creole mustard dressing on the side.

I'd save the Acadian peppered shrimp for the entree. The original New Orleans recipe had shrimp swimming in an inch or two of butter and oil. RT's Seafood Kitchen has pared the grease with no loss of flavor. The shrimp are fresh—they're crisp and sweetly flavorful as no frozen shrimp can be—and their lightly buttery, near-black coating of spices and lemon zest teases your mouth with ricocheting acidity, rosemary, garlic and black pepper, finishing with more pepper so that the seasoning is warm rather than searing. The shrimp are gone all too soon, but the rice underneath absorbs

the flavors so you can keep the memory for a while.

Beyond the shrimp, look for anything with "etouffee" in its name. This thick, chocolate-colored sauce is New Orleans's answer to Mexico's mole, so intricate a mix of seasonings that it's as addictive as it is mysterious. There are etouffees of shrimp, crayfish and catfish, but the best use of this concoction is the shrimp etouffee slathered on the whole, cornmeal-coated deep-fried rockfish. It's usually on the list of specials.

Crab cakes are grand here, creamy and well seasoned, accompanied by irresistible spicy thin french fries. Often there's blackened fish, and always there are spicy steaks and some main-dish salads and sandwiches. The po' boys are large yet wimpy; they lack not only true New Orleans bread, but that wonderful sloppy goo of dressings and condiments that made them famous in the first place. Oddly, it seems that anything with Creole mustard sauce is also a mistake to order here, whether grilled shrimp and andouille or pecan-crusted fish. Then there are those ill-conceived inventions: Note that jambalaya doesn't work as a pasta.

In New Orleans my favorite dessert is bread pudding. At RT's Seafood Kitchen the bread pudding is the only dessert I've found disappointing—too sweet and gummy. Much more enticing are the apple crisp—made with tart apples and perfumed with bourbon—and the Key lime cheesecake, which is an improvement on most Key lime pies. Even the caramel custard is so soft and creamy that one guest wondered whether it had actually been cooked.

Coffee? Sure. This is New Orleans, after all. ■

#### SOLUTION TO LAST WEEK'S PUZZLE

C	A	V	A	S	C	A	D	S	S	U	R	F	S	L	O	B
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## PRESIDENT

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and forced Congress to deal with them on a fast track.

You declined to pursue that option. Like the health care task force, NPR operated independently of Congress—and as much as possible in secret. When it finally delivered, Congress felt no ownership of its proposals. Hence the hundreds of recommendations that have not moved.

Roth is now chairman of the Governmental Affairs Committee. Why not help him pass his commission bill now? The commission could start with the remaining NPR recommendations—eliminating those with which it disagrees and packaging the rest for an up-or-down vote, without amendment.

If you are serious, you need some version of the base-closing approach—an up-or-down vote on an entire package. Just like bases, programs and subsidies are hard to kill one by one. Just like Democrats, Republicans will protect pork—and corporate subsidies—affecting their districts. And even in a "streamlined" Congress, individual proposals will bog down in subcommittees and never be heard from again.

While the commission is working, NPR II should do its work. NPR I's other big flaw was its over-reliance on insiders from the bureaucracy. They had the tremendous advantage of knowing the bureaucracy well, but the disadvantage of timidity when it came to thinking "outside the box"—eliminating agencies, privatizing functions and re-inventing programs. This time, use a combination of congressional staff, departmental staff, business and community people and experts in areas you want to reform.

Whatever you do, don't bow to political pressure and scrap entire departments. If you go for the cheap symbolism of merging departments—the kind of thing Sen. Kerry suggested during his presidential campaign—you'll end up with a worse mess than you have now.

Consolidating whole departments doesn't help them work better; most are far too big already. The real problem is obsolete programs and systems within each department. Simplify, streamline, eliminate programs—but don't waste time on turf battles over which departments to consolidate.

One more suggestion: The second Performance Review should eliminate not just programs but subsidies that favor special interests and distort the market. The staff of the first NPR put together a long list of subsidies and calculated what would be saved by axing them. Your White House vetoed all but the politically easy targets—wool, mohair, honey and airline service to



small towns—for fear that if you eliminated tax breaks, Republicans would say you had raised taxes.

Rob Shapiro at the Progressive Policy Institute has taken the NPR list, combined it with others, and recommended savings of \$225 billion over five years. If a congressional commission packaged several dozen for an up-or-down vote, as it did with base closings, the bill would pass.

#### 4. **BUILD OPPORTUNITY, NOT BUREAUCRACY**

*One of the real things that Reagan stuck on us was he said, "They are the party of government and we are the party of the people. The future is with us; we are unleashing the creative energies of the people." Well, we know that plays better than being the party of government and defending the status quo in a time of change.*

—BILL CLINTON

INTERVIEW WITH AUTHOR, APRIL 1985

As I said above, cutting is just the first step; more important is making government *effective* by reinventing programs like education, welfare, job training and public housing to expand opportunity and empower individuals.

The idea is to replace bureaucratic programs with systems that help people help themselves—that push control out of government, into the hands of individuals and communities. A reinvented government should create opportunity, but it should demand responsibility in return. This is the heart of your "New Covenant"—an all-but-forgotten phrase that was supposed to signal your political values. It's also what separates you from the slash-and-burn anti-government crowd.

Job training offers one of your greatest reinvention opportunities, because economic insecurity is a huge issue for Americans today. In an uncertain global marketplace, security no longer comes from staying with the same company for 40 years; it comes from acquiring skills that will help you land the *next* job. People understand this, and they want help. The federal government understands this, and it sponsors 154 employment and training programs. They work badly, when they work at all, because it's almost impossible to match programs with fast-moving job markets and individual needs.

Fifteen years ago, economist Roger Vaughan suggested that the federal government fund individuals rather than programs, letting people choose their school or training program. He called the idea a "GI Bill for training." The DLC and others have picked it up—and from your remarks

in December, it appears you have as well.

Moderate Republicans want to give the training money to states as block grants. They want to empower state bureaucracies, in other words. You can trump them by proposing to empower *individuals*, using the GI Bill approach. The best mechanism is a system of Individual Skills Accounts: tax-free accounts, much like Individual Retirement Accounts, that could be used for education, training, career counseling or job placement assistance.

Every American who wants an ISA should have one. People could deposit their own money (before taxes); their employers could make deposits too; and if they were laid off or their incomes were low

## THE SECOND PERFORMANCE REVIEW SHOULD ELIMINATE NOT JUST PROGRAMS BUT SUBSIDIES THAT FAVOR SPECIAL INTERESTS AND DISTORT THE MARKET.

enough, the federal government would make deposits.

Anyone could get an ISA card—in essence, a specialized bank card. Once they had it, they could even use it to borrow for education or training, through the direct student loan program—just as people use their bank cards and credit cards to borrow. They would pay off the loan as a percentage of their future income.

Institutions that provide education, training, career counseling and job placement would be certified to receive payments from the card, as long as they submitted data to the government about their performance: the percentage of trainees who graduated from their programs; the percentage who got jobs in the industry for which they were trained; their wage rates; and so on. This information would be available at the one-stop career centers your administration has begun to create, as well as at libraries, on-line, and perhaps even through information kiosks.

Individual Skills Accounts would be a powerful, tangible way to help Americans cope with economic uncertainty—and to do so throughout their careers.

Education offers a similar opportunity. Why not eliminate some of the Education Department's 200 programs and put the money into support for public school choice? Reward states for allowing choice, creating "charter schools" (new, independent public schools) and sending state dollars with children as they change public schools.

When states do all three things, as Minnesota has, competition for students and dollars breaks out and innovation flourishes. Since Minnesota introduced public school choice, the number of nontraditional, alternative schools has increased from 108 to 300, thousands of dropouts have returned to attend alternative schools, tens of thousands of high school students have taken their state money to colleges and universities, and more than 90 high schools have responded to the competition by establishing college-credit courses on their own campuses. Today 115,000 public school students in Minnesota exercise a choice.

The Republicans will push for voucher systems, under which students could take their public money to public or private schools. Fight them. Vouchers would create competition and choice, but they would stratify American schools by income. The richest parents would take their \$5,000 vouchers and add \$10,000, to send their children to the best schools. Upper-middle-class parents would choose \$10,000 schools, middle-class parents \$7,000 or \$8,000 schools, and everyone else would settle for \$5,000 schools. The same thing happens in any market: People with more money buy better products.

This would undermine one of the basic values of public education: the mixing of children by class and race. If we lose that, we lose a crucial underpinning of democracy: the personal experience of learning that beneath our skins, we are all the same—white and black, rich and poor, white-collar and blue-collar, college-educated and non-college-educated. As middle-class Americans have withdrawn into private schools and suburban enclaves, we have already lost too much of this experience. We can afford to lose no more.

Welfare reform is your signature New Covenant issue. Again, many Republicans want to simply give welfare to the states. Don't let them off the hook so easily. State welfare bureaucracies are the *problem*, not the solution. You don't want to empower them to tinker with a dysfunctional system; you want to "end welfare as we know it."

Your current welfare-reform proposal would force all young, able-bodied recipients to work after two years on the dole. In



the new political environment, you need a bolder approach.

First, include more welfare recipients—not just young people. Second, combine all welfare programs, not just Aid to Families With Dependent Children: food stamps, Supplemental Security Income, energy assistance and so on. Third, put more priority on job placement than training, which often becomes an exercise in futility because it never leads to a job. Fourth, fund ISAs for welfare recipients who hold a job for six months, so they can improve their skills. And finally, create an *entitlement for work*.

Let me explain that last point. Under the welfare programs listed above, people are entitled to checks because they *don't* work. If they are poor enough, they automatically get the money—regardless of the budgets appropriated by Congress. Yet when a welfare department wants to pay an organization to find them a job, there is no entitlement. That requires a special appropriation.

That's why so little job placement actually gets done—even though it *saves money*. Neither Congress nor state legislatures are eager to appropriate extra money for welfare. So programs designed to get people into jobs are chronically underfunded.

The answer is a trust fund to finance job placements. When an organization (public, private or nonprofit) places a welfare recipient in a full-time job and that recipient keeps the job for four months, that organization should be automatically paid. States and cities that already do this, using a company called America Works, now pay \$4,500 to \$5,500 for each placement, depending upon the locality. Getting someone off welfare, in most cases, will save the government far more than \$5,000.

Initially, you could finance the trust fund with an appropriation. But welfare reform legislation should send the savings generated by job placements right back into the fund, very quickly eliminating the need for new money. Once you have an automatic payment available for job placement, placement firms will come out of the woodwork—both for-profit and nonprofit. They may not be able to handle all the able-bodied poor, but they'll place far more than welfare departments do.

## 5. EMBRACE MAINSTREAM VALUES

*When people put their trust in a president and in a party, they have to do it on faith, and they have to do it in part on an intuitive sense that we're going in the right direction and more often than not the right decisions will be made and their values will be reflected. I think Reagan has really understood a lot of that, and deserves a great*

*deal of credit for understanding it. If all we do is talk about particular programs, and how we don't want this or that or the other thing undone, then our fundamental message doesn't come across.*

—BILL CLINTON

INTERVIEW WITH AUTHOR, APRIL 1985

In 1995, it's an understatement to say that your fundamental message—about making government work for people, not against them—“doesn't come across.” That message has *disappeared*. There are many reasons for this, of course—but one is that middle-class Americans don't think you're one of them anymore.

Never mind those small-town Arkansas

## THERE IS A GAPING HOLE IN OUR NATIONAL DIALOGUE: OUR LEADERS ARE AFRAID TO HOLD PEOPLE, AND INSTITU- TIONS, RESPONSIBLE FOR THEIR BEHAVIOR.

roots: Most Americans see you and your administration as members of a cultural elite—people who graduated from Yale and Harvard and Oxford; people who attend Georgetown dinner parties and Renaissance Weekends; people who hang out with movie stars and vacation in places like Martha's Vineyard.

The American people know, in their bones, that this elite has no idea what it's like to raise children in a world of sinking wages, crumbling families and disintegrating values—a world in which 40 percent of children grow up in one-parent households, television bombards them with sex, violence and visions of instant gratification, and their schools coexist uneasily with crime and drugs.

The post-election Greenberg poll contains one chart that should make your heart stop. It shows that people still believe Democrats do a better job of “trying to make things better for people,” “understanding family financial pressures” and being open

“to change and innovation.” But when it comes to values—“strengthening families, honoring middle-class values, insisting on moral standards, having people take greater responsibility and insisting on more discipline”—the Republicans clean up.

The New Covenant agenda is one way to connect your administration to mainstream values. Beyond that, you ought to lead a public crusade against drugs, teenage pregnancy and sex and violence on television. You should confront your friends in Hollywood, challenging them to stop undermining American values and families.

There is a gaping hole in our national dialogue: Our leaders are afraid to hold people, and institutions, responsible for their behavior. When you talk about these things—as you did in your Memphis speech last year, for instance—people respond. You have no credibility problem on these issues, because people recognize truth when they hear it. Don't be afraid to speak out.

## 6. COMMUNICATE YOUR VISION

*I learned [from my defeat in 1980] that if you do a lot of things, and you talk about a lot of different things while you're doing it, the perception may be that you haven't done anything . . . If you want to get broad, popular support for what you're doing, people have to be able to understand or explain it in a sentence or two.*

—BILL CLINTON

INTERVIEW WITH AUTHOR, OCTOBER 1986

Watching you in Arkansas, I saw you as the Democrats' great communicator. You learned an important lesson in your first term: the importance of sticking to one basic message. With your passion, your vision and your down-home stories, you were *better* than Ronald Reagan. That's why your failure to communicate as president has been so stunning.

Part of the problem has been the people handling communications for you. (The message people, not the press secretary.) You should fire the entire communications shop. Perhaps because they have little experience in government, they continue to operate as if they are running a political campaign—focusing constantly on tomorrow's headline while forgetting this year's theme.

But again, part of the problem is your lack of discipline. You have accomplished many things during your first two years—and you have talked about most of them. Your White House is like a bad jazz band: too much noise and too little melody. What you lack in coherence, you try to make up for with motion.

As a result, people define you by the ini-



tatives you have spent the most time on: your five-year budget plan; your health care plan; and NAFTA. Two out of three pegged you as an Old Democrat.

You need a new communications strategy, built around a simple set of themes that communicate your original New Democratic vision. Reagan did this beautifully. Every voter in America knew what he stood for: less government, lower taxes, less regulation and a stronger defense. That's why he was the Teflon president: People forgave him his errors because they knew where he stood—like a rock—on those issues.

Of course, new themes work only if they reflect new actions. If all you change are the words, a new communications strategy will only deepen the nation's cynicism about you. That's why this advice comes last.

As president, you are leader of the people first, leader of the government second. Your most important role is to communicate a vision so compelling that it affects the decisions of millions of people—both in their institutions and in their private lives. In a time of change and uncertainty, this is far more important than any program you can create.

You assumed the presidency at a turning point in American history. We are in the midst of a great crossing from the Industrial Era to the Information Age—a crossing as perilous and as full of opportunity as the crossing our ancestors made between the Old World and the New.

We face a fundamental challenge: Either we change the way we think and act—about the role of government, about the value of education and training, about our relationship with the poor, about the nature of the corporation, about the social contract between labor and management—or we continue our 20-year economic slide. Your presidency should be a call to arms—a challenge to every American to commit to new forms of work, new kinds of learning, new forms of cooperation and new responsibilities as parents, students and members of a community.

In sum, you must lead with your vision. Instead, you have talked mostly of programmatic initiatives, occasionally sprinkling them with slogans that mean nothing: "change," or "putting people first." Who is against "change"? Do you think these slogans differentiate you from Newt Gingrich?

I believe your principal job as president is to lead the American people to an understanding of what we must do to make our great crossing a successful one. You can best do so by articulating three themes, all of which come together to define you as practicing a new kind of politics.

First, you are fashioning *a new economic*

*strategy*, in which government acts as a partner with the private sector—improving the schools, creating a lifelong learning system for all Americans, hastening the use of new technologies by American companies, and helping labor and management cooperate at home to compete abroad.

Second, you are fashioning *a New Covenant* between government and the people, in which government is willing to create more opportunity but individuals and communities must take more responsibility.

Third, you are fashioning *a new kind of government*—less bureaucratic, more entrepreneurial, "a government that is leaner, not meaner, that expands opportunity, not bureaucracy" (to quote your 1992 acceptance speech).

How can you communicate these themes through the cacophony of media noise that stands between you and the people? Ironically, this final task requires that you *unlearn* what you learned as governor. In Arkansas, if you spoke at enough events, you could reach the majority of voters. As president that is impossible. Most of the speeches you give are a waste of time. They buy you one sound bite on the evening news and a few paragraphs in the morning paper.

Presidents who are great communicators fit their talents to the technology of the day. Franklin Roosevelt, one of the first presidents of the radio era, did fireside chats on radio. John F. Kennedy, the first president of the television era, perfected the televised press conference. Ronald Reagan, the last president before the three-network world gave way to "narrow-casting" and niche markets, perfected the nationally televised speech.

Today we live in an era of talk shows and electronic town halls—precisely your strength. Ronald Reagan was an actor; you are not. You respond to people, not cameras. Your televised speeches are wooden, your town halls electric. You should turn the electronic town hall into your signature, just as FDR turned the fireside chat into his.

Granted, this would have worked better—like almost everything I've suggested—if you had started two years ago. But if you execute a deliberate strategy—and more important, if you take actions that make people sit up and listen—I think you will get another shot at the nation's attention. At this point, you have nothing to lose.

The best way to help people see the future you want to create is to show them places that embody it—factories of the future, communities that work, exciting schools, excellent training programs. I suggest that once a month you tour such a site, to get coverage on the evening news, and then that evening host a televised town

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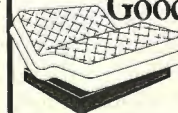
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hall meeting on the topic of the day. Take the media to see America Works finding jobs for welfare recipients, or Pennsylvania's "Pennicard" experiment with an Individual Skills Account—and during your town hall meeting, show the nation short videos on these success stories.

Bob Stone, project director of the first National Performance Review, has a rule for leaders who want to make significant change. He says they should do three things:

- Develop a simple message that everyone can understand and repeat it over and over.
- Illustrate that message with props and anecdotes.
- Point constantly to success, so people can see concrete examples of the behavior you want them to emulate.

A monthly "tour of the future" would help you put Stone's formula to work.

I DON'T PRETEND to have covered everything you need to do. And I know the agenda I have laid out will be painful—perhaps too painful. You must fire people you are close to. You must fight with your old liberal friends. You must draw lines and confront enemies. And you must give others the power to discipline you and your message.

But you have done this before, and it worked. If you do it again, it will work again.

When Stan Greenberg held a focus group in Warren, Mich., the day after the November election, he found a fierce sense of betrayal. As one participant put it, President Clinton "came in with big ideas—the New Democrats, he belonged to that party—but then he did an about-face."

At the end of the four-hour session, the facilitator asked participants to react to the following scenario:

"It's 1996, and the president has achieved the following major goals: He's made the bureaucracy smaller and more efficient; cut pork-barrel spending; reformed welfare and reduced the number of recipients; limited lobbying; cut congressional staffs; trimmed the deficit; worked for a resurgence of trade; and invested in programs that raise the skills, competitiveness and incomes of all Americans."

The response? "If he did it all, he just got all eight votes in this room." ■

*David Osborne, co-author of Reinventing Government and author of Laboratories of Democracy, is a managing partner of the Reinventing Government Network, a consulting firm, and chairman of the nonprofit Alliance for Redesigning Government. A senior adviser to Vice President Gore during the National Performance Review, he was chief author of the NPR report.*

## COELHO

*continued from page 22*

"My staff," he told me brightly, "always comments, what would I be like if I weren't taking downers every day?" He was the first in his family to go to college, powered by an ambition that carried him far from the failed dairy farm of his parents, second-generation immigrants from the Azores. Yet he is not one of those public men in whom you imagine a hidden richness that belongs to the private man alone. With Coelho, it all goes into his work, into a life of driving effort and shiny surfaces.

His political method is an incessant networking: getting others to like him, or better yet, to need him. He has a vast, seamless web of "friends"—political connections, financial associates, former staffers, family acquaintances, charitable contacts. Today he maintains a computer Rolodex of 4,361 names; he holds a reunion, every other year, for former members of his staff, right down to people who once worked for him as interns and pages. One advantage of his method is the armor it provides: "I don't know anybody who really despises Tony Coelho, on a personal level. I don't know anyone who thinks this is an evil man," says Brooks Jackson, who is now a reporter for CNN. "There are liberals who think he's sold his party's soul; there are conservatives who are upset because he beat them all the time. But on a personal level, he always kind of reminded me of Hubert Humphrey: that he's a likable guy. That was kind of Coelho's stock in trade—that he was a world-class guy at making people like him."

Another function of Coelho's method—knowing people, putting them together, obligating them to him—is that it stands in place of his having to believe anything in particular.

After just five terms in Congress, he was near the top of the hierarchy; it was often said that Coelho would be speaker one day—if he could muster the patience to wait out those ahead of him in line. But in 1989, as the House was traumatized by a series of ethics investigations that eventually unhorsed Speaker Wright, Coelho too came under scrutiny. And in keeping with Washington's strange hierarchy of sin, he was called to account not for the web of corruption he had cast over his colleagues, but for smaller, more technical transgressions.

Three years earlier, Coelho had accepted a \$50,000 loan from Thomas Spiegel, the head of California's high-flying Columbia Savings & Loan Association, to help him buy a \$100,000 junk bond sold through Michael Milken's Drexel Burnham Lambert. (Milken too was a major Coelho backer.) Not only had Coelho failed to re-

port the loan on his disclosure forms; Spiegel had held the bond until Coelho could arrange the rest of the financing, and Coelho had ultimately paid only the face value of the bond, pocketing for free the \$4,000 or so it had appreciated while Spiegel held it. Coelho explained most of the problem as a failure on his accountant's part, but given the gathering public awareness of the S&L scandal, his connection to Spiegel couldn't be shrugged off. Furthermore, the bond purchase itself, first reported by The Washington Post's Charles R. Babcock, had the air of a sweetheart deal, for it was part of a hot offering that wasn't normally available to individual investors; some of Milken's most powerful customers were unable to get in on the action.

For Coelho, it was part of a larger pattern of risk, of playing a bit too close to the outer edge of the rules. He was also criticized by Republicans for his investment, in the mid-'80s, in a California firm that marketed computer software for dairy farmers. As chairman of a House subcommittee that dealt in dairy programs—including elements of a huge 1985 farm bill—Coelho was at least theoretically in a position to benefit his own business.

(Had he stayed in Congress, he also would have faced a major political problem three years later, after the House Bank scandal erupted. Coelho was revealed, in 1992, to be on a House ethics committee list of 22 "top abusers" of the bank. He had been a member for only 12 of the 39 months the committee studied, and in every one of those months overdrew his account, by 316 checks totaling \$292,603—effectively giving himself interest-free loans at his colleagues' expense.)

Whereas Wright was still clinging to his office by his fingernails, Coelho understood perfectly how the scandal would unfold: the long, drawn-out investigation by the House ethics committee that would ensue; the drip, drip, drip of leaks from the inquiry opened by the Justice Department. And, according to Terence McAuliffe, formerly Coelho's finance director at the DCCC, he was concerned that broader investigations would ensue: "With the tide turned, getting as ugly as it was—were they going to go back and look at every donor who had ever given to the Democratic Congressional Campaign Committee?"

"Tony is a winner above all," says Rochelle Dornatt, who was one of his floor assistants. "And when he got to the point where the cards were stacked against him, and he knew he couldn't win, he changed the game." So Coelho jumped without being pushed, earning the undying gratitude of his shellshocked fellow Democrats, and admiring reviews from many of the reporters who had covered his career.