

THE WHITE HOUSE  
WASHINGTON

Date

12/8

To:

Sylvia M.

From: The Staff Secretary

Any comment?

THE WHITE HOUSE  
WASHINGTON

99 DEC 8 AM 11:49

December 8, 1999

MEMORANDUM FOR THE PRESIDENT

THROUGH: MARIA ECHAVESTE

FROM: LYNN CUTLER 

SUBJECT: EAST ARKANSAS

I think you will be happy with the deliverables and projects that we have for you for your trip home to East Arkansas. You will be speaking in West Memphis and in Earle, and will divide the announcements between the two. The West Memphis speech will revolve around economic opportunity and investment in communities. The Earle speech, where you will dedicate the new high school, will have an education theme.

The following are brief descriptions of what we have. You will have much fuller discussions in your trip book, along with extensive background paper on federal investments in East Arkansas that have taken place in your Administration. I intend to give this background paper to elected officials attending the events.

**WEST MEMPHIS**

**Mid-South Community College**

- This proposal came from the President of Mid-South, Dr. Glen Fenter, after your meeting in Helena in August. Upon reading it, I convened meetings of the agencies to explore how we could respond to this. Essentially, the goal is to teach students, beginning at the high school level, the skills that are needed in the transportation industry. The community colleges will pick up on more advanced training, and the University of Arkansas will be part of the continuum of training. As you know, this area is the second largest transportation hub in the country and many of the transportation industries are desperate for skilled labor. At the same time, there is longterm unemployment and high dropout rates among the young people in the Delta region of Arkansas. The program would be designed by the industry representatives, thus ensuring that the training will result in real jobs.
- Secretary Slater chaired a meeting in the Roosevelt Room two weeks ago with representatives of the trade associations of trucking, rail, air and intermodal industries. At

MEMORANDUM FOR THE PRESIDENT  
PAGE TWO

that time, Dr. Fenter outlined his vision of the program and we then asked them to reach out to their members and encourage them to participate in the project. We need private dollars to construct the building to house the program at Mid-South. You and Secretary Slater will meet with eight CEO's in a private meeting at Mid-South upon your arrival in West Memphis. Fred Smith of Federal Express will be there, and Cal Darden, COO of UPS. We will also have people from the state who will be critical for program funding. You will have a full list in your book. Our goal here is to get commitments from them to be part of the project. They will have had a full briefing before the meeting. We can talk more about this in the briefing and you will have a full description of the events and the participants in your book.

- While the brick and mortar needs are real because our education and labor funds cannot build buildings, we will have to depend on the state agencies to help direct program dollars to the project. We will have state education and workforce development representatives with us in the meeting.

**West Memphis Speech**

You will speak to 1500 people at the Civic Auditorium following the meeting at Mid-South. In this speech, you will announce the following:

- You intend to include funding in your 2001 budget for the creation of a Delta Regional Commission. This will be a \$100 million dollar initiative. You have seen the memo from Sylvia Mathews on this.
- A \$16 million CDFI Fund has been created to provide resources to develop and improve rural health infrastructure in the seven counties served by Arkansas Health Education Center: Chicot, Crittenden, Desha, Lee, Monroe, Phillips and St. Francis. The Initiative is the first of several similar entities that have been seeded through the Robert Wood Johnson Foundation's Southern Rural Health Initiative. There are several other partners, including federal agencies.
- An award of \$1.2 million from the Economic Development Administration to the Blytheville-Gosnell Regional Airport Authority will create a mail sort facility out of one of the former hangars at Eaker Air Force Base.
- The U.S. and Foreign Commercial Service of the Commerce Department runs a rural export initiative. This initiative will involve the announcement that the service is opening an office at Mid-south Community College to work with several East Arkansas businesses on export opportunities through e-commerce. They will be joined in the efforts in this part of the state by Department of Education, and Mid-South.

**MEMORANDUM FOR THE PRESIDENT**  
**PAGE THREE**

- Finally, you will announce that you are signing a Presidential Memorandum to fourteen agencies that directs them to establish a pilot program in East Arkansas that will be called a Circuit Rider Project. I named it that based on the old preacher circuit riders that went from town to town. It will provide technical assistance to the communities of this region. None of these communities are more than 5000 in population. A team of federal, state, and other employees will provide assistance by helping communities determine needs, find programs, and apply for them. This initiative is in direct response to the listening sessions you held in Helena, Secretary Slater held in West Memphis, and we had here in the White House in September with people from the region. The memorandum is attached.

**EARLE**

In addition to the announcements, you are here to dedicate the new high school in a speech with 1300 students, parents, and others.

**Announcements**

- The Department of Education has funded a conference at Phillips Community College in Helena that will take place in March, 2000. This workshop is open to the 38 community colleges located in the Delta. It will provide technical assistance from ten federal agencies with post-secondary educational funds.
- The Department of Education has funded conference on Delta Safe Schools to be held in March, 2000 at Jonesboro. It will be hosted by Arkansas State University, and will have participants from all over the Delta. Department of Education staff will provide workshops that describe how to apply for safe and healthy school grants, and to help educators develop safe schools.
- MCI/WorldCom Foundation, in partnership with National Endowment for the Humanities and National Geographic, will commence a major initiative in East Arkansas. This is an Internet program known as Marco Polo, that is a whole curriculum for students in schools. MCI/World Com will provide no-cost training to all of the K-12 educators in the seven Delta states on use of the Internet and this program in particular. You will see the program in a demonstration in a classroom at the school. (It is really wonderful).

I wanted you to have a preview of the announcements we have for you to make on this trip. I've been privileged to work with a wonderful interagency group of people, all of whom were committed to making this a success for you. It's been great and I am grateful I had the opportunity.

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE

THE ATTORNEY GENERAL

THE SECRETARY OF COMMERCE

THE SECRETARY OF DEFENSE

THE SECRETARY OF EDUCATION

THE SECRETARY OF ENERGY

THE SECRETARY OF HEALTH AND HUMAN SERVICES

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

THE SECRETARY OF THE INTERIOR

THE SECRETARY OF LABOR

THE SECRETARY OF TRANSPORTATION

THE SECRETARY OF VETERANS AFFAIRS

THE ADMINISTRATOR OF THE ENVIRONMENTAL

PROTECTION AGENCY

THE ADMINISTRATOR OF THE SMALL BUSINESS

ADMINISTRATION

SUBJECT: CIRCUIT RIDER PILOT PROJECT FOR THE DELTA COUNTIES OF  
ARKANSAS

The Delta region of the United States is rich in historical, archeological, geological, natural, and cultural assets. The Delta region also has tremendous human capital in the people who live there with strong hopes for the future. These human, natural, and cultural resources have the potential to contribute significantly to the region's future.

Despite great progress in a wide range of economic and social areas, the Delta region, particularly the Delta communities of Arkansas, still often lag behind the rest of the country. Substandard housing, inadequate transportation systems, limited access to capital, low educational levels, and lack of adequate health care have hindered progress and caused hardship. While nationwide unemployment levels have fallen during my Administration, the Arkansas Delta communities still suffer from disproportionately high unemployment. Furthermore, in the Delta counties of Arkansas, only 55 percent of the adult population has a high school diploma.

While Governor of Arkansas, I chaired the Lower Mississippi Delta Development Commission. In 1990, the Commission submitted an action plan to address the economic development needs of the region. This action plan has served as a guidepost during my Administration for creating further opportunities for investment in the region.

During my Administration, we have continued to provide resources to the entire Delta region and to the Delta communities of Arkansas in order to promote job creation, improve transportation and housing, and address environmental needs. In 1998, the Department of Transportation organized a meeting with local Delta leaders where ten federal agencies pledged to work together to coordinate a government-wide review and assessment of the Delta, resulting in the recent publication of *The Mississippi Delta: Beyond 2000 (Interim Report)*. My Administration has designated two rural Enterprise Zones (EZ) and seven Enterprise Communities (EC) in the Delta,

including two ECs in Arkansas assisted by the Department of Agriculture (USDA) – one in Mississippi County and one in East Central Arkansas. As part of the EZ/EC program, these communities have engaged in extensive community planning and have gained a number of tax incentives to promote investment opportunities. USDA provides significant resources to the Delta in grants and loans through its rural housing and business programs. The Department of Commerce has provided over \$100 million to the Delta from 1993 to mid-1999. Approximately 1100 low-income Arkansas homes were weatherized last year through Department of Energy funding. The Department of the Interior is assisting in the development of the Arkansas Delta Heritage Trail, a new quasi-state park composed of a 78-mile rail corridor that traverses some of the richest natural and cultural resources of the state. The Department of Transportation has provided approximately \$140 million to complete highway reconstruction, surfacing, widening, and other projects in Delta counties. However, federal funding alone is not sufficient to revitalize the Delta region. As part of my July 1999 “New Markets” trip to Clarksdale, Mississippi, I announced nearly \$15 million in new private investments in the Enterprise Corporation for the Delta, a non profit organization that uses Federal grants to leverage private investment in business.

Other federal efforts seek to empower the Delta communities by providing information and assistance directly in the communities where they are needed. The Department of Agriculture (USDA) and the Environmental Protection Agency (EPA) provide significant on-the-ground, technical assistance to rural communities nationwide through circuit rider programs for both drinking water and wastewater. The Small Business Administration (SBA) also regularly engages in active outreach activities in the Arkansas Delta Region, including “circuit rides” where SBA staff meet with small business entrepreneurs in the field. These circuit rider programs have been very successful in assisting communities and individuals. However, these programs have been limited in the number of agencies that participate and the topics that are covered.

In order to build on the success of these more modest circuit rider programs and to address the great need expressed by the communities for technical assistance, I am expanding my Administration’s efforts in the Delta communities of Arkansas by creating a pilot Circuit Rider program to provide, for the first time, a concentrated and coordinated effort by fourteen federal agencies to address needs in areas such as housing, economic development, transportation, environment, tourism, cultural resources, infrastructure technology, education, and health care. This pilot Circuit Rider program will bring the expertise and resources of the federal government directly to the communities that need assistance. Accordingly, I direct each of you to work with the Department of Agriculture as lead agency in the development of a pilot program to be based on a circuit rider concept with the goals of assisting communities (1) in identifying needs and priorities; (2) in strategic planning and goal setting; and (3) in implementing their plans, including leveraging both private and public resources. This initiative should forge a coalition of Federal, state, local, private business, non-profits, and other interested parties in meeting the unique needs of each community. The investment of resources by each agency will vary depending on the specific needs of each community but should include providing information; conducting traveling seminars; deploying staff; and staffing regional offices.

I further direct you to enter into a Memorandum of Understanding (MOU) no later than March 1, 2000 with the specifics of the pilot program, including an implementation framework and schedule; mechanisms to assemble the Circuit Rider team after receiving a community's request for assistance; and details of the types of assistance to be provided. This MOU should establish the Arkansas Delta communities Circuit Rider pilot program for a minimum period of five years in order to assist communities in addressing both long-term and short-term needs.

As we look to the new millennium, we should make every effort to ensure that no areas of this country are left behind. This pilot project, taken together and in full coordination with the other resources devoted to community and economic development, will help to build capacity in the communities of the Arkansas Delta and will empower the area's residents to achieve their full potential.

WILLIAM J. CLINTON



ההסתדרות הציונית העולמית  
World Zionist Organisation

הסוכנות היהודית לארץ-ישראל  
The Jewish Agency for Israel



Sallai Meridor, Chairman of the Executive

שלי מרידור, יו"ר ההנהלה  
כ"ג כסלו תשי"ט  
02 December 1999

The Honorable William Jefferson Clinton  
President of the United States  
The White House  
Washington, D.C.  
USA

THE PRESIDENT HAS SEEN  
12-8-99

Dear Mr. President,

On behalf of the Jewish Agency for Israel, the global partnership of the Jewish People with Israel, I wanted to thank you personally for your invaluable assistance in bringing the Jewish students from the Ukraine to study in Israel. Without your active involvement, it is very likely that the students would still be in the Ukraine.

The relationship between the American people and the Jewish people and Israel is based on common values and true partnership. This bond made possible the freeing of Soviet Jewry and is essential for Israel's future. We salute your leadership in deepening and enhancing this special partnership.

While the children have arrived in Israel and the immediate crisis has been resolved, the long-term problem still awaits a solution. The education agreement, within which we are operating these programs, has not yet been extended by the Ukraine. Without this, our regular efforts to enlist candidates for this coming year programs which are expected to commence this month, may be again confronted with the kind of harassment we faced this year.

We trust that we can count on your continued personal leadership and the cooperation of the American government in ensuring the right of all Jews to reconnect with the Jewish people and to come to Israel.

Best wishes to you and Hillary for a happy and healthy, successful new year of accomplishments.

Yours,

Sallai Meridor

02-6202000 :פקס 02-6202000 :טל 02-6202000 :פ.ד.ב.  
P.O.B. 98 Jerusalem 91000, Tel. 02-6202000 Fax: 02-6202432

Family  
need ngy  
Surreal back up (Kubana)  
Tz

copied  
Bergin  
Nsc WWD  
Podesta

*Ornish  
Jest*

## Preventive Medicine Research Institute

A non-profit public institute dedicated to research, education, and service

Dean Ornish, M.D.  
Founder and President  
Preventive Medicine Research Institute  
Clinical Professor of Medicine  
School of Medicine, University of California, San Francisco  
900 Bridgeway, Suite 1, Sausalito, California 94965  
phone: 415/332-2525 x222; FAX: 415/332-5730  
e-mail: DeanOrnish@aol.com

*Good advice  
to try  
cc C. Jennings  
HRC*

November 19, 1999

TO: ~~President Bill Clinton~~  
The White House

FROM: Dean Ornish, M.D. *Dean*

I met earlier today with Jeff Arnold, the CEO of WebMD. We may be working together.

He mentioned that you had dinner together and you were interested in low carbohydrate diets. Enclosed please find an essay (well, a rant) that will be published in *Newsweek* in a special issue on obesity scheduled to come out in January.

As always, I appreciate the opportunity to be of service to you. Please call me if you have any questions or would like any additional information.

I look forward to seeing you on November 30<sup>th</sup> at a luncheon at the Hambrecht's that you are scheduled to attend. In the meantime, Molly joins me in sending our love and best wishes to you and Hillary.

*12-8-99*

cc: Mrs. Hillary Rodham Clinton

*12/8/99*

*S—  
After you have seen,  
we will send to  
Burkhardt —*

*copied  
Jennings  
HRC  
Podesta  
Burkhardt  
(original for  
reply)*

## CAN YOU REALLY EAT MORE AND WEIGH LESS? STATEMENT OF LOW-CARBOHYDRATE, HIGH-PROTEIN DIETS

Having seen what a powerful difference changes in diet and lifestyle can make, it makes me want to pull out what's left of my hair when I see the renewed interest in high protein, low carbohydrate diets that may harm you or even kill you. These diets have been around for a long time--they were first popularized by an undertaker in the 1800's. Maybe he needed more business.

This week, all four of the bestselling books on *The New York Times* list recommend these diets. Telling people that eating pork rinds, steak, and sausage is good for you is an excellent way to sell books, but it is irresponsible and dangerous for those who follow their advice. I would like to be able to tell you that these are health foods, but they're not. But there is a way to lose even more weight while eating great foods in abundance.

Here's the real skinny on fat:

There is a large body of scientific evidence from epidemiological studies, animal research, and randomized controlled trials in humans that high protein foods, particularly animal protein, dramatically increase the risk of breast cancer, prostate cancer, heart disease, and many other illnesses. In the short run, they can cause kidney problems, loss of calcium in the bones, and an unhealthy metabolic state in many people. Not to mention bad breath and impotence.

In contrast, fruits, vegetables, grains, and beans contain literally thousands of other substances that are protective, having anti-aging, anti-cancer, and anti-heart disease properties. These include fiber, isoflavones, carotenoids, bioflavonoids, retinols, lycopene, genistein, on and on.

Yet many people do lose weight on high-protein diets, and cholesterol levels may even decrease. How can this be?

*The important distinction to make is between simple carbohydrates and whole foods, also called complex carbohydrates. The dangerous half truth is this: simple carbohydrates cause you to gain weight, but complex carbohydrates help you lose weight. The goal is not to switch from simple carbohydrates to meat but from simple carbohydrates to whole foods.*

Simple carbohydrates-- sugar and other concentrated sweeteners, and alcohol, which your body converts to sugar-- are absorbed rapidly, causing your blood sugar to rapidly increase. White flour (including foods like white flour pasta) and white rice are also absorbed quickly, because the fiber and bran have been removed. In response, your body secretes insulin to lower your blood sugar levels to normal. However, chronically elevated insulin levels also accelerate the conversion of calories into fat, raise your cholesterol level, and have other harmful effects. Over time, like the boy who cried wolf, the insulin receptors say, "Oh, not more insulin!" and become less sensitive to its effects.

The high-protein authors say avoid all carbohydrates and eat high-protein foods because these are less likely to provoke an insulin response. This is not smart.

Whole foods (complex carbohydrates)--whole wheat, brown rice, and fruits, vegetables, grains, beans, and soy products in their natural form--are rich in fiber, which slows their absorption. Because they are absorbed slowly, your blood sugar does not spike and so your body does not need to produce elevated levels of insulin. Instead of the rapid swings in blood sugar, you get a more constant source of energy throughout the day. You become more sensitive to insulin; even diabetics often can reduce or discontinue insulin when they eat a low-fat, whole foods diet. Even white flour pasta is OK in moderation if you eat it with lots of veggies or legumes on top. The fiber from these foods will slow the absorption.

An article in last week's *Journal of the American Medical Association* reported conclusively that high fiber diets lower insulin levels. (Meat has virtually no dietary fiber.) Last week, the American Dietetic Association condemned high-protein diets as being dangerous, calling it "a nightmare of a diet."

So, why do some people lose weight on the high protein diets? Because most people in this country eat so many simple carbohydrates that when they stop eating them, they lose weight. There is a lot of room for improvement--a recent study showed that one-third of the vegetables eaten are either French fries or potato chips. But they're mortgaging their health in the process.

If you switch to a whole foods, low-fat diet, then you don't provoke an insulin response, so you get the insulin benefit similar to being on a diet high in animal protein without the many harmful effects. Also, you are eating whole foods that are much lower in fat and cholesterol, so you lose even more weight than on a high-protein diet and your cholesterol levels come down even further. In our studies, for example, we found a 40 percent *average* reduction in LDL-cholesterol without using drugs.

You can lose weight on just about any diet. Keeping it off is a lot harder. A few years ago, the government reviewed all of the different weight loss plans. They found that the two-thirds of people gained back all of the weight they lost within a year, and 97% gained it all back within five years.

In contrast, my colleagues and I at the non-profit Preventive Medicine Research Institute published our findings in the *Journal of the American Medical Association* and other well-respected peer-reviewed journals. We found that the average person lost 24 pounds in the first year and kept off more than half that weight five years later, even though they were eating more food, and more frequently, than before. Without hunger or deprivation. Simply. Safely. Easily. They not only *felt* better, they *were* better. We also found that they had even more reversal of heart disease after five years than after one year, and 2.5 times fewer cardiac events such as heart attack, stroke, bypass surgery, and angioplasty. The more closely people followed the program, the better they were.

Most weight loss plans are based on deprivation: counting calories, restricting portion sizes, and eating less food. Sooner or later, people get tired of feeling hungry, so they get

off the diet, regain the weight, and usually blame themselves for not having enough discipline, willpower, or motivation, when the real problem is that they were going about it in the wrong way.

Here's a better way: if you change the *type* of food, you don't have to reduce the *amount* of food. Fat has nine calories per gram whereas protein and carbohydrates have only four calories per gram. So if you go from a 40% fat diet to a 10% fat diet, even if you eat the same amount of food, you consume far fewer calories. You feel better and you become healthier. You really can eat more and weigh less if you know what to eat.

In short, when you switch from a meat-based diet high in simple carbohydrates to a whole foods, plant-based diet, you get a quadruple benefit:

- the high fiber content of fruits, vegetables, grains, and beans reduces insulin levels, so you lose weight and lower cholesterol levels;
- when you eat less fat, you eat fewer calories without eating less food;
- you avoid the animal-based products rich in substances that cause illnesses; and
- you get thousands of other substances that are protective.

To the best of my knowledge, none of the high-protein diet authors have ever published any studies in any peer-reviewed journals documenting that their approach can help people lose weight and keep it off. Part of the value of science is to help distinguish fact from fancy, what sounds good from what is real. I'm not here to tell you what to eat; just to provide scientifically-based information so that you can make more informed and intelligent choices.

If you eat a low fat diet based on whole foods, you are likely to lose even more weight than on a high protein diet, your cholesterol levels may come down even more, and you will feel better, look better, taste better, and smell better. It's not all or nothing—the more you move in this direction, the more benefits you receive. And you will significantly reduce the risk of heart disease, cancer, and other illnesses rather than increasing it. You can lose weight and gain health.

Dean Ornish, M.D.  
Clinical Professor of Medicine  
University of California, San Francisco  
President & Director  
Preventive Medicine Research Institute  
Sausalito, California  
November 5, 1999  
cell phone: 415/990-1081



DETERMINED TO BE AN ADMINISTRATIVE

MARKING INITIALS: NJ DATE: 2/5/20

2019-0990-5

---

# Preventive Medicine Research Institute

## Personal & Confidential

---

**To:** President Bill Clinton  
c/o Ms. Nancy Hernreich

**Company:** The White House

**Phone:** 202/456-6610

**Fax:** 202/456-6703

**From:** Dean Ornish, M.D.

**Company:** Preventive Medicine Research Institute

**Phone:** 415/332-2525 x222

**Fax:** 415/332-5730

**Date:** 11/19/99 3:37 PM

**Pages including this  
cover page:** 5

### Comments:

Hi, Nancy—

As always, I would be grateful if you would please forward this to President Clinton.  
I'm sending a copy to Mrs. Clinton via Ann McCoy.

Thank you so much.

~~cup  
hus  
ser~~

Dr. Dean Ornish sends his article about low carbohydrate diets that will be published in *Newsweek* in January. He looks forward to seeing you at the Hambrechts'.

THE PRESIDENT HAS SEEN

12-8-99

B A Y S F

Buenos Aires Yoga School Foundation

45 Wall Street # 2114  
New York, NY 10005  
Tel.(212)968.7697  
Fax.(212)269.9819  
baysfny@aol.com

PMB 261 - 1220 L Street, NW  
Washington, DC 20005-4018  
Tel/Fax. (703)641.8743  
Tel. (202)801.4803  
baysfdc@aol.com

December 7<sup>th</sup>, 1999

**President William J. CLINTON**

President of the United States of America  
The White House  
Washington, DC 20500

Dear Mr. President,

I would like to thank you and your staff, especially Scott Busby of the NSC, for all the time dedicated to monitoring judicial corruption in Argentina and attempting to end the seven-year persecution of the Buenos Aires Yoga School (BAYS).

As you know by now, BAYS is an Argentine based educational and training institution that investigates human development through the study and application of western philosophy. It has become the main philosophical phenomena of the century. It has found the answers to the problems of human kind and that is the reason why it is being persecuted. This persecution arises because its members are philosophers.

Mr. President, you are currently the foremost philosopher in the world of politics, it is your duty and your right to become one of the immortals of humanity; please help BAYS display the philosophical values which have always been ranked number one in the world's concerns. Philosophy is moribund, by helping BAYS you could succeed in making it possible for philosophy to again rule over the demented human race.

Thank you again for your attention to this issue.

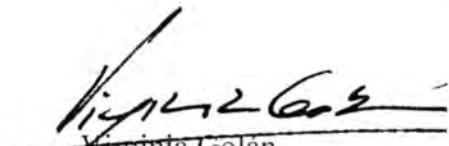
Sincerely,

12/8/99

Copied  
Podesta  
NSC (Original  
for reply)

See

After you have  
seen, we will  
send original to NSC.

  
Virginia Golan  
Director of Human Affairs

Car

WSC-?  
new Regy  
BC

12-8-99

**The Honorable William Jefferson Clinton**  
President of the United States of America  
1600 Pennsylvania Av., NW  
Washington, DC 20500

24-Prunk  
VyBElles  
CTS

Copied  
Moore  
Podesta  
Burkhardt  
(original for  
reply)

THE PRESIDENT HAS SEEN  
12-8-99

~~Amigo~~  
Fyl

Bz

- No ty for Elizabeth

Bz

12/8/99

After you have seen,  
we will send to  
Burkhardt —

C.

215-335-0100  
FAX 215-333-4146

*De-146*  
*De-146*



**PENNSYLVANIA CONFERENCE OF TEAMSTERS**

**JOHN P. MORRIS**

**PRESIDENT**



2833 COTTMAN AVENUE  
PHILADELPHIA, PA 19149

# PENNSYLVANIA CONFERENCE REPORT OF TEAMSTERS



*Serving 140,000  
Teamsters members and  
their families in  
Pennsylvania, Southern  
New Jersey & Delaware*

## **OFFICERS**

JOHN P. MORRIS  
*President*  
ROBERT J. EWANCO  
*Secretary-Treasurer*  
JOHN J. JACKSON  
*Vice President*  
WILLIAM D. GROSS  
*Recording Secretary*  
WILLIAM E. LICKERT, JR.  
PAUL CARDULLO  
*Trustees*

## **DIRECTORS**

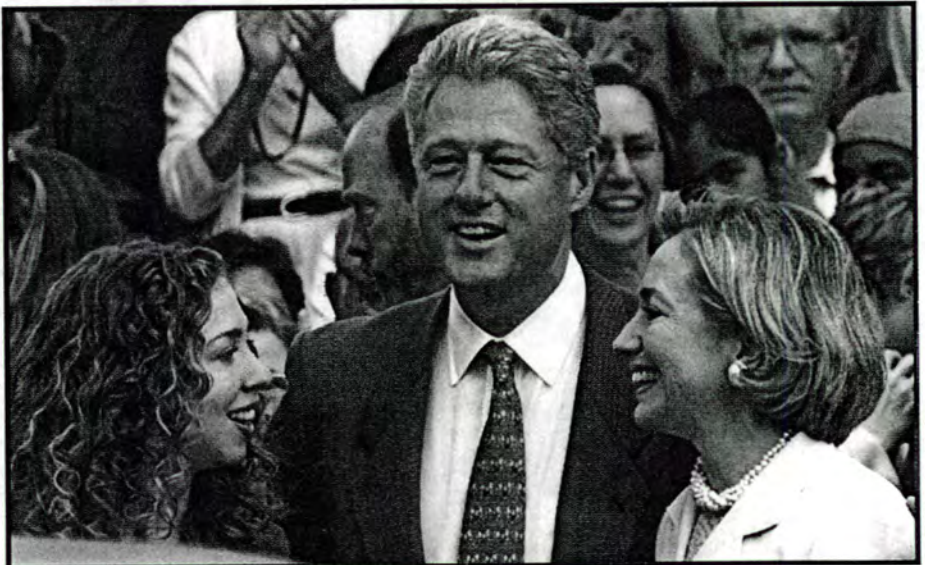
DONALD E. DEIVERT  
RONALD KISTLER  
JOHN LAIGAIE  
JOHN E. MATTY, JR.  
RONALD MILLER  
JOSEPH A. MOLINERO  
MICHAEL J. YAGERCIK  
JOSEPH YEOMAN

## **CONFERENCE REPORT**

is the official voice of  
The Pennsylvania Conference of  
Teamsters

JOHN P. MORRIS  
*President*  
ROBERT J. EWANCO  
*Secretary-Treasurer*  
TIMOTHY P. O'NEILL  
*Legislative Lobbyist*

**A MESSAGE OF  
THANKS AND SUPPORT  
from TEAMSTERS FAMILIES  
to the CLINTON FAMILY!**



© AP/Wide World Photos

**In times of crisis,  
you quickly learn who your friends are.  
Last summer, the Teamsters at UPS  
faced a crisis, and we found out  
WE HAVE FRIENDS IN THE WHITE HOUSE!**

# THANK YOU PRESIDENT CLINTON!

During the intense and heated UPS contract negotiations, UPS feared the possibility of a nation wide strike. UPS knew it could not withstand the united strength of the Teamsters. So it began a campaign of political pressure and propaganda against President Bill Clinton.

Continued on page



UPS package car driver & Local 912 member Carlos Gorostieta and his wife Elizabeth, daughter Linda & twin sons Alex & Daniel (above) applaud the President!



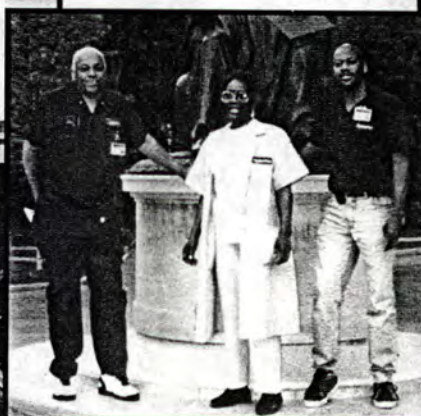
Pictured above, 25 year Teamsters Local 623 member and employee of UPS, Howard Treondle and his family (wife Dorothy and daughters Tanya, Wynia and Victoria Ann) appreciate the support the President gave them.



Local 676 Steward Abe Cama and his family (above) agree with Local 115 member Elizabeth Quarterman & her children Andrea, David & Deborah Evans (left), that Pres. Clinton did the right thing in our UPS strike. Larry O'Boyle (Local 229) and his sons Larry and Tim (below) know that the President's stand against big business gave them a more secure future!



What better way to say thanks than with a photo — so the Executive Board of Teamsters Local #250 in Pittsburgh, PA did just that.



Rev. Fred Brooks, his wife Jessamay and son Fred, Jr. are proud members of Local 115 who thank the President for his help.



# THANK YOU PRESIDENT CLINTON!

*Continued from page 2*

UPS had 1.3 million customers write to Clinton and members of Congress urging that he invoke the 90-day cooling off period under the Taft-Hartley Act before the Teamsters could strike. UPS and its supporters in corporate America knew that the imposition of a cooling off period would disrupt the timing of the Union's strategy.

But President Clinton understood that any cooling-off period would interfere with the balance of power between management and labor. A strike is won through power and timing, and for the Teamsters, the timing of the UPS strike was superb. August is a critical month; the back-to-school season begins in August. The furniture season starts August 1 for Thanksgiving, and the Christmas season represents 45 to 50 percent of all profit on retail, catalog, and mail order sales. Had Clinton interrupted the time table and delayed the strike for 90 days, the IBT strategy could have been smashed like a plate hitting the floor.

From the time of its passage, the Taft-Hartley Act was recognized as a tool for union-busting. Passed in 1948, President Harry Truman called it "a shocking piece of legislation...bad for labor, bad for management, bad for the country." And, legendary Mineworkers leader John L. Lewis called the law the "Slave Labor Act."

Other presidents have used the Slave Labor Act to break strikes. Margaret Thatcher smashed unions using England's laws and judicial system against workers. And we all remember that Ronald Reagan fired the air traffic controllers and then Congress named the Washington, D.C. airport after him.

It has been a long time since working Americans and their fami-

lies had someone in the White House who actually fought for them. Not since the days of Eleanor Roosevelt, who was vilified for her pro-family and pro-civil rights activities, have we had a President and First Lady who fought to protect our families.

Now, President Clinton and First Lady Hillary Rodham Clinton have stood up to Big Business and other groups that want to bus unions, particularly the Teamsters, and drag our families' standards down to third world levels.

## But they have paid the price.

When Senator Taft was leading the attack against President Truman to pass the Taft-Hartley Act, he said, "The only way to handle Truman was to **hit** every time he opened his mouth." Sound familiar? That's just what is happening to Clinton today.

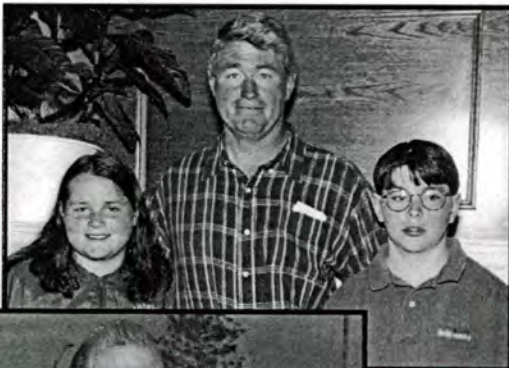
*Continued on page 6*



New Local 429 member Ralph Zezenski (above) and his family thank the Clintons.



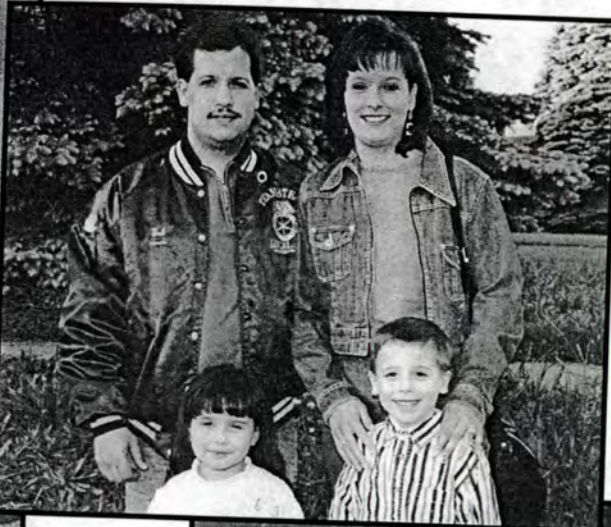
Xay Lam from Local 115 wants to thank the President for his help!



These members of Teamsters Local 25 in Boston join the union families across the country who appreciate the stand the President took on their behalf. Shown are Rich Pragnell (left), a driver for UDF Red Star and his son Christopher; Steve Corcoran (above left), driver for Star Market, with daughter Ashley and son Steve; Kevin Rogers (above right), steward at Star Market Warehouse, with wife Barbara and son Jeffrey; and Ken Powers (right), Airborne Express Driver, with wife Barbara, Elizabeth (back row center) and quintuplets Lauren, Stephanie, Brendan and Kenny.



# OUR FAMILIES THANK YOU



## First Lady's

Pennsylvania Teamsters have a special reason to be proud of **Hillary Rodham Clinton**. Her family has strong roots in Pennsylvania.

The First Lady's father, Hugh Rodham, was raised in Scranton and played football at Penn State University. After graduation, he worked at the Scranton Lace Co.

Hillary and her two brothers were baptized at the Court Street United Methodist Church.

# FAMILY, PRESIDENT CLINTON!



## Roots in Pennsylvania

Although Mr. Rodham eventually became a successful businessman in Chicago, he always considered Scranton home. The family respected Mr. Rodham's great devotion to his hometown by holding his funeral at the Court Street Church. He is buried at the Washburn Street Cemetery, and his funeral luncheon was held at Cooper's Seafood House.

Through her many appearances in Pennsylvania, Hillary Clinton has always demonstrated a unique fondness for the state in which her family is so deeply rooted. ■



# THANK YOU PRESIDENT CLINTON!

*Continued from page 3*

Both the President and Mrs. Rodham Clinton have been scandalously attacked in Congress and in the press. The Clintons are barraged with subpoenas, rumors, leaks and innuendo by forces bent on destroying Clinton's presidency and his family. They face a never-ending struggle against investigators and prosecutors. They shouldn't have to suffer this constant intrusion into their lives which so far has produced nothing of substance and amounts to nothing but political harassment of the President, his wife and daughter.



*Local 470 member Bill Reece Jr., his wife Donna & their two children Raeonah & Kevin (above) and Local 929 member Rocky Bryan & children (below) tell the Clintons "You aren't standing alone...we're with you!"*

What is especially outrageous is the treatment of Hillary Clinton. No wife of any government official should have to put up with the total disregard and disrespect with which the First Lady is being treated. To date, the First Family has handled the pressure with dignity and grace. But they need to know that they are not standing alone.

For his courageous stand against UPS and corporate America and for his critical support in our victory, President and Mrs. Clinton have earned the support and respect of the Teamsters and their families.

The Clinton family stood by our families in our time of need. With our families, we now pledge our support to the Clintons. We



*Warren Schueler, Jr. of Local 326 in Middletown, DE, and his family appreciate the Clintons' support!*

especially want to stand behind the First Lady, who has close connections to Pennsylvania. Her family came from Scranton, and her father was recently buried in his hometown. Members of her family worked alongside the family of many Pennsylvania Conference members in the mines, factories and steel mills of northeastern and central Pennsylvania. Through her working class roots and strong family ties, the First Lady can relate to the daily struggles that our families face.

As Teamsters, we understand what it means to be under attack from Big Business and other outside forces with a twisted political agenda. Corporations, right-wing forces in Congress, and retired federal judges who never worked a day in their lives have launched an attack on the IBT in an effort to control or destroy the largest union in America.

Those forces who are unfairly persecuting the Clintons and the IBT are multimillionaires who have no sympathy whatever for either the Clinton family or ours.

Instead of using the federal courts to protect workers, these retired federal judges are using the courts to smash the IBT, an institution which has done much for America's working families.

These same judges turn a blind eye to organized crime which flourishes mainly because the Mob supports the rich and their interests. And the rich, in turn, support the judges, Senators and Congressman, FBI, Department of Justice and the NLRB, all of which protect the interests of the wealthy.

A French government official expressed his views on this situation, "noting that the U.S. was once a shining example of democracy...and now it's sliding into a police state!" It's too bad the deluded enemies of the Clintons and the IBT cannot see how foolish and petty they look to the rest of the world.

Families stick together, and no group is stronger than the Teamsters and their families. President Clinton and his family stood up to the entrenched anti-worker, anti-family interests for us and all American workers and their families. Now we are compelled by our sense of decency and fairness to come to the aid of the Clinton family.

*Continued on page 8*

# THANK YOU PRESIDENT CLINTON!



*The Connollys — John, Susan, Nicole, Caitlin & John & their cousins Jimmy & Jenny Arena & Marissa Gleason — appreciate what the Clinton family did for their family!*



*Local 630's Raul Rodriguez, Jr. who works for Certified Grocers, and his family from Victorville, CA thank the Clintons for their help!*



*Greg Eheret, a 10-year member of Allentown's Local 773 who works for UPS in Bethlehem, PA, joins his family in thanking Pres. Clinton for his help last year.*



*The Colveris, proud members of Local 429 in Reading, also thank the President and his family for their support.*



*Local 331 member David Reese (who works for UPS in Atlantic City) and his family also thank the President for his support.*



*Local 636 Trustee Tony Pockey and his family (above) know that Pres. Clinton saved our UPS strike — and thank him for it! A Teamster family for three generations, the Gillins (left) from Local 628 in Philadelphia know that their daughter Judith & new son-in-law David have a more secure future thanks to Pres. Clinton .*

# THANK YOU PRESIDENT CLINTON!

*Continued from page 6*

**President and Mrs. Clinton, the Teamsters and their families thank you for standing up to Big Business, for standing by our Union, and for saving our UPS jobs. As you stand up to unfair, unwarranted attacks, know that the Teamsters and their families are standing with you and your family. We will do everything we can to support you and your family, as you supported us! ■**

*Local 623 UPS driver Antonio Ginet, his wife Zoraida and sons Christopher and Ryan are grateful for the President's help.*

*Wayne, Ricky and Ivane Huynh (below) of Local 115 also send their thanks to the Clintons.*



*These families, shown attending Local 250's annual picnic earlier this year, say "Thanks!" to the Clintons.*

## PENNSYLVANIA CONFERENCE OF TEAMSTERS

AFFILIATED WITH THE INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS

2833 COTTMAN AVENUE  
PHILADELPHIA, PENNSYLVANIA 19149



THE PRESIDENT HAS SEEN

12-8-99

THE WHITE HOUSE

WASHINGTON

December 6, 1999

'99 DEC 6 PM 6:54

MEMORANDUM FOR THE PRESIDENT

FROM:

NEAL LANE

*Neal*

SUBJECT:

Mars Polar Lander: Next Steps

I spoke with Dan Goldin this afternoon on the Mars Polar mission. There is still an outside possibility that NASA may yet contact the lander during a communications pass between 3:00 a.m. and 4:00 a.m. (EST) tomorrow.

If this last attempt is unsuccessful, Dan will announce a review which will include outside, independent experts to determine what went wrong and how to fix it in the future. Similar to the launch vehicle failure report we recently completed with the Department of Defense, the NASA review will examine whether there are any systemic process problems that cut across NASA's space science program.

I will keep you apprised of any significant new developments.

cc: The Vice President  
The Chief of Staff

*Copied  
Lane  
Podesta*

*Handwritten signature*



BLACKSTAR, INC.

2727 North Ocean Blvd.  
Suite A-506  
Boca Raton, FL 33431  
(561) 368-6636  
Fax: (561) 368-6637

September 27, 1999

The President  
The White House  
Washington, D.C.

Dear Mr. President:

I am writing to thank you for the wonderful privilege of having sat next to you at dinner on Friday evening, September 24, 1999, at the home of the Cogards. During your speech you said something that I will use as a personal guide as I confront life's day-to-day challenges. You said, "it doesn't matter how much they have (referring to the Republican National Committee's war chest for the upcoming presidential election) as long as we have enough." Your statement rang true not only for Democrats, but also for everyone who has ever felt a little small, a little inadequate, a little out of place. I will share that statement with family, friends and anyone who needs reassurance that you don't have to have everything to win or to be okay, you just need to have enough -- a modern day rendition of David and Goliath.

Thank you again. If I can ever be of service to you, the Presidency, the Democratic Party or the country, know that your call will get my prompt response.

Respectfully,

John E. Oxendine  
Chairman & CEO

JEO/ja

cc: Beth Dozoretz, National Finance Chair  
Democratic National Committee

P.S. I also want to give a special thanks to Berth Dozoretz for giving me the opportunity to see and experience how truly important the Democratic Party is for all Americans.

*Copied  
incoming  
letter to  
McAuliffe*

*cc'd letter to  
Bernie McAuliffe*

SEP 30 1999

## **JOHN E. OXENDINE**

**Owner, President & CEO  
Blackstar, Inc.**

**Owner, Chairman & CEO  
Broadcast Capital, Inc.**

John E. Oxendine is President and CEO of Blackstar, Inc., a Florida corporation established in June 1998 to provide consulting services and explore entrepreneurial investment opportunities in the communications industry.

In January 1999, Mr. Oxendine purchased 75% of the stock of Broadcast Capital, Inc. ("BCI"), a Small Business Investment Company that was formerly a non-profit subsidiary of Broadcast Capital Fund, Inc. ("BCFI"). BCI was converted to a for-profit entity with BCFI holding 25% of the stock. BCI has an investment portfolio of approximately ten (10) radio stations nationwide.

Mr. Oxendine was also the Founder and Chairman of Blackstar Communications, Inc., incorporated in 1987, which had as its principal business the acquisition, ownership and operation of commercial television stations. Blackstar Communications, Inc. acquired its first two television stations in a simultaneous closing on April 20, 1988: WMOD-TV, Ch. 43 (which later became WBSF), Melbourne, Florida (Orlando-Daytona Beach, Melbourne DMA) was acquired from Press Broadcasting and KHSP-TV, Ch. 22 (which later became KBSP-TV), Salem, Oregon (Portland DMA) was acquired from Home Shopping Network ("HSN"). A year later, in July 1989, Blackstar acquired WITH-TV, Ch. 31 (which later became WBSX-TV), Ann Arbor, Michigan (Detroit DMA) from FAB Communications. WBSF, KBSP and WBSX are affiliates of the Home Shopping Network, Inc. ("HSN").

In the Fall of 1994, Mr. Oxendine launched Blackstar, LLC, which acquired KEVN-TV, Ch. 7, Rapid City, South Dakota, and its full power satellite KIVV-TV, Ch. 5, Lead-Deadwood, South Dakota. The two stations are part of the Rapid City DMA and were acquired in a stock purchase from Heritage Media Corporation on February 7, 1996.

Both Blackstar Communications, Inc. and Blackstar LLC were sold in 1998.

From 1981-1995, Mr. Oxendine served as President of Broadcast Capital Fund, Inc. (BROADCASTCAP), a non-profit venture capital company which arranges financing for minorities to acquire radio and television stations. Under Mr. Oxendine's leadership, approximately \$17 million were committed to over 47 broadcast properties leveraging total capitalization in these companies to an amount in excess of \$79 million.

Prior to joining BROADCASTCAP in 1981, Mr. Oxendine was Assistant Chief of the Financial Assistance Division-FSLIC of the Federal Home Loan Bank Board. For a period of one year, he was also Acting Chief of the Division. His responsibilities included the management of a \$832 million portfolio of assistance agreements, negotiations with

problem savings and loan institutions and overall division supervision. From 1974 to 1979, he was an Assistant Manager at the First National Bank of Chicago, with overseas assignments in London and Mexico. From 1972 to 1974, he was with Korn Ferry Associates in Los Angeles and from 1971 to 1972, he was with Fry Consultants in San Francisco. At Korn Ferry, he established a San Francisco-based equal opportunity search group and at Fry Consultants, specialized in creating management systems for community programs in the Pacific Northwest. He also served as a management Advisor to the Bedford-Stuyvesant Restoration Corporation in New York City, and as a teacher in the New York City Public School System, where he taught and counseled underachieving and socio-economically disadvantaged youth.

Mr. Oxendine, a native of New York City, received an MBA from Harvard University, Graduate School of Business. He attained the rank of Staff Sergeant in the United States Marine Corps Reserve, working in the area of military intelligence as a Russian Language Specialist. He also served as a Peace Corps Volunteer in Santiago, Chile.

Mr. Oxendine is the recipient of numerous awards and honors, including the John Hay Whitney Fellowship while at Harvard University, and induction in the Hunter College Alumni Hall of Fame. He served on many professional and civic boards, including the Medlantic Healthcare Group (Washington Hospital Center), Family and Child Services of Washington, DC, the Interracial Council for Business Opportunity, the Minority Media and Telecommunications Council, the Monterey Institute of International Studies, The Washington Tennis Foundation, and the National Capitol Area YMCA. He also was a member of the board of HSN, Inc. (now USA Networks, Inc.), a publicly traded company. Mr. Oxendine is currently a member of the boards of the Black Student Fund and the Medical University of South Carolina. He has published articles on such subjects as minority marketing, broadcast station ownership and profit motivation. Mr. Oxendine has a working knowledge of Spanish and has studied the Russian language.

**JOHN E. OXENDINE**  
2727 N. Ocean Blvd., #A-506  
Boca Raton, Florida 33431  
Office: (202) 496-9250  
Residence: (561) 368-6636

**PROFESSIONAL EXPERIENCE:**

June 1998-  
Present                      **PRESIDENT & CEO**                      **BLACKSTAR, INC.**  
Boca Raton, FL

Blackstar, Inc. was created to provide consulting services and explore entrepreneurial investment opportunities within the communications industry.

January 1999-  
Present                      **OWNER, CHAIRMAN & CEO**                      **BROADCAST CAPITAL, INC.**  
Washington, DC

Broadcast Capital, Inc. ("BCI"), a Small Business Investment Company, was formerly a non-profit subsidiary of Broadcast Capital Fund, Inc. ("BCFI"). John Oxendine purchased 75% of BCI's stock and converted the company to a for-profit entity with BCFI holding 25%. BCI has an investment portfolio of approximately ten (10) radio stations nationwide.

September 1994-  
June 1998                      **FOUNDER, CHAIRMAN & CEO**                      **BLACKSTAR, LLC**  
Washington, DC

Blackstar LLC was formed in October 1994 with Fox Broadcasting to purchase television stations. It acquired KEVN-TV, Ch. 7 in Rapid City, South Dakota and its satellite KIVV-TV, Ch. 5 in Lead-Deadwood, South Dakota.

October 1987-  
June 1998                      **FOUNDER, CHAIRMAN & CEO**                      **BLACKSTAR COMMUNICATIONS, INC.**  
Washington, DC

Blackstar Communications, Inc. was incorporated in Delaware on October 30, 1987 and acquired its first two stations in a simultaneous closing in April 1988. Station acquisitions included: WBSF-TV, Ch. 43, serving the Orlando-Daytona Beach, Melbourne DMA; KBSP-TV, Ch. 22, serving the Portland DMA. In July 1989, Blackstar acquired WBSX-TV, Ch. 31, which covered the Detroit DMA. WBSF, KBSP and WBSX were all affiliates of Home Shopping Network, Inc. ("HSN").

## Resume of John E. Oxendine

November 1981-  
September 1995

**PRESIDENT & CEO**

**BROADCAST CAPITAL FUND, INC.  
BROADCAST CAPITAL, INC.  
Washington, DC**

Broadcast Capital Fund, Inc., and its wholly-owned subsidiary, Broadcast Capital, Inc. ("BROADCASTCAP") is a tax-exempt venture capital organization providing financing, management and technical assistance and training to minority entrepreneurs who seek to acquire and operate broadcast properties.

**Responsibilities:** Responsibilities included: (1) all investment decisions of the organization, (2) managing a diversified broadcast investment portfolio, (3) evaluating and analyzing prospective portfolio companies, (4) managing the fiscal and financial affairs of BROADCASTCAP, (5) developing and implementing BROADCASTCAP's education, fundraising and training activities, and (6) serving as both the President and Chief Executive Officer of the Corporation and as a member of the Board of Directors.

### **Specific Accomplishments:**

- Selected 47 companies which were recommended to, and approved by, the Board of Directors for commitments totaling approximately \$17 million;
- Developed a geographically diverse portfolio of 30 minority-owned companies, controlling 47 radio and television stations nationwide, and leveraging total capitalization in these companies in excess of \$79 million;
- Developed and implemented realistic "work-out" approaches to problem portfolio companies which reduced BROADCASTCAP's risk loss in these investments. Such work-out approaches involved restructuring management and financing, providing management and technical assistance, and evaluating typical lenders' remedies and options to protect investments;
- Managed and worked closely with BROADCASTCAP's portfolio companies to ensure compliance with financial and operating goals. Management of these portfolio companies exceeded the success ratio for similar venture capital companies;

## Resume of John E. Oxendine

- Established a financial and reporting system for portfolio companies to identify early warning signals of operating problems;
- Developed and implemented training programs unique to the broadcast industry, ranging from technical assistance to participating in seminars on broadcast acquisition;
- Developed a major fundraising campaign within the broadcast and insurance industries.

March 1979-  
November 1981

**ASSISTANT CHIEF**

**FSLIC  
FEDERAL HOME LOAN BANK BOARD  
Washington, DC**

The Federal Savings and Loan Insurance Corporation within the Federal Home Loan Bank Board is the agency that regulates the Savings and Loan industry.

**Responsibilities:** As Assistant Chief in the Finance Assistant Division, managed financial assistance agreements and negotiated with "problem" savings and loan associations; supervised division personnel, including case managers; had direct responsibility for the audit team and accounting group; designed and implemented information and reporting systems for case management, audit and accounting.

Also served as Acting Chief of the division for one year. In addition to supervising the division staff, during this period managed a portfolio of assistance agreements involving some \$831 million in assets. Responsibilities included approval of the sale and write-down of distressed assets, conduct of litigation, and review of operating plans.

March 1974-  
February 1979

**ASSISTANT MANAGER**

**FIRST NATIONAL BANK OF CHICAGO  
Chicago, London, New York,  
Mexico City**

**Responsibilities:** Developed an international low-cost housing financing program for senior management which included design of organizational structure, policies and procedures, as well as financing techniques. Created a management team drawn from various real estate groups within the bank.

## Resume of John E. Oxendine

Worked with the General Manager of First Chicago International Banking Corporation in New York City, designed an internal financial control system, prepared budgets and conducted the initial feasibility study for the New York foreign exchange operation in the New York City office.

Marketed Bank services to multinational customers and developed loan packages to satisfy their import/export and other financing needs while working for the Bank's Multinational Lending Group.

Directed the marketing, as well as the local correspondent banking program in Mexico City. Activities included: identifying potential customers; analyzing their financial condition; evaluating their financial needs; and preparing lending packages to meet those needs.

January 1972-  
March 1974

**SENIOR ASSOCIATE**

**KORN FERRY ASSOCIATES**  
**Los Angeles, California**

**Responsibilities:** Directed the Equal Employment Opportunity practice in the Los Angeles and San Francisco offices. Responsibilities included locating, evaluating and selecting qualified minority candidates for middle management and senior level positions in large corporations; conducting research on personnel needs and job qualifications for client corporations.

June 1971-  
January 1972

**MANAGEMENT CONSULTANT**

**FRY CONSULTANTS**  
**San Francisco, California**

**Responsibilities:** Directed the Fresno, Portland and San Diego Model Cities Management Assistance Programs for the U.S. Department of Labor. Also, designed and implemented a comprehensive financial program monitoring system for the Los Angeles Concentrated Employment Program.

December 1968-  
June 1969

**MANAGEMENT ADVISOR**

**BEDFORD-STUYVESANT RESTORATION**  
**CORPORATION**  
**New York, New York**

**Responsibilities:** Performed market feasibility and start-up needs analysis for 13 minority-owned businesses. Also assisted in developing banking relationships and preparing operating plans, budgets and marketing strategies for those new companies.

## Resume of John E. Oxendine

July 1967-  
December 1968

STAFF SERGEANT

UNITED STATES MARINE CORP

**Responsibilities:** As a Russian Language Specialist, worked in the area of military intelligence. (Active Duty, July 1967 - December 1968, and Active Reserve, December 1968 - July 1973).

October 1965-  
July 1967

TEACHER

New York City Board of Education  
New York, New York

**Responsibilities:** Taught and counseled under-achieving and disadvantaged children, with special emphasis on remedial reading and basic English.

March 1965-  
October 1965

PEACE CORPS VOLUNTEER

PEACE CORPS  
Santiago, Chile

### EDUCATION:

Harvard University  
Graduate School of Business  
MBA (Marketing Finance), 1971

Hunter College  
BA (Political Science, Sociology), 1965

Bronx High School of Science, 1959

### PROFESSIONAL HONORS/AWARDS:

Hunter College Alumni Hall of Fame, 1987  
John Hay Whitney Fellowship, 1970-1971

### BOARD MEMBERSHIPS:

Mr. Oxendine is the recipient of numerous awards and honors, including the John Hay Whitney Fellowship while at Harvard University, and was inducted in the Hunter College Alumni Hall of Fame. He served on many professional and civic boards, including the Medlantic Healthcare Group (Washington Hospital Center), Family and Child Services of Washington, DC, the Interracial Council for Business Opportunity (ICBO), the Minority Media and Telecommunications Council (MMTC),

## Resume of John E. Oxendine

the Monterey Institute of International Studies, The Washington Tennis Foundation, and the National Capitol Area YMCA. He also was a member of the board of HSN, Inc., (now USA Networks, Inc.), a publicly traded company. Mr. Oxendine is currently a member of the board of the Black Student Fund and the Medical University of South Carolina.

**PUBLICATIONS:** Published various articles on broadcast station ownership and issues on profit motivation, among others:

**Minority Marketing Problems: Serious But Solvable.**

Sound Management, Fall 1984

**Financing Broadcast Properties: SBA or Proposed Capital Bank.**

Journal of Minority Business Finance, Fall 1984

**Financing Ownership of Broadcast Properties From a Minority**

**Venture Capitalist Perspective.** National Bar Association Law Journal, Vol. XII, No. 1, Summer 1983

**The Importance of Profit Motivation and Managerial Assistance in the Development of Community Economic Development Programs.**

Duke University Law Review, Summer 1970

**LANGUAGES:** Working knowledge of Spanish; studied the Russian language.



**John E. Oxendine**  
Chairman & CEO

**BROADCAST CAPITAL, INC.**

1700 K Street, N.W.  
Suite 403  
Washington, D.C. 20006

(202) 496-9250  
Fax (202) 496-9259  
e-mail: [broadcap@aol.com](mailto:broadcap@aol.com)

# Abundance vs. need is next big moral issue

As a benchmark for the unfolding presidential race, the most interesting speech delivered during this Thanksgiving season was not by any of the candidates but a utility executive, J. Wayne Leonard, CEO of New Orleans-based Entergy Corp.

His company, which provides electricity to parts of Louisiana, Mississippi, Arkansas and Texas, has been "insensitive, if not harsh" in its bill collecting and shut-off policies, Leonard said Friday at a "Low Income Summit" organized by the utility.

Those days are now past, he declared. This Christmas, if customers can't buy their children presents and pay their electric bill, they can just call in and the company will work things out after the first of the year.

The poor are more numerous than the government admits, he said, and worse off than they were 20 years ago. And a mean-spirited society is "demonizing the poor in the most shameless way possible."

"We are fighting a war we claim to be on the undeserving, the lazy, the immoral. But, fact is, it's largely a war fought against children and the disabled," said Leonard, who announced a list of company initiatives to help the poor.

Leonard became more interested in the plight of his poorer customers after accompanying President Clinton on his New Market Initiatives tour of the Delta region last July, according to company spokeswoman Carol Clawson.

There's a man-bites-dog quality to a utility executive telling people not to worry overmuch about their bills, but there may also be some business logic at play as well.

Texas and Arkansas have already passed legislation opening electric utilities to competition, and some of the areas served by Entergy are among the poorest in the country. In the company's service area, residential customers who struggle to pay their bills may be a more enduring base than industries that move away.

But it's not Leonard's motives that are important here, but the way his remarks frame the political debate that begins in earnest after the cranberry sauce is put away.

This presidential campaign is about the politics of abundance — both our impatience to share in it and our nervousness about what it masks.

Leonard would have no basis for his comments if the plight of low-income citizens weren't a lot



ON POLITICS

TOM BAXTER

e-mail: tbaxter@ajc.com

worse than portrayed this year on the presidential campaign trail — and in his service area, it is. But it's also likely he wouldn't be able to cut his customers such slack were it not for the era of falling costs and rising profits American business has been enjoying.

Most of the candidates attempt in one way or another to address how to use the current largesse to rectify our shortcomings.

"Now is the time, when the sun is shining, to fix our roof, not to wait until a rainy day," former Sen. Bill Bradley told voters last week at the United Jewish Federations conference in Atlanta.

For all the talk about divvying up the budget surplus, Republican Gary Bauer said Tuesday, "I'm not sure that's getting at what most people are worried about. They want to know why so

many terrible things seem to be happening in a country that has so much wealth."

Sooner or later the poor have to pay their electric bills, but they don't have to vote. None of the candidates would address the country's problems in the stark terms Leonard did. But the conditions that make such a remarkable speech possible set the terms for the race ahead.

Guns

Fgt - I showed  
as a nice letter  
on this — Be

12-8-99

Copied  
Spending  
Podesta  
Berckhardt  
(original  
for reply)

MACK McLARTY

Dec. 4/85

~~Mr. President,~~

This Article is with your perusal.

Wayne Leonard, CEO of Entergy, gave  
a "Bannbunnen" of a speech as reported by the  
Atlanta Constitution which is outside of Entergy's  
service area as you know.

As importantly, note the highlighted paragraph  
regarding your influence on him. Just one more  
over →

Example of the results (Large and small,  
historic and more ordinary But important)  
You have achieved as a President who  
gets up every day and goes to work for  
the American people.

Personality —  
W. J. F.

12-1-99  
THE WASHINGTON POST

David S. Broder

# Clinton's Two Triumphs

When historians write of Bill Clinton's presidency, they may stop with the personal scandal that led to his impeachment. But if they go beyond that, my guess is that they will focus on two years—1993 and 1999—and two topics, taxes and trade.

The best claim that can be made for Clinton as a significant, positive force for the nation lies in his willingness to fight the Republicans on taxes and his own party, the Democrats, on trade. On both issues, he has defied the odds and, to a large extent, succeeded.

In 1993, he managed to push through Congress, over unanimous Republican opposition, a budget that raised taxes on upper-income Americans, expanded tax breaks for the working poor and, most important, began to slice away the mountainous deficits he had inherited from the Reagan-Bush years.

In that same year, he lobbied successfully for congressional approval of the North American Free Trade Agreement (NAFTA), bucking determined opposition from the leaders and most members of his own party in the House and Senate.

Those two measures contributed greatly to the near-record run of prosperity this country has enjoyed this decade. And they made it possible for the world to cope with repeated economic challenges—in Asia, in Russia, in Mexico and elsewhere—that otherwise might have set off an international financial crisis.

The two landmark measures of 1993 also unleashed market forces and political changes that are reflected in the two signal events of 1999—the rejection of a Republican plan for a massive, across-the-board tax cut and the accession of China, the world's largest nation and one of its fastest-growing economies, into the open system of international commerce regulated by the World Trade Organization (WTO).

Because of these victories, Clinton can legitimately speak this week to the WTO's conclave in Seattle, launching a new round of barrier-lowering trade negotiations, as a leader whose tenure has advanced the economic well-being not only of his own people but of the world's population.

To be sure, important issues remain. Clinton faces another tough battle in Congress next year for approval of legislation that will permanently grant normal trade relations to China, a precursor to its formal admission to the WTO. And the "Millennium Round" of trade talks being launched in Seattle likely will not conclude until his successor has been elected. Finding ways to include labor protections and environmental standards in the code of international commerce will test the ingenuity of America's negotiators.

But the distance we have traveled in the debates on both taxes and trade since Clinton took office is remarkable. Recall that he was able to pass his first budget—in a Democratic-controlled Congress—by only a one-vote margin in both the House and Senate, because even a modest increase in the marginal tax rate for top-bracket earners was so controversial that many politicians were afraid of the consequences. Republicans argued, with seeming sincerity, that it would cause a recession, and many Democrats feared they might be right.

As Jonathan Chait points out in an important article in the Dec. 6 issue of the fortnightly magazine the *American Prospect*, the bodeviling question of 1993, whether the lowering of interest rates by "the Fed and the bond market [can] overcome the effects of tight budgets, is no longer in doubt, and therein lies the great transformation of liberal economics." Because Clinton (with major help from Robert Rubin and Alan Greenspan) demonstrated the potency of combining a tight fiscal policy with an easier monetary policy, we now have economic growth, budget surpluses, low unemployment and minimal inflation all at the same time.

The Republican majority's effort to reverse that policy by passing a big tax cut fell flat this year. In the forthcoming issue of the Heritage Foundation's *Policy Review*, conservative economist Bruce Bartlett argues that "the tax revolt is dead in America—and for perfectly rational reasons," namely, wealth is rising in a period of sustained economic growth and the increased progressivity of the tax structure means it is mainly those with wealth who are paying the additional taxes.

There has been a similar transformation in the politics of trade. Except for Pat Buchanan, every presidential candidate is running as an advocate of reducing international barriers and expanding world commerce. The protesters in Seattle are a healthy reminder that the benefits of free trade must be weighed in human terms, not just increased profits, but the course for the future seems clearly set. That, too, is part of Clinton's healthy legacy.

# The Washington Post

SUNDAY, DECEMBER 5, 1999

Inside: Book World, TV Week,  
The Post Magazine, Comics  
Today's Contents on Page A2  
\$1.50

## THE NAMES OF THE DEAD,

1993-99: Josephine Gaines ■  
Marjorie Haas ■ Earl Veit ■  
Donzer Ray Fonville ■ Marie  
Dickens ■ Vernon Brown ■  
Dora Mae Christian ■  
Deborah Lynn Key ■ Theodore  
Turner ■ Ruth Mae Boaze ■  
Richard Smallwood ■ Cheryl  
Ann Bush ■ Patrick Wyman  
Dixon ■ Robert Allen Watts ■  
Nancy Williams ■ Joanne  
Marie Curtain ■ Alonzo Fouch  
■ Helen Andrews ■ Calvin  
Nielson ■ Joyce King ■  
Richard Julius Braddy ■  
Joshua Brooks ■ Viola Tillyer  
■ Ernest Durity ■ Kevin Paul  
Turner ■ Marguerite  
Spauldino ■ Bruniera Dela  
■ Steven  
Gobble ■  
■ Isaac Li  
Male, full  
Daniel Bei  
Reginald L  
McCuilliers  
Lawrence  
■ Harris ■ Ph  
Female, ful  
David Abne  
Sellows ■ D

David Wyatt ■ Full name  
unknown ■ Peter Chipouras ■  
Grace Marie Arnold ■ Antonio  
Silva ■ Eugene Robinson ■  
John Wesley Hanna ■ Clara  
French ■ Levander Johnson ■  
Unknown female ■ Male, full  
name unknown ■ Eduardo  
Echaves ■ Kenny Holmes ■  
Female, full name unknown ■  
Female, full name unknown ■  
Emma Williams ■ Cassandra  
Cobb ■ James Henry Wilson ■  
Henrietta Green ■ Kenneth  
Arnold Gavin ■ Denise Allison  
Smith ■ Steve Edward Moore  
■ Melvin Seymore ■ Fred  
Brandenburg ■ Freddie  
Deperini ■ Francis Hanfman ■  
Sheila Payne ■ Louis Parnell ■  
Gloria Marie Davis ■ Roy  
Calloway ■ John Motika ■  
Raynard Olds ■ Herbert Scott  
■ Sara Walford Martin ■ Tony  
Snider ■ Helena Taylor ■  
Male, full name unknown ■  
Charles Rowley ■ Kermit  
Gleaton ■ Gary N. Thomas ■  
William Hillery ■ Full name  
unknown ■ Michael Gilliland ■  
Full name unknown ■ Antonio  
Lucas ■ James Fairfax ■ Male,  
full name unknown ■ Lemeka  
Edon ■ Eleanor Gleason ■  
James Smallwood ■ Full  
name unknown ■ Male, full  
name unknown ■ Margaret  
Marie Bickler ■ Hilda  
Redman ■ LaVon Green ■  
Christopher Lane ■ Thelma  
Goldberg ■ Henry Laker ■  
Dennis Edward Jackson ■  
Carlis Spears ■ Nannie Jones  
■ Reginald Murray ■  
Desmond Brown ■ Hazel  
Pinkney ■ A. Rowe ■  
Geraldine Howell ■ Patrick  
Dutch ■ James Dean ■ Joseph  
Addison ■ Annie Williams ■  
V. Bennett ■ Female, full  
name unknown

## INVISIBLE DEATHS

The Fatal Neglect of D.C.'s Retarded



# System Loses Lives and Trust

Since 1993, at  
least 116 people  
have died in  
D.C.'s costly  
system of  
group homes for  
the mentally  
retarded—many  
under troubling  
circumstances.

In 34 of the  
deaths, The Post  
found delayed  
treatment,  
neglect,  
false reports  
or other flaws.

By KATHERINE BOO  
Washington Post Staff Writer

The corpse measured 66 inches from blue toes to jutting ears. In a beige house on Tenley Circle, a dentist-entrepreneur lugged this cargo down the stairs into the basement and laid it to rest by the washbasin.

The body in plaid pajamas was that of a 57-year-old retarded ward of the District of Columbia. On the streets outside the city-funded group home where he had lived and died, kids sometimes called him Retard-O. Inside, he sweetened the hours by printing the name his mother gave him before she gave him up. Frederick Emory Brandenburg. He blanketed old telephone directories with that name, covered the TV Guides the home's staffers tossed aside. He glugged the flyleaves of his large-print Living Bible. The immensity of the effort made his hands shake, but the habit seemed as requisite as breath. In this way Brandenburg, whose thick-tongued words were mysteries to many, impressed the fact of his existence on his world.

In January 1997, that existence was obliterated by his caretakers.

In one of 14 group homes for which the city pays dentist Arthur Stubbs and his partner, Sheila Gaither, \$6 million a year, Brandenburg was tranquilized in a staff mix-up, grew acutely ill and, surrounded by caretakers, slowly died without treatment. His body was washed, moved by Stubbs into the basement, and cremated without autopsy. The White Pages emblazoned with his name were dispatched to a trash can out back. His caretakers altered the time and circumstances of his death in records they submitted to the city, house documents show. Government officials who were supposed to ensure his safety kept evidence of wrongdoing from the police. And this summer, after The Washington Post asked questions, Brandenburg's city case manager shredded records on his death. Today, in the name of the privacy and dignity of the retarded, top city officials say they can't publicly acknowledge that a man named Fred Brandenburg was ever in their care.

This erasure of a life was not an exceptional event in

## AT&T To Open Door to Net Rivals

Firm Will Allow  
Eventual Access  
To Cable Lines

By PETER S. GOODMAN  
Washington Post Staff Writer

NEW YORK, Dec. 4—AT&T Corp. has formally agreed to eventually allow rival Internet services to use its cable lines to provide high-speed computer connections, knowledgeable sources said last night.

AT&T's new policy is aimed at defusing a high-stakes controversy over who controls access to the new generation of "the Internet," "broadband." Ever since it purchased Tele-Communications Inc., the nation's largest collection of cable systems, and declared it would honor an agreement requiring its customers buy high-speed net access from its exclusive provider, the company has been under the courts and in several municipalities.

But AT&T has now struck an agreement in principle with MindSpring Enterprises Inc., the nation's second-largest Internet service provider, formally committing itself to a new "open access" policy, sources said. The two companies plan to send a letter on Monday to the FCC, tailoring the agreement to the Communications Commission's Chairman William E. Kennard. AT&T plans to highlight the policy at a meeting with hundreds of Wall Street analysts, the sources said.

The agreement will change the nature of Kenneth Feinman of an FCC advisory committee, which represents local sources said. The signatories have been holding talks since last fall at Kennard's urging.

Rival Internet providers and consumer advocates last week edged the deal as a

See AT&T, A29, C

# Misguided Relief to Sudan

For reasons of history, geopolitics and rampant criminality, Sudan has been at war for most of this century. The latest phase of fighting between the Arab and Muslim north and the long-subjugated black African south is in its 16th year. Two million Sudanese have died in what may be the world's worst sustained humanitarian catastrophe since World War II. Now the Clinton administration is edging toward deeper engagement in this conflict as it debates sending food aid to rebels in southern Sudan. This is likely to prolong the war, ally Washington with one of Sudan's pre-eminent war criminals and enlist America in the conflict's most pernicious tactic — the use of food as a weapon of war.

President Clinton signed a foreign assistance bill last week that includes language authorizing food assistance to armed opposition groups in southern Sudan, including the Sudan People's Liberation Army. No decision has been made on whether to proceed, but the strategy is being pushed by some in Congress and the State Department. The aim would be to further isolate a militant Islamist regime, which Washington accuses of backing terrorism, and pressure it to end the war.

Khartoum's National Islamic Front deserves little sympathy. It is a cynical gang of generals and theocrats who have plundered Sudan since seizing power in a coup in 1989. The threat it poses for the rest of the world through terrorism pales in comparison to the terror it inflicts on its own population, from purges and torture to state-induced famine. Khartoum's war aim is to perpetuate a long tradition of northern Arab subjugation of the predominantly Christian and animist south, not least so as to exploit the development of southern oil deposits.

But providing direct support for Khartoum's

armed opponents is likely to strengthen its hand. This was the unintended consequence of the American bombing last year of a pharmaceutical plant in Khartoum, which galvanized popular support in northern Sudan and across much of the Arab world for the regime. Moreover, channeling assistance to southern rebels would ally Washington with a brutal and predatory guerrilla army. One of the tragedies of Sudan's war is that John Garang's S.P.L.A. has squandered a sympathetic cause. Though its members claim to be "Christians" resisting Islamization, they have behaved like an occupying army, killing, raping and pillaging.

Both sides have used food as a weapon, taxing, stealing, blocking and diverting emergency deliveries in order to control people and territory. The international agencies that provide food to the south under the United Nations' Operation Lifeline Sudan have long anguished over the inescapable fact that their well-intentioned efforts were fueling the war by feeding its armies. But their alternatives are limited. Now Washington is poised to promote this distortion of humanitarian purpose. In doing so it would forfeit its ability to criticize those who use food as a weapon.

Instead of propping up a discredited insurgency that can do little but prolong the current stalemate, the United States should use its influence to discourage allies seeking partnership with Khartoum in an effort to profit from its fledgling oil industry. They include France, Britain, Saudi Arabia and, most conspicuously, Canada, whose Talisman Energy Inc. hopes to secure 25 percent of Sudan's potentially lucrative oil and pipeline development. These countries should not be allowed to profit from the ravages of someone else's war.

The New York Times

MONDAY, DECEMBER 6, 1999

12-8-99

Saudi  
Wah's  
your  
reaction  
to this?  
PC

copied  
Bergen  
Podesta

12-8-99

## Ex-Nucor chief new Birmingham CEO

BIRMINGHAM, Al. — Birmingham Steel Corp. said former Nucor Corp. head John Correnti replaced Robert Garvey as chief executive, ending a three-month campaign to oust Garvey that was waged by a Correnti-led shareholder group.

Birmingham Steel, a maker of steel bars used in highway and building construction, agreed to let Correnti's United Company Shareholder Group pick nine of the new board's 12 members.

The shareholders have claimed that Garvey managed Birmingham Steel poorly in his four years there. Garvey, who also was chairman, has blamed previous management for the company's performance.

The United group said Tuesday that investors holding a majority of shares had given it consent to take control of the company. Birmingham Steel, based in Birmingham, lost \$224.2 million on sales of \$709.9 million in the fiscal year ended June 30.

Correnti resigned from Nucor, the No. 2 U.S. steel maker, in June after a dispute with the company's board. (Bloomberg News)

## Imperato Returns

Remember the on-again, off-again financial feud between New York businessman Lou Imperato and Little Rock lawyer Larry Wallace?

Well, round five is now in progress.

Imperato has sued Wallace in Little Rock's U.S. District Court accusing Wallace of defaulting on a \$206,000 promissory note.

You might recall that debt stems from the Iver Johnson Arms fiasco in Jacksonville that spawned several bankruptcies and cost solvent investors, such as John Flake and Frank Lyon Jr., loads of money.

Wallace has evaded Imperato's attempts to serve him with a copy of the complaint since August.

Security cameras installed at Wallace's home in Benton have kept process servers knocking on his front door at bay.

Other times Wallace has offered a friendly wave to a would-be server as he has driven past.

Imperato already holds a consent decree that Wallace signed from the last go-around.

Imperato claims that Wallace made his 1998 payment of \$25,000 but failed to make his \$35,000 payment this year.

12-8-99

After you have seen,  
we will send to  
Berkhardt for reply -

card

12-8-99

Sosnik  
~~Podesta~~  
Podesta  
ps

copied  
Sosnik  
Podesta

## Politics & Policy:

Democrats Recruit Business Allies in Push to Win House ---- By  
Greg Hitt Staff Reporter of The Wall Street Journal

The Wall Street Journal via Dow Jones

WASHINGTON -- Andrew Rasiej jingles with new money, and Democrats are reaching into his pockets.

As an entrepreneur and founder of a digital-music company, Mr. Rasiej is riding high on the Internet wave. As a political donor, Mr. Rasiej is caught up in a different wave, a drive by the Democratic Party to recruit business support for its push to take back control of the House. Just before Thanksgiving, Mr. Rasiej was host of a luncheon in midtown Manhattan that brought in an estimated \$50,000 for House Democrats, most of it from new donors in "Silicon Alley," the city's burgeoning technology community.

The Democrats are being really tactical about reaching out to his new money," says Mr. Rasiej, who says he was impressed that party officials emphasized the need for dialogue about the new economy, not money for the next campaign. "I was surprised," he says. "They are not so interested in the money, but in the mindshare. I found it compelling."

But make no mistake: Money from business people, who as a group traditionally lean heavily to Republicans, is the Democrats' bottom line. And the GOP is fighting back. One taunting press release accused Democrats of trying to "dress up as a business party," while hiding its deep ties to labor.

So far, though, the Democratic strategy has scored some success. The \$19.9 million contributed by business to the major House campaign committees from January to June was split almost evenly between Republicans and Democrats, according to the Center for Responsive Politics, a watchdog group. At the same point in the last election cycle, the GOP enjoyed a 61% to 39% advantage.

We don't intend to rest on our laurels," says Rhode Island Rep. Patrick Kennedy, chairman of the Democratic Congressional Campaign Committee. "We'll have more cash on hand next fall than we've ever had in the history of the DCCC."

The Democratic drive is aimed at both bringing in new business donors -- such as Mr. Rasiej -- and getting increased help from past supporters. House Minority Leader Richard Gephardt of Missouri wooed high-tech and accounting executives this fall at a party gathering at the Corcoran Gallery of Art in Washington. In the next few weeks, President Clinton will get into the act, headlining events in Houston and Miami that will help keep up the party's fund-raising momentum.

Republicans say Democrats are benefiting from early contributions -- not new ones. Indeed, the overall Democratic party, counting all campaign committees and federal candidates, is drawing the same ratio of business support as in the last election -- about 41% so far this year, according to the Center for Responsive Politics, a watchdog group.

But the House Democrats' gains in business support has clearly rattled the GOP, and it is responding. With help from David Komansky, Merrill Lynch & Co.'s chief executive officer, \$1 million or more is expected to be raised at a New York event in late January. Daniel Mattoon, the new top staffer at the House GOP campaign committee and a former lobbyist from BellSouth Corp., is urging business supporters to rush checks to the committee before year's end. The message being sent to the corporate community, he says: "Business wants to be on offense. Under the Democrats, they'd be on defense."

Though labor's agenda is frequently at odds with business, Democratic leaders see no conflict in taking donations from both. Working behind the scenes, Texas Rep. Martin Frost, the House's third-ranking Democrat, has organized a series of seminars, not tied to specific fund-raising appeals, that bring together business officials and members of Congress to discuss issues ranging from defense to technology. "It's helpful to Democrats to let people know that we want to talk," Mr. Frost says. In their public rhetoric, Democratic leaders have worked to bridge the labor and business camps. They emerged from this year's budget debate, for example, committed to modest tax cuts and more education spending while also maintaining loyalty to a balanced budget.

"Being a pro-business, pro-worker, pro-family lawmaker is not an out-of-body experience" for Democrats, says Rep. Ellen Tauscher of California, a former stockbroker who says she is involved in expanding the party's "political outreach outside the Beltway."

Some corporate donors are swayed. "The Democrats are hungrier," says Jack Hidary, the chief executive officer of New York-based EarthWeb Inc., which provides job and technical information to computer professionals via the Internet. Mr. Hidary describes himself as "not particularly partisan," but says he gave the DCCC \$1,000 after getting a sense that House Democratic leaders are concerned about the needs of the technology community. "The Democrats want to take back the House. That has led them to . . . go beyond their traditional reach," Mr. Hidary says.

The Democrats' approach is exemplified by the wooing of Mr. Rasiej, chief executive officer of Digital Club Network, a New York company that provides live music performances over the Internet. Mr. Rasiej says that until this year he was a relative political neophyte. He made only a few token donations to both parties and, like many Americans, was skeptical of campaigns and the way they are financed. "I've never been involved in party politics," he says, "other than going to vote."

Then he met Rep. Gephardt at a breakfast last summer arranged for a small group of New York technology executives. That led to follow-up meetings in Washington and ultimately to the fund-raiser held a few weeks ago. Details of the event were largely organized through e-mail, a first for the Democrats' campaign team, a Democratic aide says.

Mr. Rasiej says he decided to become more involved with politics after he came to realize the force that government exerts on issues that are important to him. One is the new high-tech economy. Most politicians "have a hard time thinking" about technology, Mr. Rasiej says. "Maybe that's true of Democrats," he adds. "But the first order of business is they are willing to listen. And that gives them credibility."

The entrepreneur says he was also impressed by Mr. Gephardt's emphasis on education. Mr. Rasiej heads a nonprofit group dedicated to wiring New York City public schools. "I couldn't work in education unless I was hacking away at the foundation points of the current system," he says.

For Democrats, winning over Mr. Rasiej as an ally gives them a technological foothold outside of Silicon Valley, fast becoming one of the most well-traipsed fund-raising corridors in the country. Though the event Mr. Rasiej organized raked in a relatively small pot of campaign cash, when compared with the sizable sums delivered by some CEOs, the amount isn't really as important as the long-term potential he represents.

"It's a point of growth," says John Del Cecato, a spokesman for the Democrats' campaign team. "This is a whole new community we're tapping."

--- Business Giving

All business contributions to Democrat and GOP House campaign committees for first six months of 1997 and 1999, in millions

12-8-99

Gues  
fig - ps

copied  
Sperling  
Podesta

THE NEW YORK TIMES  
12-8-99

# The Flaw in Bush's Tax Plan

By David Blankenhorn

**A**s part of his recently announced tax plan, George W. Bush is proposing to reduce the marriage penalty, in which two people pay more in taxes after they get married than they did as single adults.

Under his plan, families in which both spouses work could deduct 10 percent of the income — up to \$30,000 — of the lower-earning spouse. For a typical middle-class couple, that's an annual benefit of about \$300.

It sounds good, but the plan is actually bad economics and a potential setback to the very values Governor Bush says he is trying to shore up.

First, it is a regressive benefit. In 1996, the median income for households with children under the age of 18 in which both parents worked full time was \$62,000. That's \$23,000 higher than the annual income of households in which the father worked and the mother was at home. So the Bush proposal ignores lower-income families while delivering a special bene-

David Blankenhorn is president of the Institute for American Values and co-editor of "The Fatherhood Movement."

fit to more affluent families.

Second, since the credit applies only to families in which both spouses work, it does nothing for those in which one parent would like to leave the work force and care for the children. By shifting a greater

## Poorer, one-worker families would not benefit.

share of the tax burden to one-earner couples with children and creating a \$300 annual incentive for the second parent to enter the labor force, the Bush proposal would end up reducing the time that some parents spend with their children.

Finally, Governor Bush's plan does less than it could for parents because it is based on a philosophy of taxing individuals, not families. As is currently the case with all other legally recognized economic partnerships, married couples should be permitted to share their income for purposes of taxation. That is, if the father earns \$50,000 and the mother stays at home, they earn, for tax purposes, \$25,000 each.

This policy, which is called income

splitting and was in fact the way couples were taxed for several decades until 1969, would lower the tax burden for all married couples, because it would maximize the amount of family income taxed at lower rates.

Some people will say that Mr. Bush's proposal is too small to worry about. After all, \$300 is not much money to most couples. But a small bad idea is still a bad idea.

Economists tell us that over time, even a modest financial incentive affects behavior, especially if it is reinforced by other, similar incentives, as is true in this instance. In most cases today, the parent at home is the mother. Is creating a small new disincentive for stay-at-home motherhood what Governor Bush really wants to do? □

### Note to Readers

The Op-Ed page welcomes unsolicited manuscripts. We regret, however, that because of the volume of submissions, we cannot acknowledge an article or return it. If a manuscript is accepted for publication, the author will be notified within two weeks. For further information, call (212) 556-1831.

The New York Times

MONDAY, DECEMBER 6, 1999

12-8-99

Security  
what about this?  
js

Copied  
Benger  
NSC W W Desk  
Podesta

# Study hits White House on peacekeeping missions

By Rowan Scarborough  
THE WASHINGTON TIMES

A1

The White House has failed to carry out its own written directive to train government personnel to manage complex peacekeeping operations such as in Bosnia-Herzegovina and Kosovo, according to a Pentagon-financed study.

Briefing documents obtained by The Washington Times are particularly critical of the White House National Security Council staff.

"NSC not stepping forward in leadership role," states the study conducted by A.B. Technologies in Alexandria for the Joint Chiefs of Staff.

At issue is Presidential Decision Directive 56, or PDD 56. President Clinton signed PDD 56 in 1997 as an order for the Pentagon, State Department, CIA and other agencies to create a cohesive program

for educating and training personnel for peacekeeping missions.

But two years later, the A.B. Technologies consulting firm found, little has been done.

"The spirit and intent of PDD 56 directed-training is not being followed," the report concludes, according to a written briefing prepared for senior military officers. "No one has stepped forward in the leadership role."

The documents, dated November, say none of the heads of the military's postgraduate schools, such as the National Defense University, is "directly engaged in the training effort."

What's more, most agencies told the consultants they have no role in carrying out PDD 56, when in fact they do.

"There are no agency accountability checks to see what has been done, who has done it," the report says.

The report presents the ironic

situation of the NSC, which had the lead in carrying out PDD 56, not following a directive sent out by the president it advises.

Moreover, PDD 56 was largely ignored by an administration that has sent American troops on a record number of so-called "contingencies" on foreign soil. The missions have included peacekeeping in Somalia, Haiti, East Timor and Bosnia, as well as air strikes on targets in Iraq, Bosnia, Sudan, Afghanistan and Serbia.

The NSC press office did not respond to requests for comment.

An official at A.B. Technologies, which specializes in creating models for war games and other military operations, also declined comment.

A PDD "is the most authoritative important policy guidance that the president can provide," said John Pike, a military analyst at the Federation of American Scientists. "There is no higher law in the land."

"These PDDs really are mainly significant to the extent that there is somebody at the assistant secretary level to run the interagency

process," he said. "In the absence of some like this, nothing happens. ... I sure can't think who the administration lead agent is on peacekeeping right now."

As a remedy to noncompliance, A.B. Technologies recommended that the Joint Chiefs draw up a plan and present it to the secretary of defense, who would then sell it to the entire Cabinet.

Mr. Clinton mandated PDD 56 at a time when the Bosnia peace enforcement mission, originally predicted to last one year, became an open-ended operation. It also came after the bitter lessons of Somalia, where in 1993 a U.S. humanitarian effort turned into a chaotic peace enforcement operation and a U.N.-driven manhunt for a Somalia warlord.

PDD 56 itself is classified. But the White House did issue a white paper in 1997 outlining what it wanted accomplished — goals the A.B. Technologies study found were generally unmet.

For example, the directive called on federal agencies to collect "lessons learned" from each operation and incorporate them

into planning for the next one.

"The PDD's intent is to establish these management practices to achieve unity of effort among U.S. government agencies and international organizations engaged in complex contingency operations," the White House paper says. "Dedicated mechanisms and integrated planning processes are needed."

The directive ordered the NSC to work with the National Defense University, the Army War College and other military schools to develop and conduct a multiagency training program.

But the A.B. Technologies review said the NSC is "not stepping forward in leadership role" and said PDD 56 "as a whole, not implemented."

"It was designed to fill a need to have instructions for the whole government, like when you go into Bosnia and Kosovo," said Ed Bruner, a military analyst at the Congressional Research Service. "The military knows what to do, but you have to educate the entire government."

12-8-99

Gum  
Re: i 1350  
to be answered  
We did suggest the  
NGOs and the see see  
told that the see see  
what needed to be done  
They didn't agree

~~TS~~

copied  
Spelling  
Podesta

12-8-99

*Jagdish Bhagwati*

## Did Clinton Take a Dive in Seattle?

Seattle sizzled on Monday and fizzled on Friday. The third ministerial meeting of the World Trade Organization was expected by many to witness the launch of the WTO's first multilateral trade negotiation. But despite upbeat press briefings by U.S. Trade Representative Charlene Barshefsky, who insisted that things would come together in the end, the representatives of 135 nations returned home declaring failure. What went wrong?

Serious and irreconcilable differences among the member countries on the conventional trade agenda may have derailed the talks. Or the administration may have unwittingly been guilty of gross mismanagement.

Then again, perhaps President Clinton wittingly sacrificed and scuttled the talks to pursue a short-run political agenda, this so-called "political failure" actually constituting a political triumph for him. I believe that the evidence points much too convincingly to the last hypoth-

sis.

Differences on the trade agenda did kill the launch of an earlier negotiating round in 1982 in Geneva. But the European Union was adamant at the time in refusing to put agriculture and services on the bargaining table. No such deep divisions on narrowly defined yet broadly pertinent trade matters existed at Seattle.

The real problems lay elsewhere, in the city rather than the state of Washington. The administration had literally done nothing to prepare Seattle for the ruckus that erupted. Everyone knew for weeks that disruptive demonstrations were being planned and by whom. On Tuesday, when the formal negotiations were supposed to begin but were held up by mayhem, I saw groups of hooded demonstrators. I asked a young woman why they wore masks, to which she replied truthfully: "We are anarchists."

The riot started about an hour later. Where were the plainclothesmen

who could have asked what I did—even if they had not read Bakunin, I assume that they would have heard of anarchists—and done what was necessary to cut off the riot at its inception? Why was Seattle left to its own home-grown devices when Washington should have brought its federal expertise into the town?

But if the violent demonstrators were kept out of mind, the administration had done nothing either to engage the peaceful demonstrators from nongovernmental organizations in reasoned dialogue. Attempts to assuage their misguided concerns about globalization, free trade and the WTO should have been made long before Seattle. Recall that the turning point in the equally supercharged NAFTA debate came when Al Gore demolished Ross Perot's ill-informed assertions concerning the perils of NAFTA in a famous television debate.

This time, however, Clinton joined in the anti-globalization fren-

zy, endlessly repeating the witless sound bite that "globalization needs a human face," implying as its flip side that it lacks one. The great communicator was on the wrong side. Indeed, the overwhelming scholarly evidence on the effects of freer trade and direct foreign investment is favorable, if only he would look at it.

Evidently, Clinton could not alienate his labor constituency in this election season. Indeed, he was unwilling to lend his efforts to launching a round at Seattle until a few months ago.

Then came the U.S.-China accord, cynically timed just two weeks before Seattle. If there is any country that arouses ire among the anti-globalization groups, it is China. So Clinton was waving the red flag—pun intended—before the raging NGO bulls, making Seattle's success ever more problematic. Why wasn't the accord with China announced after Seattle instead?

Finally, just as the poor countries

were properly objecting to the setting up of a Working Party on "labor rights"—defined in a cynically protectionist fashion so as to target the poor countries exclusively—and were seeking to shift the question to an appropriate agency such as the International Labor Organization, Clinton arrived and said that he wanted trade sanctions against the poor countries on the issue. That blew it.

So, Clinton emerges having won the minds and cash of the business community with his China deal, and having won the hearts and cash of the unions with his destructive grandstanding at Seattle on labor rights. Not bad for the Democratic Party. The WTO and freer trade are another matter.

---

*The writer, Arthur Lehman professor of economics at Columbia University, was the economic policy adviser to the director general of GATT from 1991 to 1993.*

12-5-99

Sundry / Cur  
Joe River  
PC

copied  
Bergen  
Spelling  
Podesta

# The WTO: the Villain In a Drama It Wrote

By Bernard Wysocki Jr.

The Wall Street Journal via Dow Jones

WASHINGTON -- The first rule of trade agreements is that the benefits are widely dispersed, the costs are very concentrated, and the losers are very vocal. Probably no one understands that better than the people who flocked to Seattle last week for the failed start of a new round of World Trade Organization negotiations.

Put aside the masked hooligans who trashed downtown Seattle storefronts and the loonies whose placards read "Abolish interest rates." What the WTO, and by extension the Clinton administration, faced were more vested interests than anyone thought imaginable -- all the foes of globalization, and all of them pointing at the WTO as its incarnation.

The vested interests in the advanced countries include agriculture and organized labor. Certainly there should be sympathy of sorts for the former worker at a Huffy Corp. manufacturing plant in Ohio. As he took the microphone at one peaceful protest, he was the human embodiment of the costs of globalization: He lost a job. Equally clearly, Chinese manufacturing plants produce sturdy bicycles at cheaper prices, and that's why Huffy is switching to importing its bikes from China, Mexico and elsewhere.

And this brings us to the many beneficiaries of more open trade. They weren't in Seattle. The Chinese bicycle assembler, fresh off the farm, wasn't there banging the drum for trade liberalization. And you didn't hear from the typical U.S. consumer, who should be thanking world-trade negotiators for the cheap imports flooding into the nation. Those foreign-made products have helped produce low U.S. inflation, contributing to the greatest financial bull market in history.

The same issues existed during the debate over the North American Free Trade Agreement in the early 1990s. But that trade agreement didn't spark anything close to what happened at the WTO meeting did in Seattle. What was different?

At least two things. First, globalization is farther along, with 60,000 transnational companies producing 25% of the world's output, according to a United Nations study. Investment flows, including the sometimes destabilizing flow of "hot money," have reached unprecedented levels.

The second difference is the involvement of the WTO itself -- and that's a problem. The very organization that ought to symbolize the widespread benefits of free trade is instead assailed as the prisoner of special interests. In other words, the WTO is a negotiating forum, not a marketing organization. Yet it has a major marketing problem: It lacks credibility as an agent of broad global prosperity.

What's motivating the U.S. position in the WTO is "making sales in foreign markets, whether it's financial services, information technology, aircraft or agriculture," says Dani Rodrik, professor at the Kennedy school of government at Harvard University. "That's really the agenda. It's just essentially pushing for a relatively narrow set of export-oriented enterprises."

To Mr. Rodrik and others, the proof is in the WTO's unwillingness to take up issues that would benefit developing countries at the expense of rich ones for instance, eliminating the antidumping

sanctions that the U.S. has invoked frequently in its trade spats. Such failures put the WTO under a cloud of suspicion in the developing world.

What happened outside the halls last week has further undermined the WTO by opening up a gap between the developed world and the developing world. What the poorer countries see in the alliance of labor, environment and human-rights groups is fear of greater competition from the developing world. President Clinton, by endorsing some of the protests, especially those of protectionist labor groups, has fanned the distrust among developing nations.

The legacy of the WTO meeting is likely to be a greater sensitivity to the victims of globalization, of whatever stripe. Equally important is the realization that there are undeniable benefits to trade, and not just for multinationals. That message shouldn't be drowned out by the protests.

Indeed, one of the remarkable things about the ruckus in Seattle last week is that somebody other than a fat cat from a U.S. multinational actually had something good to say about globalization.

There was, for instance, Jose Pardo, secretary of trade and industry from the Philippines, who in a panel discussion spoke eloquently of the turnaround in his country, which for much of the 1980s was the sick man in booming Asia. Mr. Pardo rattled off half a dozen investments from multinational companies, including a new Procter & Gamble facility that employs 500 Filipino accountants for the Asian-Pacific region. So many technology companies have set up in the Philippines, Mr. Pardo said, that 71% of the Philippines' exports are high-technology products these days.

Then there was the man from the Santiago, Chile, chamber of commerce, Peter Hill, who noted that his country's unemployment rate had dropped to 7% from 20% in the decade since Chile opened its economy to the world.

Trouble is, these were perhaps the most hopeful moments in a week marred not just by protests, but by profound disagreements that put those very success stories--and those of future success -- in jeopardy.

And going forward, one of the most important things that must come from the WTO in the next round is a guarantee that what has happened in nations such as Chile and the Philippines can continue and will spread to the most impoverished nations of all.

END

12-8-99

Over / Sandy  
potentially prices  
JS

copied  
Spelling  
Berger  
Podesta

# The WTO: the Villain In a Drama It Wrote

By Bernard Wysocki Jr.

The Wall Street Journal via Dow Jones

WASHINGTON -- The first rule of trade agreements is that the benefits are widely dispersed, the costs are very concentrated, and the losers are very vocal. Probably no one understands that better than the people who flocked to Seattle last week for the failed start of a new round of World Trade Organization negotiations.

Put aside the masked hooligans who trashed downtown Seattle storefronts and the loonies whose placards read "Abolish interest rates." What the WTO, and by extension the Clinton administration, faced were more vested interests than anyone thought imaginable -- all the foes of globalization, and all of them pointing at the WTO as its incarnation.

The vested interests in the advanced countries include agriculture and organized labor. Certainly there should be sympathy of sorts for the former worker at a Huffly Corp. manufacturing plant in Ohio. As he took the microphone at one peaceful protest, he was the human embodiment of the costs of globalization: He lost a job. Equally clearly, Chinese manufacturing plants produce sturdy bicycles at cheaper prices, and that's why Huffly is switching to importing its bikes from China, Mexico and elsewhere.

And this brings us to the many beneficiaries of more open trade. They weren't in Seattle. The Chinese bicycle assembler, fresh off the farm, wasn't there banging the drum for trade liberalization. And you didn't hear from the typical U.S. consumer, who should be thanking world-trade negotiators for the cheap imports flooding into the nation. Those foreign-made products have helped produce low U.S. inflation, contributing to the greatest financial bull market in history.

The same issues existed during the debate over the North American Free Trade Agreement in the early 1990s. But that trade agreement didn't spark anything close to what happened at the WTO meeting did in Seattle. What was different?

At least two things. First, globalization is farther along, with 50,000 transnational companies producing 25% of the world's output, according to a United Nations study. Investment flows, including the sometimes destabilizing flow of "hot money," have reached unprecedented levels.

The second difference is the involvement of the WTO itself -- and that's a problem. The very organization that ought to symbolize the widespread benefits of free trade is instead assailed as the prisoner of special interests. In other words, the WTO is a negotiating forum, not a marketing organization. Yet it has a major marketing problem: It lacks credibility as an agent of broad global prosperity.

What's motivating the U.S. position in the WTO is "making sales in foreign markets, whether it's financial services, information technology, aircraft or agriculture," says Dani Rodrik, professor at the Kennedy school of government at Harvard University. That's really the agenda. It's just essentially pushing for a relatively narrow set of export-oriented enterprises."

Mr. Rodrik and others, the proof is in the WTO's unwillingness to take up issues that would benefit developing countries at the expense of rich ones for instance, eliminating the antidumping

sanctions that the U.S. has invoked frequently in its trade spats. Such failures put the WTO under a cloud of suspicion in the developing world.

What happened outside the halls last week has further undermined the WTO by opening up a gap between the developed world and the developing world. What the poorer countries see in the alliance of labor, environment and human-rights groups is fear of greater competition from the developing world. President Clinton, by endorsing some of the protests, especially those of protectionist labor groups, has fanned the distrust among developing nations.

The legacy of the WTO meeting is likely to be a greater sensitivity to the victims of globalization, of whatever stripe. Equally important is the realization that there are undeniable benefits to trade, and not just for multinationals. That message shouldn't be drowned out by the protests.

Indeed, one of the remarkable things about the ruckus in Seattle last week is that somebody other than a fat cat from a U.S. multinational actually had something good to say about globalization.

There was, for instance, Jose Pardo, secretary of trade and industry from the Philippines, who in a panel discussion spoke eloquently of the turnaround in his country, which for much of the 1980s was the sick man in booming Asia. Mr. Pardo rattled off half a dozen investments from multinational companies, including a new Procter & Gamble facility that employs 500 Filipino accountants for the Asian-Pacific region. So many technology companies have set up in the Philippines, Mr. Pardo said, that 71% of the Philippines' exports are high-technology products these days.

Then there was the man from the Santiago, Chile, chamber of commerce, Peter Hill, who noted that his country's unemployment rate had dropped to 7% from 20% in the decade since Chile opened its economy to the world.

Trouble is, these were perhaps the most hopeful moments in a week marred not just by protests, but by profound disagreements that put those very success stories -- and those of future success -- in jeopardy.

And going forward, one of the most important things that must come from the WTO in the next round is a guarantee that what has happened in nations such as Chile and the Philippines can continue and will spread to the most impoverished nations of all.

END

*Jerome I. Levinson*

## **. . . And No**

*Labor rights and the environment first.*

The violence in Seattle should not obscure the real significance of the World Trade Organization (WTO) talks: that the multinational corporations can no longer bulldoze through Congress trade agreements that do not incorporate core rights for workers and environmental concerns. President Clinton apparently got the message, but his staff did not. Neither did the "intransigents"—Brazil, Egypt, India and Pakistan—which blocked any consideration within the WTO of core rights for workers.

Here is the issue. We are creating an international economic system that is weighted disproportionately in favor of corporate interests without any of the balance—worker rights and environmental protection—that we have so laboriously constructed in our domestic society. The shorthand way of describing this process is globalization.

The WTO, like the North American Free Trade Agreement (NAFTA), is both a trade and investment agreement. Chapters 14 and 17 of NAFTA explicitly protect corporate property rights; the WTO agreement now has trade-related investment provisions and intellectual property provisions. An effective dispute-resolution process for violation of corporate property rights is incorporated in both agreements. In contrast, the NAFTA labor side agreement contains no effective enforcement provisions for violation of the most basic worker rights: freedom of association and collective bargaining. The WTO agreement prohibits only forced labor. What we have then is a rule-based system that protects corporate property rights but not worker rights and environmental standards.

Lesser-developed countries, now in brutal competition for the same limited pool of foreign investment, are tempted to degrade labor and environmental standards. That is

what has happened in Mexico. The U.S. Department of Labor, which is charged with administering the NAFTA labor side agreement, has documented the denial of the right of free association to Mexican workers. Then Arkansas governor Clinton in an Oct. 4, 1992, speech warned that such repressive practices could constitute an incentive for U.S. firms to relocate production to Mexico. Anyone doubting that this threat has materialized need only read a recent article in *Business Week* that detailed how General Electric is pressuring its suppliers to relocate to Mexico.

The experience with the NAFTA labor side agreement is, to a great extent, what is driving the union demand for a rule-based core-worker-rights addition to the WTO, including the possibility of trade sanctions. (No one is proposing that poorer countries be required to adopt U.S. labor and environmental standards. Alleged protectionist threats are exaggerated.)

Similarly, the experience with WTO efforts to reconcile environmental considerations with the free-trade mandate of the WTO is what is driving mainstream environmental organizations to demand an amendment to the WTO agreement. Such an amendment would place environmental considerations on a par with trade considerations.

It is in everybody's interest, including that of the intransigents, to craft a broad-based consensus in American society in support of a more open trade and investment system that can deliver self-sustaining economic growth for all. This can only be done by integrating into the WTO workers' rights and environmental standards.

---

*The writer is a law professor at American University's Washington College of Law.*

**The Washington Post**

MONDAY, DECEMBER 6, 1999

12-5-99

Sandy / Orr  
Joe Piller

PC

copied  
Bergen  
Spurling  
Podesta

THE WALL STREET JOURNAL  
DECEMBER 6, 1999

# The WTO: the Villain In a Drama It Wrote

By Bernard Wysocki Jr.

The Wall Street Journal via Dow Jones

WASHINGTON -- The first rule of trade agreements is that the benefits are widely dispersed, the costs are very concentrated, and the losers are very vocal. Probably no one understands that better than the people who flocked to Seattle last week for the failed start of a new round of World Trade Organization negotiations.

Put aside the masked hooligans who trashed downtown Seattle storefronts and the loonies whose placards read "Abolish interest rates." What the WTO, and by extension the Clinton administration, faced were more vested interests than anyone thought imaginable -- all the foes of globalization, and all of them pointing at the WTO as its incarnation.

The vested interests in the advanced countries include agriculture and organized labor. Certainly there should be sympathy of sorts for the former worker at a Huffy Corp. manufacturing plant in Ohio. As he took the microphone at one peaceful protest, he was the human embodiment of the costs of globalization: He lost a job. Equally clearly, Chinese manufacturing plants produce sturdy bicycles at cheaper prices, and that's why Huffy is switching to importing its bikes from China, Mexico and elsewhere.

And this brings us to the many beneficiaries of more open trade. They weren't in Seattle. The Chinese bicycle assembler, fresh off the farm, wasn't there banging the drum for trade liberalization. And you didn't hear from the typical U.S. consumer, who should be thanking world-trade negotiators for the cheap imports flooding into the nation. Those foreign-made products have helped produce low U.S. inflation, contributing to the greatest financial bull market in history.

The same issues existed during the debate over the North American Free Trade Agreement in the early 1990s. But that trade agreement didn't spark anything close to what happened at the WTO meeting did in Seattle. What was different?

At least two things. First, globalization is farther along, with 60,000 transnational companies producing 25% of the world's output, according to a United Nations study. Investment flows, including the sometimes destabilizing flow of "hot money," have reached unprecedented levels.

The second difference is the involvement of the WTO itself -- and that's a problem. The very organization that ought to symbolize the widespread benefits of free trade is instead assailed as the prisoner of special interests. In other words, the WTO is a negotiating forum, not a marketing organization. Yet it has a major marketing problem: It lacks credibility as an agent of broad global prosperity.

What's motivating the U.S. position in the WTO is "making sales in foreign markets, whether it's financial services, information technology, aircraft or agriculture," says Dani Rodrik, professor at the Kennedy school of government at Harvard University. "That's really the agenda. It's just essentially pushing for a relatively narrow set of export-oriented enterprises."

To Mr. Rodrik and others, the proof is in the WTO's unwillingness to take up issues that would benefit developing countries at the expense of rich ones for instance, eliminating the antidumping

sanctions that the U.S. has invoked frequently in its trade spats. Such failures put the WTO under a cloud of suspicion in the developing world.

What happened outside the halls last week has further undermined the WTO by opening up a gap between the developed world and the developing world. What the poorer countries see in the alliance of labor, environment and human-rights groups is fear of greater competition from the developing world. President Clinton, by endorsing some of the protests, especially those of protectionist labor groups, has fanned the distrust among developing nations.

The legacy of the WTO meeting is likely to be a greater sensitivity to the victims of globalization, of whatever stripe. Equally important is the realization that there are undeniable benefits to trade, and not just for multinationals. That message shouldn't be drowned out by the protests.

Indeed, one of the remarkable things about the ruckus in Seattle last week is that somebody other than a fat cat from a U.S. multinational actually had something good to say about globalization.

There was, for instance, Jose Pardo, secretary of trade and industry from the Philippines, who in a panel discussion spoke eloquently of the turnaround in his country, which for much of the 1980s was the sick man in booming Asia. Mr. Pardo rattled off half a dozen investments from multinational companies, including a new Procter & Gamble facility that employs 500 Filipino accountants for the Asian-Pacific region. So many technology companies have set up in the Philippines, Mr. Pardo said, that 71% of the Philippines' exports are high-technology products these days.

Then there was the man from the Santiago, Chile, chamber of commerce, Peter Hill, who noted that his country's unemployment rate had dropped to 7% from 20% in the decade since Chile opened its economy to the world.

Trouble is, these were perhaps the most hopeful moments in a week marred not just by protests, but by profound disagreements that put those very success stories and those of future success -- in jeopardy.

And going forward, one of the most important things that must come from the WTO in the next round is a guarantee that what has happened in nations such as Chile and the Philippines can continue and will spread to the most impoverished nations of all.

END



ROBERT SC

12-7-99  
Send to Burkhardt?

Yes ☒

No ☐

November 19, 1999

Dear Mr. President:

We had an unusual ceremony on our campus this past Sunday, November 14, 1999. I had as my guest, Dion Neutra, architect -- the son of Richard Neutra, who designed our campus from its inception in early 1960. Our Tower of Hope, which Richard designed and Dion presided over, forms the centerpiece of our older campus.

The purpose of the occasion was the rededication of the reconstruction of Neutra's original building, an L-shaped one-story building which contained classroom and office spaces. We spent over \$2 million refreshing it after nearly 40 years and I wanted Dion to share my excitement on this happy occasion.

During our conversation, he reminded me of his on-going fight to save other examples of his and his father's elegant and significant work on many fronts, including one on which you personally could have an impact.

If the Federal Government cannot lead the way towards the preservation of our built environment, who can?

In the last two years Dion has watched the world famous Neutra Cyclorama Center at Gettysburg be sacrificed despite numerous nominations on National Registers and Lists. This building is considered among the most important buildings of the Mission 66 program in the country. Hundreds of preservation supporters have been writing letters to you and Hillary pleading to intercede with executive authority to change the course the National Park Service and your Interior Secretary have elected to follow. Dion tells me there has been no official response from your office.

~~Y~~ Dion Neutra would be a great asset to a Presidential Commission to examine the state of National Policy on

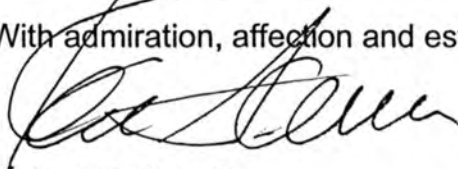
THE CRYSTAL CATHEDRAL  
12141 LEWIS STREET, GARDEN GROVE, CALIFORNIA 92840

Preservation, or lack of it, that currently allows any of our historical monuments to be sacrificed over the objections of many constituents. This, no matter what lists they appear on!

Please review the enclosures and let me urge you to take action. In this last year of your presidency, you could leave a legacy on preservation that will be a model for the next century! The commission idea sounds like a winner to me!

We here in California wish you the best for this next year.

With admiration, affection and esteem,

A handwritten signature in black ink, appearing to read "Bob Schuller", written over the closing phrase.

Robert H. Schuller

President Bill Clinton  
The White House  
East Wing, Room #214  
Washington, DC 20500-2000

ROBERT SCHULLER  
THE CRYSTAL CATHEDRAL  
12141 LEWIS STREET  
GARDEN GROVE, CALIFORNIA 92840



President Bill Clinton  
The White House  
East Wing, Room #214  
Washington, DC 30500-2000

20500/0004 

**INSTITUTE FOR SURVIVAL THROUGH DESIGN -LOS ANGELES**

Hillary Rodham Clinton  
The White House  
Washington D.C. 20500

Dear Mrs. Clinton:

11 November 1999

We know how busy you must be, now with New York, etc. but we're hoping it's not too late for your White House to sponsor the Study Commission we have been recommending for two years before the end of your term in Washington.

You are on record in favor of preservation, as is your husband. What better legacy for the Clinton Administration than to convene a commission which would result in your being able to recommend a NATIONAL POLICY FOR THE PRESERVATION OF OUR HERITAGE! Something we don't have yet.

(Could even have relevance in New York?).

Please take the time to read through the enclosures. We see the current plight of the Gettysburg Cyclorama Center as an example of the inability of preservation forces in the country to affect the outcome of finding a particular monument significant in the face of raw commercialism or other special interests. We see this scenario being played out in countless other cases with resultant loss of our irreplaceable heritage. Despite continuing and increasing interest in the work of our firm, for example, more and more examples are being desecrated, demolished, or lost through remodels.

Is there something that can be done? YES; a NATIONAL RESOLVE!

This could be a legacy your administration could leave to the next, hopefully Al Gore, to implement!

See enclosures for what we have said on websites to persons interested in saving the Cyclorama Center. Included is a copy of the introduction to a letter which has been coming to you on the Internet over the past couple of years without a response.

Is there a chance that the President could still intercede to protect this valuable Monument?

Is there still time to consider the implementation of a fast track Study Commission? I'd be pleased to serve.

Sincerely,



Dion Neutra, Architect, Executive Consultant  
Institute for Survival Through Design  
2440 Neutra Place  
Los Angeles, CA 90039  
323 666 1806 [www.neutra.org](http://www.neutra.org)

Encl: 1. Intro to proposed 'Letter to the Clintons' on our website  
2. Text of letter which has been E-mailed to you repeatedly over the past years.  
3. 'Information Release' The latest which we are sending to TV Magazine shows.  
It would be great if you could swing into action before these folks focus on these issues!

For more details, contact: Christine Madrid at 804-975-1402, [clm2c@virginia.edu](mailto:clm2c@virginia.edu), or Dion Neutra, architect at 323-666-1806, [DionN@aol.com](mailto:DionN@aol.com) or [www.neutra.org](http://www.neutra.org).

FOR YOUR IMMEDIATE ATTENTION:

### **DOOMED NEUTRA BUILDING NOMINATED FOR LANDMARK STATUS!**

The Richard Neutra Cyclorama Center on the battlefield at Gettysburg, PA, is in the final stages of review for elevation to "National Historic Landmark" status as nominated by the Society of Architectural Historians. A review process, supported by letters of interested parties will be considered at a meeting of an advisory committee on December 13 in Washington DC.

*Reasons for this release:* The current review process is being conducted by agents of the National Park Service. This is the same National Park Service that signed a Gettysburg General Management Plan (GMP) in May of this year that includes demolition of this same Cyclorama Center deemed so worthy of preservation that it was determined last year eligible for the National Register of Historic Places. The GMP plan was adopted against the objections of Congresspeople, citizens, merchants, battlefield buffs, and the preservation community nation-wide.

You are invited to speculate how unbiased the review process can be on December 13 ?

The history of this process might well be examined along with a hard look at the proposed \$40 million dollar mall-type visitor center NPS wishes built by a private developer. There are interesting questions to raise about the choice of the mall site on undeveloped open space, as well as the developer's failure to reveal relevant information about financing and details.

For instance, the site chosen is also on "sacred" battleground, the clearing of which is one of the reasons given for destroying the Cyclorama Center. And townspeople have objected that the new site is so far from town, it will encourage the growth of urban sprawl outside this rural community.

Since the new visitor's center is to be built with "private funding", a large part of which has yet to be raised, the details have been hard to come by. Congressman Ron Klink and others feel control of the result is problematic.

Congressman Goodling is reputed to have drafted an appropriations bill which would address the program with fresh federal funding. He is holding this in reserve "as a contingency".

The political processes behind this program are such that many people have termed this "Gettysgate".

It is hoped that a thorough probe by an in-depth television magazine program such as yours might throw light on this seemingly disreputable effort to foist commercialism on the most important Civil War site in the country. It has been rumored that the Park Service views what happens here as a model for what it wants to do at other important National Parks, rather than attempt to obtain appropriations through the congress.

Beyond Gettysburg, the potential destruction of this and other modernist examples of the Park Service's Mission 66 program illustrates the sorry state of "non-policy" of the National Government in regard to preservation of icons of our country which are at risk.

President and Mrs. Clinton

Summer 1999

Re: Neutra Gettysburg Cyclorama Center Demolition

Dear Mr. and Mrs. Clinton:

### SAVE THE NEUTRA CYCLORAMA CENTER IN GETTYSBURG!

As you know, the National Park Service, our Government's agent for preservation, is claiming lack of functionality and funding as its excuse to ABANDON AND DEMOLISH world-famed architect Richard Neutra's Cyclorama Center complex at Gettysburg.

Neutra [1892-1970] was recipient of the AIAs highest honor in 1977, its Gold Medal. He also designed the Visitor Center for Painted Desert /Petrified Forest National Monument in Arizona, and the US Embassy in Karachi, Pakistan, and enjoys a world reputation. See December 1998 Issue of Modernism Magazine [p.26] for a centerfold of a Neutra Project. The Gettysburg Cyclorama Center is also highlighted here and in stories in the February and April 1998 issues of AIArchitect. An editorial in the New York Times appeared Sunday, February 21, 1999 --"Which of all the pasts to preserve?" with large photographs of the building and a description of its place on the battlefield.

Placed into service in the early 60s, the Cyclorama Center is the only example of this modern master's work commissioned by the US Government in the eastern US. Frustrated by the failure of Congress to find funds to up-grade and restore this famed and much discussed building which is sited near the High Water Mark of the Confederacy at Cemetery Ridge, the NPS would rather bulldoze the building and site and opt for a new developer-built and maintained facility to be built nearly a mile from the established businesses that have sprung up around the Park Service facilities. These businesses would be frozen out of the tourist trade on which they depend should these facilities be removed, and the new Mall constructed as planned.

In September, 1998, despite the relatively young age of the building, the Keeper of the National Register, Carol Shull declared this building to be ELIGIBLE for listing on the NATIONAL REGISTER OF HISTORIC PLACES. In May, 1999, at the end of a long review process called Section 106, your own Advisory Council on Historic Preservation, in direct disregard for the findings of the National Register, but in support of the Secretary of the Interior's statements, came out in favor of the Park General Management Plan (GMP) which calls for demolishing this building!

It is time that the Executive of our government TAKE THE LEAD in preservation of worthy historic buildings and sites such as this. I AM STRONGLY OPPOSED TO THE NPS GMP PLAN BECAUSE DEMOLITION WOULD LOSE AN IRREPLACEABLE EXAMPLE OF HISTORIC AMERICAN ARCHITECTURE, not to mention a shameful waste of tax-payer investment, AND THE DISTORTION OF HISTORY AT THIS SITE! This building, after all, has been a part of this scene for longer than many other monuments that now stand on the battlefield.

Suggested courses of action:

1. If the developer scheme IS TO BE FOLLOWED, require him to split the program. Include in his package a PRESERVATION COMPONENT. Devote funds instead of for demolition and repair of the historic site, to REFURBISH the existing CYCLORAMA building, contents and site to accommodate whatever usages the NPS can retain for it. In this way it will be preserved as part of the interpretive experience. In addition, the developer should budget for the continued maintenance of the Neutra building along with the new facilities that might be created.

Emphasis added for item 2 of the letter which has been E-mailed to you over the past two years!

**2. Among the final acts of your administration, sponsor a study-commission designed to pinpoint legislation that is needed to provide actual financial assistance or a creative means to finance endangered historic architecture in our country. As we've seen in this instance, existing policies and lists do little but delay the inevitable destruction of the historic fabric of our built environment. What better time than NOW to begin to RECONSIDER this non-policy?**

I am copying interested parties and asking them all to cooperate with you in getting this done. I would appreciate your forwarding copies to others involved.

Thanking you in advance for your consideration, and wishing you well in efforts to preserve our heritage, but meanwhile, I urge you to...

**SAVE THE NEUTRA CYCLORAMA CENTER IN GETTYSBURG!**

/s/ sender with snail mail address, and E-address

Cc: Vice.President@whitehouse.gov, bruce\_babbitt@ios.doi.gov, Senator\_Specter@specter.senate.gov, Denis\_Galvin@NPS.gov, Bob\_Stanton@nps.gov, Bob\_McIntosh@nps.gov, Randy\_Biallas@nps.gov, Dwight\_Pitcaithley@nps.gov, Marie\_Rust@nps.gov, Brent\_Glass@PHMC.state.pa.us, Brenda\_Barrett@PHMC.state.pa.us, John\_Latschar@nps.gov, richard\_moe@nthp.org, aiapa@ptd.net, Kate\_Stevenson@nps.gov, Carol\_Shull@nps.gov, sshearer@preservationpa.org, gettyburg@mail.cvn.net, George.Miller-pub@mail.house.gov, senator@boxer.senate.gov, senator@feinstein.senate.gov, brigid\_sullivan@nps.gov, ann\_hitchcock@nps.gov, David\_Anthone@nps.gov, clm2c@virginia.edu, hines@history.ucla.edu, rodd\_wheaton@nps.gov, rwl@gwis2.circ.gwu.edu, Sarah\_Allaback@nps.gov, snoopy@netrax.net, stubbss@aiaemail.aia.org, Ethan\_Carr@nps.gov

THE WHITE HOUSE  
WASHINGTON

Date 12/8/99

To: TERRY E.

From: The Staff Secretary

THIS LOOKS LIKE  
SOMETHING PORUS WOULD  
WANT TO DO. WHAT  
DO YOU THINK?

SEAN

CC: NANCY H.

# THE HOYA

Georgetown University's Newspaper of Record Since 1920

421 Levey Center  
37th & O Streets, NW  
Georgetown University  
Washington, DC 20057

'99 DEC 7 PM2:10

November 23, 1999

Mailing Address:  
Box 938 Hoya Station  
Georgetown University  
Washington, DC 20057

President William Jefferson Clinton  
1600 Pennsylvania Ave.  
Washington, D.C. 20500

*Spot Sen*

Newsroom  
(202) 687-3415

Editor's Desk  
(202) 687-4040

Advertising/Business  
(202) 687-3947

Fax  
(202) 687-3929

Dear President Clinton:

The upcoming millennium marks countless milestones for individuals and groups around the world. Included among these groups is THE HOYA, Georgetown University's newspaper of record since 1920. In commemoration of our first 80 years, we will be printing a special 80th anniversary issue next January.

As a most distinguished alumnus, we would be honored if you would make a small literary contribution to our production. The Viewpoint section of THE HOYA typically consists of solicited and unsolicited opinion pieces from members of the campus community. For the 80th anniversary issue, we would like to present the views of a handful of famous alums, ranging from fond memories of Georgetown to the meaning your days on the Hilltop still carry for you to this day.

If it would be possible for you to submit an 800 to 1000 word piece by December 20, we would be honored to print it in our commemorative anniversary issue of THE HOYA.

Sincerely,

*Joseph A. Musumeci, Jr.*

Joseph A. Musumeci, Jr.  
Viewpoint Editor  
viewpoint@thehoya.com

**THE HOYA**

P. O. BOX 571065

WASHINGTON, D.C. 20057-1065



1997 NOV 29 PM 2:25  
SECTION 11



# Saying No to W.T.O.

NAPALM  
SEARS the  
FLESH of  
SOME—the  
CONSCIENCE  
of ALL

W.  
BREEDS  
GREED



Copied  
Spierling  
Podesta

Geel  
Autent  
BS



1890's: FUNCTION

1960's: FORM

1990's: FLAMBOYANCE

By Michael Kazin

**T**he protests against the World Trade Organization in Seattle last week may seem like a postmodern update of the 1960's. "Whose streets? Our streets" was the chant as young demonstrators dared the flak-jacketed police to drag them away. But the antic style of the loose coalition of environmentalists, unionists and others obscures an earlier and more instructive historical parallel: the anticorporate insurgency of the 1890's.

A century ago, there was mass outrage against big business in the United States. Best-selling books and popular magazines blasted the concentration of wealth and the fecklessness of mainstream politicians. The People's Party assembled a broad coalition of small farmers, craft workers and middle-class reformers to battle the "monopolists" and "plutocrats" accused of plundering the hard-working majority in America and other industrial societies. In 1892, Ignatius Donnelly, a Populist spellbinder, charged that "a vast conspiracy has been organized on two continents and is rapidly taking possession of the world." Favorite culprits were J. P. Morgan, Andrew Carnegie and railroad barons like George Pullman on this side of the Atlantic, and financiers like the Rothschilds on the other.

Of course, the alleged crimes of these magnates were not the same ones that have been roiling the streets of Seattle. A century ago,

most of the Populists viewed trade tariffs on imports as nothing more than subsidies for big corporations, and, aside from the work of pioneers like John Muir, the environmental movement had not yet arrived. But then, as now, Americans of different backgrounds and ideologies could agree that big business had gained sway over national governments and local communities and that it cherished no value save the

## Look to the 1890's, not the 1960's, for protests' precedent.

bottom line. Prohibitionists and Christian Socialists joined the Populist uprising in hopes of curbing unregulated businesses that ran 24-hour saloons and exploited child laborers. The moral reformers publicized the demands of hard-pressed farmers and wage earners alongside their own.

As every schoolchild once knew, the bubble of the dissenting alliance burst in 1896, when William Jennings Bryan, an anticorporate Democrat endorsed by the Populists, lost the presidential election to William McKinley, the Republican nominee, who outspent his rival by more than 10 to 1. But mass discontent blazed on. And this discontent helped progressives and, a generation later, New Dealers establish some protections for workers and a limited welfare state that gradually lifted many Americans into the middle class. Those reformers were motivated by the belief that, as Bryan bluntly put it in 1896, "One of the most important

duties of government is to put rings in the noses of hogs."

For most of the past 60 years, hot wars and the cold war pushed anticorporate resentments to the background. The conflicts of armed states and their militant ideologies made the old Populist movement seem outmoded and even quaint. And in the 1990's, prosperity convinced many Americans that the free market lifts all boats. But wage inequalities have grown starker, too, and to many, the promises of globalization have seemed ephemeral.

The protests in Seattle should remind us that big business retains its power to enrage as well as to enrich. The brave new marketplace — as represented by the W.T.O. — regards labor rights and environmental protection as "externalities," potential impediments to the free flow of goods, bytes and profits. Even political leaders seem ancillary to the real center of power. In Seattle, few protesters bothered to denounce President Clinton; Nike, Starbucks and the producers of genetically engineered crops were seen as far more potent enemies.

To advance their cause, the leaders of this still embryonic movement will have to surmount obstacles their predecessors at the turn of the last century could not have imagined.

Multinational corporations manufacture affordable products that make life easier and more pleasurable for millions of consumers. No doubt the Seattle protesters have benefited as much as anyone else from the efficiently produced goods and services of the global economy. The corporate chiefs of today are much harder to loathe than the robber barons who crushed the trade unions and ruthlessly exploited their workers.

There is also the incongruity of today's coalitions: unionists and en-

vironmentalists are not the most compatible of allies. They have often clashed over whether jobs or the environment should come first, and the needs of workers in poorer nations could inflame this conflict anew.

Then again, like the Populists, today's foes of globalization could become victims of their own success. Despite Bryan's loss in 1896, he remained the most prominent force in his party and led the Democrats in embracing reforms to aid workers and small farmers. In 1907, President Theodore Roosevelt, who was no Populist, but a Progressive Republican, scorned the "malefactors of great wealth." During his presidency, he battled their power, most notably ordering the prosecution of a railroad monopoly for violations of a rarely enforced antitrust law.

**A**s a result, most Populists rejoined the old parties while a minority rejected the entire system and became Socialists. In the end, the Populists fell far short of achieving the radical democracy they had yearned for. But America's leaders did adopt some of their main proposals, including the income tax and the popular election of senators.

It's too soon to gauge the significance of the battle of Seattle: will future historians view it as the coming-out party for a truly international populist movement or a mere spasm of outrage by misfits in the new global economy? But one thing is certain. Once more, ordinary citizens have asserted what the historian C. Vann Woodward decades ago called their ability "to shock the seats of power and privilege and furnish the periodic therapy that seems necessary to the health of our democracy."

Michael Kazin, a history professor at Georgetown, is co-author (with Maurice Isserman) of "America Divided: The Civil War of the 1960's."

Israel. So unless  
strategy

Sidney / Sunday  
fascinating  
732

# To Whom It May Concern

Who will open the Times Capsule? New Yorkers? New Zealanders?  
Extraterrestrials? It all depends on which calamities humanity manages to avert.  
By Jared Diamond

**W**HO — OR WHAT — WILL open the Times Capsule a thousand years hence? Correct predictions are considered the ultimate test of the hard sciences like physics and chemistry. For those of us in the so-called soft sciences — like historians, evolutionary biologists and stock-market investors — our predictions are constantly derailed by independent variables and the impact of unpredictable events like assassinations or asteroid collisions. This observation applies emphatically to the soft science that might be called time-capsule *apertology*, the science of opening, from the Latin *aper-tus*, meaning “open,” and the Greek *logos*, meaning “thought.”

Just imagine an apertologist in the year 1000 trying to predict who would end up opening a capsule in 2000. That would have been a no-brainer: the Chinese, of course! China then was the world's largest, most powerful, most technologically advanced empire. It had the world's biggest and best ships, equipped with Chinese inventions like magnetic compasses, stern-post rudders and watertight bulkheads. The long list of other Chinese firsts included canal lock gates, cast iron, deep drilling, gunpowder, bamboo guns, kites, paper, porcelain, printing and wheelbarrows. At the dawn of this millennium, China seemed poised to colonize and conquer the world — as well as to open the Kaifeng Times Capsule in 2000.

In fact, as we know, China's pre-eminence was transient. China was derailed by underlying disadvantages that we can appreciate today only from a long historical perspective. Those disadvantages grew largely out of China's geography, which has always made the country (unlike Europe) easy to unify politically. A smooth coastline, parallel-flowing major rivers, a lack of major peninsulas, big islands or Alp-like transecting mountain ranges — all these have led to the eventual downfall of every attempt to establish breakaway states within China since its unification in 221 B.C. Europe's chronic fragmentation into separate states fostered competition; China's chronic unity fostered dictatorships. Whatever progress China had made in reaching out to the world in the early years of the millennium was undone by a few ignorant emperors, who in the 15th century banned oceangoing ships, clocks and water-powered machines throughout China.

*Jared Diamond, a U.C.L.A. physiologist and environmental historian, won a 1998 Pulitzer Prize for his book "Guns, Germs and Steel: The Fates of Human Societies."*



China's decline, only recently reversed, warns us modern apertologists that the West's leadership for the last several centuries may also prove to be transient. Or it may be that by the time 3000 rolls around, no one will open the Times Capsule because of a quantum catastrophe of a kind that could occur only now, at a time when humanity's growing interconnect-edness makes us increasingly vulnerable. Today, for the first time in human history, we could all be done in at once by a nuclear holocaust, an environmental catastrophe, an epidemic that flashes around the globe or some entirely unforeseeable calamity.

Even so, while prediction may be difficult, it is possible to sketch out several alternative scenarios about who will open the capsule.

## NEW YORKERS

The simplest scenario is one of business as usual, one that assumes that there will be no worldwide disaster to undermine civilization. In that case, I confidently predict the continuing primacy of the same underlying geographic factors that made the United States and Europe the powers of the present world. Those factors are their large areas, environmental diversity and resilience, rich natural resources, relatively stable climates, historical inheritance and efficient population concentrations — of which New York, site of the Times Capsule, remains the foremost manifestation.

China and India, despite their far larger populations, will continue to be hobbled by the same inherent disadvantages that have hindered them in the past: China's geographic over-unity, and India's geographic over-fragmenta-

**season's  
eatings!**

**tonight's  
special  
line-up**

**Emeril  
Kicks Up  
The Holidays**  
with Emeril Lagasse  
**8pm et**

**From Martha's  
Holiday  
Kitchen**  
with Martha Stewart  
**9pm et**

**Decadent  
Desserts  
with Jacques  
Torres**  
**10pm et**

**special holiday  
programming  
all month long  
only on**

**food!**  
**NETWORK**  
foodtv.com

© 1999 Television Food Network, G.P. All Rights Reserved.

If you do not receive  
Food Network, call your  
local cable operator or  
satellite dealer for details.

100 YEARS

12.5.99

tion, reinforced by its long-standing caste system, multiple religions and languages.

Of course, the Americans and Europeans of 3000 may look and behave quite differently from the New York Times and London Telegraph readers of today. They may not even bother to open the capsule, relying instead on super-X-rays to scrutinize its contents from the outside. Their bodies may be heavily modified with artificial parts and genetic engineering. But no matter by what means they deign to read the capsule's contents, if business goes on as usual, they will still be Westerners.

#### NEW ZEALANDERS

What could halt business as usual? One obvious possibility is a nuclear holocaust. Such a cataclysm could be triggered by a series of political miscalculations, like those that led the Archduke Franz Ferdinand's assassination in Sarajevo on June 28, 1914, to explode into World War I a month later. For the last half century, the world has lived under the shadow of the

ogy. Whoever those postnuclear New Zealanders are, it is they who in this scenario would eventually visit the bombed-out and lifeless continents, poke around in the ruins and discover and open the Times Capsule.

#### JAPANESE

There is another type of holocaust, even more likely to halt business as usual. Already, today, we live amid an accelerating environmental calamity as we destroy the world's remaining natural forests, wetlands and fisheries, pollute its air, soil and water and approach the limits of our planet's photosynthetic capacity. It already seems likely that all the accessible supplies of fresh water will before long bump up against the needs of the growing world population — even if that growth rate continues to slow. The way things are going now, we may not have many decades left to get our environmental act together. If we fail, then most of the world, including not only the con-

One possible outcome will be a postnuclear society, bombed back if not to the Stone Age then to no more than the leather-and-wood age. Anyone who has seen a 'Road Warrior' movie has a graphic feel for such a primitive society. And that might be the best of it.

Bomb, with seven acknowledged nuclear powers and several others waiting to join the club (or to formally declare their membership). Though fears of a nuclear confrontation have receded with the end of the cold war, the nuclear threat remains. Its proximity was reinforced this summer, when, in the face of global support for Kosovo, the Russian military demonstrated support for Serbia by racing its paratroops into the Pristina airport ahead of NATO.

Nuclear conflict, for all its horror, might not kill everybody. Still, bombs or fallout might destroy every big city on every continent. The only targets that no one will bother to bomb are remote oceanic islands. Their populations will most likely survive, but they will face a problem: almost all of those remote islands are formed of volcanic lava or coral; they are completely without metal deposits. Perhaps there will be enough salvageable scrap metal, but if not, the island populations could, imaginably, relapse into the Stone Age. Only New Zealand has metal deposits and is sufficiently large and populous to retain books and knowledge of metal technol-

tinents but also New Zealand and other habitable islands, could come to resemble barren Somalia today.

Over the last several thousand years, humans have already exhausted the world's major shallow iron and copper deposits, which stone-tool users of the remote past dug up to develop metal tools. The remaining major ore deposits are deep, and their extraction requires high technology far beyond the organizational capacity of scattered and stateless human groups to reinvent. One possible outcome will be familiar to readers of "Riddley Walker," Russell Hoban's chilling depiction of a postnuclear England, bombed back if not to the Stone Age then to no more than the leather-and-wood age. Anyone who has seen a "Road Warrior" movie has a graphic feel for such a primitive society. And that might be the best of it. With only salvage metal on hand, much of humanity would be reduced to the state of hunter-gatherers. Who, in that case, would be best off? That's another no-brainer: it would be the same ones who were already best off in the Neolithic era.

Living in the world's most productive temperate environment of high rainfall,

# Gracious living isn't gone. It's in Bronxville!

Westchester's  
premier residence  
for active seniors  
is coming to  
Bronxville!

Please visit our  
Information Center  
or call  
914.337.8800  
for more  
information.



Discover the advantages that only Kensington Manor can offer! Designed for independent gracious living, our richly appointed apartments and accommodations create the ambiance of an exclusive European hotel. It's all in the prestigious village of Bronxville, and the time to reserve your place is *right now!*



KENSINGTON MANOR

Information Center  
132 Parkway Road  
Bronxville, NY 10708  
914.337.8800

- Luxurious amenities and first-rate services
- Walking distance to shops, entertainment, restaurants, cultural activities and the Metro North railroad
- 30 minutes from Manhattan

**Pre-Opening Specials Available Now!**

\*Sponsor offering terms are in an offering plan available from the sponsor. File # C260007. We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the nation and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

12.5.99

THE PRESIDENT HAS SEEN

12-8-99

fertile volcanic soils and mild climate, the Japanese led the world's hunter-gatherers millennia ago as early developers of pottery and permanent villages. For those same reasons, Japanese hunter-gatherers would be likely to once again lead the world's hunter-gatherers in 3000. Like stone-tool-using Polynesians of the past, those Stone Age Japanese would build oceangoing canoes, venture across the seas, reach New York and stumble across the Times Capsule.

## EXTRATERRESTRIALS

The remaining potential calamity is the one from outer space — and I'm not talking about asteroids. The existence of so many billions of stars, and the recent discoveries of planets around some of those stars close enough for us to scrutinize with telescopes, make it probable that, somewhere, there are planets supporting intelligent beings capable of space travel. Some scientists have already sent radio signals or

My own view is that those astronomers now preparing to beam radio signals out to hoped-for extraterrestrials are naïve, even dangerous. The Times Capsule might be opened by aliens who have conquered us.

space probes to tell those beings about us and our location, so as to open a dialogue; a few others are now continuing those efforts.

What will happen if they succeed, and if as a result some intelligent extraterrestrials come to visit us? The astronomers and others hope that the extraterrestrials, delighted to discover fellow intelligent beings, will sit down for a friendly chat. Perhaps the astronomers will be right; that's the best-case scenario. A less pleasant prospect is that the extraterrestrials might behave the way we intelligent beings have behaved whenever we have discovered other previously unknown intelligent beings on earth, like unfamiliar humans or chimpanzees and gorillas. Just as we did to those beings, the extraterrestrials might proceed to kill, infect, dissect, conquer, displace or enslave us, stuff us as specimens for their museums or pickle our skulls and use us for medical research. My own view is that those astronomers now preparing again to beam radio signals out to hoped-for extraterrestrials are naïve, even dangerous. And so, the Times Capsule might be opened by aliens who have conquered us. As they read our histories of what we did to one another and to apes, the thing that will most impress them about the capsule is the incredible stupidity of our refusal to learn from our own deeds.

Where, among all these possibilities, do I place my bets? No aliens have arrived yet, not in all of recorded history, so the odds are that they won't arrive in the next millennium, either. We're the ones who would unleash a nuclear or environmental catastrophe, so it's also in our power not to do so. If we have good sense, the apertologists of the year 3000 will still be human;

# ALLERGY RELIEF

## Tonight

you'll sleep with 2,000,000 dust mites. They'll make you feel miserable. Find solutions for relief in your **FREE Home Allergy Audit** and **FREE 32-page catalog**. Call today.

**800-553-5398**

# PRIORITIES®

*Allergy Relief and a Healthy Home*

[www.priorities.com](http://www.priorities.com)



100 YEARS

12.5.99

Sally/Gun

with reading LBC

THE PRESIDENT HAS SEEN  
12-8-99

# What Was War?

In the next millennium, peace will have a chance.

By Robert Wright



I know what you'll think when I suggest putting a peace symbol in the Times Capsule: that this is an act of mockery, a way to document the ditzy idealism of the 1960's for a presumably incredulous posterity. You probably expect me to throw in a picture of John and Yoko staging their "bed-in for peace" or of Yuppies trying to levitate the Pentagon. But in fact I make this nomination in a post-ironic spirit. I think what will amaze people in 3000 A.D. about peace symbols is not their idealism but the fact that they were ever considered idealistic. The end of war between nations is a nearly certain achievement of the next millennium, if not the next century.

The last time this sort of optimism was fashionable was during the giddy aftermath of the cold war, a decade ago. Since then, of course, we've been sobered up, grimly reminded that bonds of ethnicity and nationality are lethal. Conflicts in the Balkans, the Caucasus, Africa and so on are now taken as proof that a global village doesn't bring peace, that one-world-ism is just as naïve in 1999 as it was in 1969 or 1989. But in truth these examples illustrate the opposite.

To see what I mean, you have to first

see that the link between the global village and world peace is not the one that John and Yoko might have envisioned: that global communication automatically brings mutual understanding, hence peace. If things were that simple, we wouldn't have many wars to begin with. Fighting is typically preceded by talking, after all.

No, another ingredient besides communication is necessary. The people doing the communicating have to have a strong interest in peace and understanding to begin with. The key thing about the information technology now enveloping the world is the way it strengthens that interest. All those optical fibers are helping create a fine-grained economic interdependence among states. This interdependence makes war less and less a zero-sum game, with a winner and a loser, and more and more a non-zero-sum game — specifically, a lose-lose, or negative-sum, game: a game you win by not playing.

Fortunately for world peace, rising interdependence is a basic property of history. Civilizations rise and fall, "dark" ages come and go, but in the long run, technological evolution moves in only one direction. From cuneiform to computer, from camel to Concorde, the division of economic labor gets more elaborate and more far-flung; people, and peoples, need one another more.

Robert Wright is the author of "The Moral Animal" and "Nonzero: The Logic of Human Destiny," which will be published next month.

a whisper-  
hmina  
are treasures  
ist \$69 (duty paid)

ust-have accessories,  
woven in the  
n the world's softest  
fibres, all in  
ne shades  
excluding fringe  
lina  
es fringe) \$145  
Pashmina  
es fringe) \$175  
carr  
nge) \$69

es fringe) \$269  
Customs Duty,  
Postage:  
t-free  
k Visa or  
dy  
**HAWLS**  
\$57)  
re Centre  
dison Ave.  
10016  
centre.com



Sea Moss  
Pistache  
Macadamia  
Argent  
Petrel  
Baby Blue  
Pewter  
Misty Blue  
Lavender  
Purple  
Myrtle  
Baby Pink  
Watermelon  
Apricot Frost  
Mandarin  
Sunburst  
Rich Camel  
Beaune  
Ruby  
Bronze  
Royal Blue  
Navy  
Sherwood  
Black

12.5.99

THE PRESIDENT HAS SEEN  
12-8-99

italist states on the edge of this trend, interdependence is felt more broadly than ever, by armies of businesspeople who communicate with their counterparts in other cultures. In some cases, hard economic interest even leads to a softer, John-and-Yokoish antiwar force: friendship.

In this light, trouble spots in the Caucasus and Africa and the Balkans are understandable. After all, these places are underglobalized. Sure, they have Nikes and Coca-Cola, but they haven't been intricately, organically penetrated by modern capitalism. Even the more economically advanced of these areas, in the former Yugoslavia, missed much of the Industrial Revolution and then spent much of this century under a mild but still retarding form of Communism.

And, anyway, note how much of the recent conflict is traceable to the end of the cold war, which for half a century kept artificial state borders intact around the world. Some transitional reordering is not surprising, and there's probably more to come. But the cold war can end only once. When the dust settles, borders will be more rational, and the logic behind peace will keep growing.

The economic rationale for war's extinction has been around for centuries. Unfortunately, every time it gets trotted out, it seems to get discredited. Immanuel Kant wrote in the late 18th century that "the effects which an upheaval in any state produces upon all the others in our continent, where all are so closely linked by trade, are so perceptible that these other states are forced by their own insecurity to offer themselves as arbiters." This came Napoleon. So much for Kant.

But Kant was just ahead of his time. Today, war among Germany, France and England, which only decades ago seemed a natural state of affairs, is inconceivable. So the fact that Kosovo and Serbia now seem like eternal enemies isn't cause for despair. Just put U.N. troops along the border, keep tariffs low and check back in half a century.

That the rising tide of economic progress is finally carrying the world through some threshold of dovishness is reflected in a subtle but momentous shift of mind-set: increasingly, we think of wars as things that poor states do and rich states try to stop. This is not the way the world used to work.

Go ahead, try to imagine a fairly affluent, high-tech, capitalist nation, like South Korea, going to war with a similarly advanced nation, like Taiwan. Doesn't work, right? Your war scenario needs a poorer, less-wired nation to serve as aggressor—a North Korea.

Kant believed that the growing logic behind peace among European states suggested "a great political body of the future, without precedent in the past." Here, too, he was on target. Witness the European Union. True, the E.U. is afflicted by petty nationalism. Brits boycott French apples. Still, if 60 years ago you had predicted that France and Germany would someday have the same currency, the reply would have been: "Oh? Which nation conquered which?"

If you ask me, the European Union is a harbinger of the whole world's future, of a day when peacekeeping has been so routinized, and so many functions of governance have migrated to the transnational level, that the nation-state starts to fade, and keeps fading. But that's another story. For now, all I am saying is give



"...finally, after 47 years, I have found a civilized way to polish my silver.

Bravo for a wonderful product that delivers even more than it promises." ~ Mrs. E.M. Sherman, NYC, NY

ue! Cape Cod® Metal Polishing Cloths are moist on cloths, with just the right amount of polish on them. ghtly and remove tarnish on silver, gold, brass, copper, etc. and bring forth a brilliant mirror shine. Safe to use and no chemical odor ~ instead a pleasant vanilla scent. Our ionary anti-tarnish formula means *The shine lasts longer!*

bella magazine said in their "TRUST US" column Nov/Dec 1998  
onsider a new form of therapy for holiday hysteria:  
g things. Ordinarily, we're deeply disinterested in  
products, but Cape Cod® Metal Polishing Cloths  
ch astonishing transformations that rescuing  
rom evil tarnish becomes exhilarating. . ."

Available at Houseware,  
rdware, Gift, Antique, & other fine stores.  
Call 1-800-682-4246 ~ Extention 10  
for a store near you



December 7, 1999

Dear Mr. President,

This is more than I can stand. We need to do something about this company.  
This is way over the line. Thought you might be interested in this article.

What can I do to further this cause? I suppose I will join in with this lady and try to get as many consumers to not buy from Abercrombie and Fitch until they change their current advertising practices.

This is really bad stuff.

Your Friend,

David L.

Speed  
This is bad  
Agh  
re: article to Begala

Copied  
Reed  
Podesta  
article also  
to Begala

## Group protests nudity, articles in Fitch catalog

BY DOUG THOMPSON  
ARKANSAS DEMOCRAT-GAZETTE

FAYETTEVILLE — Photos of nude models are not an appropriate way to sell clothing popular with teen-agers, Gov. Mike Huckabee said Monday.

Huckabee supported the Washington County Republican Women in an interview Monday, shortly after the group and a member of the governor's staff were told to leave the parking lot of the Northwest Arkansas Mall in Fayetteville.

The group was protesting a magazinelike catalog, A&F Quarterly, published by clothier Abercrombie & Fitch Inc. The chain opened an outlet in the Fayetteville mall.

See CATALOG, Page 6A



Arkansas Democrat-Gazette/WILLIAM E. THOMPSON

Robln Lundstrum, president of the Washington County Republican Women, speaks Monday in the parking lot of the Northwest Arkansas Mall in Fayetteville. Lundstrum's group gathered to protest nudity and sexually oriented text in the magazinelike catalog for Abercrombie & Fitch, which recently opened a store in the mall.

6A • TUESDAY, DECEMBER 7, 1999 •

## Catalog

• Continued from Page 1A  
ville mall Nov. 26.

"My first reaction when I was asked to speak out on this was, 'Oh no,'" said Huckabee, a Republican and a Baptist minister. Huckabee said he was not eager to get involved in a dispute over some "mild little thing you might see on a billboard and question the wholesomeness of it, but which came down to a matter of taste."

"Then Chris Pyle showed me the catalog last week," Huckabee said. "As Chris can tell you, I was visibly shocked." Pyle is the governor's director of family policy.

Huckabee will not ask for government action against the company, he said, and the women's group did not ask for any at the news conference. People need to be aware that the magazine is produced by the company and sold at their outlets, then decide for themselves about whether to be store patrons, Huckabee and the women's group said.

Those interested in more information can call Robin Lundstrum of Springdale, president of the group, at (501) 248-1080, she said.

Pyle was with the women's group at the news conference. The group was ordered to leave the parking lot by mall manager Alice Bishop of Fayetteville, who was accompanied by a uniformed security guard and other personnel.

The mall does not allow use of any of its property for political or religious announcements, Bishop said. Lundstrum said she mistook the mall's policy and thought political events were only forbidden within the mall. She apologized for the mistake.

The Reynoldsburg, Ohio-based headquarters of Abercrombie & Fitch replied Monday with a prepared statement. It said in part to "make no mistake about it: this is adult stuff. And like other products that are geared to the adult market, we have gone to lengths to make sure that only they can buy it."

"Nonetheless, it seems, some underage people have been able to purchase the quarterly despite our efforts," the clothier's statement said. Therefore, photo identification is now required to buy the publication, the statement said.

The Washington County group asked whether it is appropriate for a store frequented by teen-agers hanging out at a shopping mall to sell an adult magazine. Lundstrum

the Abercrombie & Fitch store in Fayetteville included:

■ A two-page color photo of a nude woman reclining upon the back of a horse, with the model's hands clasped over her groin.

■ A cartoon showing Mrs. Claus as a leather-clad dominatrix, holding a whip and putting a spiked-heel boot into the lower abdomen of a kneeling, chained Santa Claus. Presents under the Christmas tree in the cartoon include fake women's breasts.

■ A parody of an interview with Santa Claus as a convicted sexual offender. The article said, in part: "They let a pervert like me bounce little girls with pigtales on my lap all day long, but if I get within 100 yards of a woman, it's back to the joint I go."

Huckabee said. "If a kid brought this to school, he'd be expelled."

"I'm not calling for a boycott of Abercrombie & Fitch," Huckabee said. "I do think the parents in this state should know that when their kids go to the mall to shop for trendy clothes, they can also find material that should be in an adult bookstore. I think they have a right to know when the places where they buy clothes think that pornography is a good marketing tool."

Last month, the attorney general of Michigan warned Abercrombie & Fitch not to sell the magazine without checking for identification to make sure buyers were over 18. Last week, a civil lawsuit was filed in Missouri over the sale of the magazine to a minor.

Pyle said Monday that the magazine would violate the state's obscenity laws if the most explicit version was sent to minors through the mail. The sexual content of the mailed version is toned down from the version sold in the stores, he said.



Some images and text from an Abercrombie & Fitch catalog, pictured protest Monday from the Washington County Republican Mike Huckabee joined the women's group in the protest, saying he "shocked" at its content.

Staff at the Fayetteville store referred questions to the Ohio headquarters. The magazine was for sale at the back of the Fayetteville store, at the counter. Copies were sealed in clear plastic. Identification including a required for purchase an anti-shoplifting device to the bag. The price tax for the 300-page printed mostly in color.

TO = President Clinton

99 DEC 8 PM 6:25

From = Joshua + Donovan families  
Mitchem



12-8-99

to Burkhardt for reply?

Yes ☒

No ☐



A CHRISTMAS PRAYER

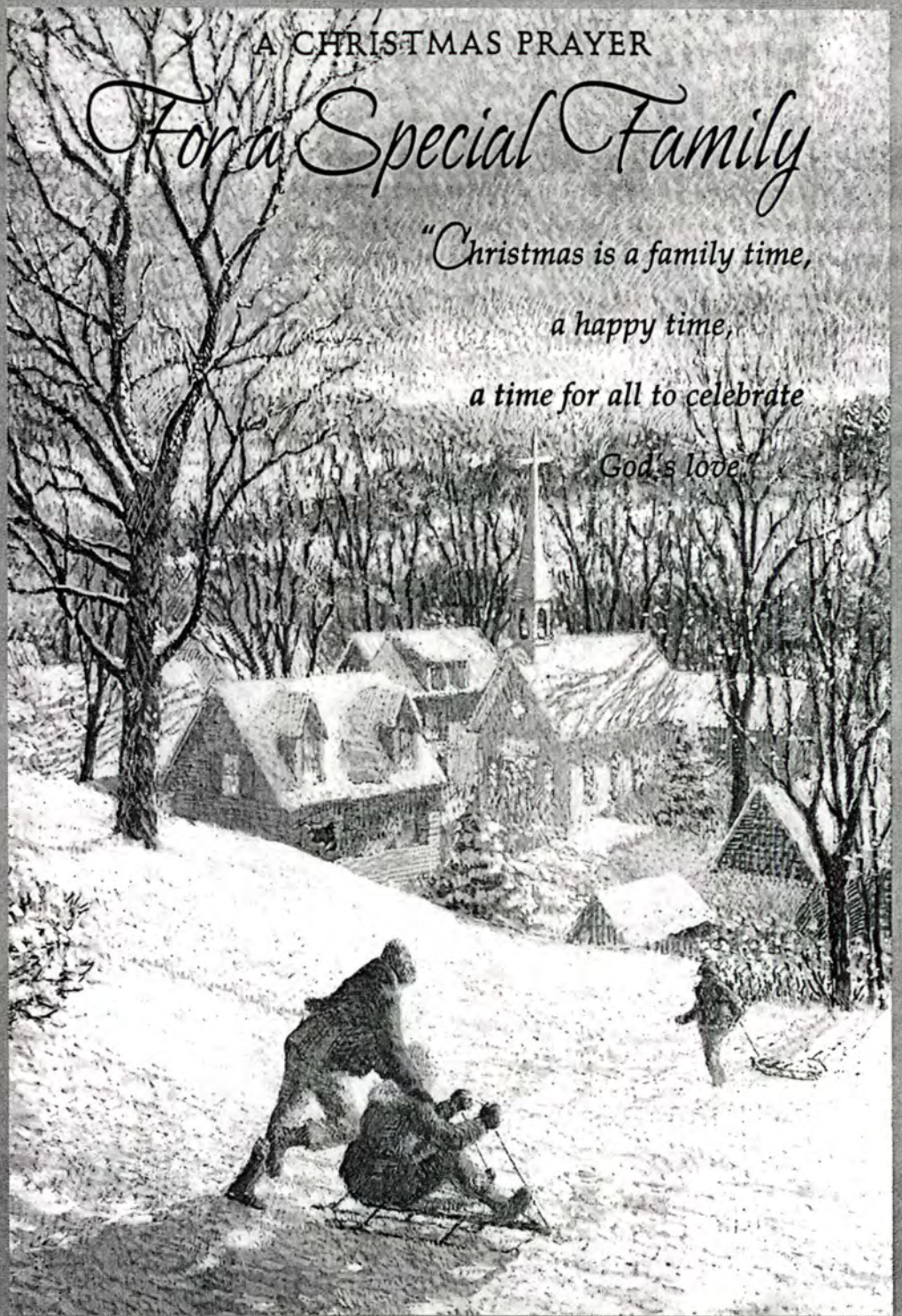
# *For a Special Family*

*"Christmas is a family time,*

*a happy time,*

*a time for all to celebrate*

*God's love."*



This brings a wish that Christmastime  
brings happiness to you  
And that God's love will bless your family  
through the new year, too.

Love,  
Mamma  
(Debbie  
& Seth)

Joshua  
E.  
Canaan

Donovan Mitchem

God Bless you  
for what you  
did and what  
you're going

to ~~do~~

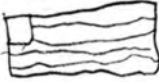
Sincerely

To President William J. Clinton  
First Lady Hillary Rodham Clinton  
and (1st) First Daughter  
Chelsea

father and family  
Donaven and family

...and we both had  
a good laugh!

Love  
Donaven  
Mitchem

Donaven Mitchem  
 I can say  
can you  
(see.)

Merry Christmas  
to you and all  
your family  
1110

Donovan Mitchem  
Joshua Watts  
Chicago, IL 60643

99 DEC 8 16:36

President Wm. J. Clinton  
1600 Penn. Ave.  
Washington, D.C.



Donny + friend Senator Durbin



Donny and Congressman  
DANNY  
DAVIS

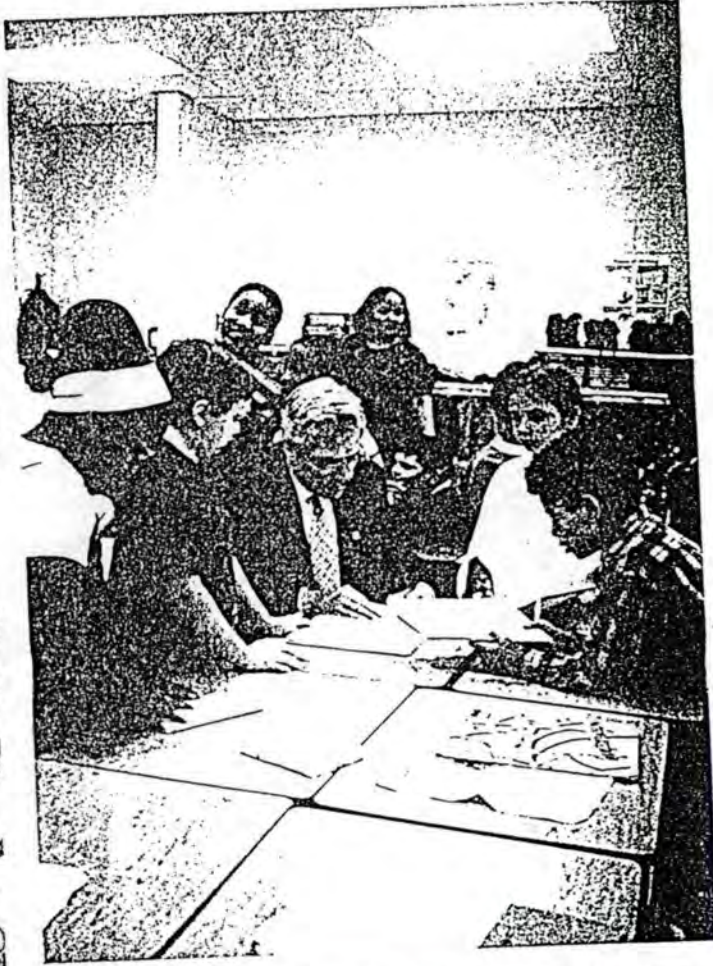


Donny + PAL  
Samuel Jackson



Donny  
Admires  
The  
President  
And The  
1st Lady





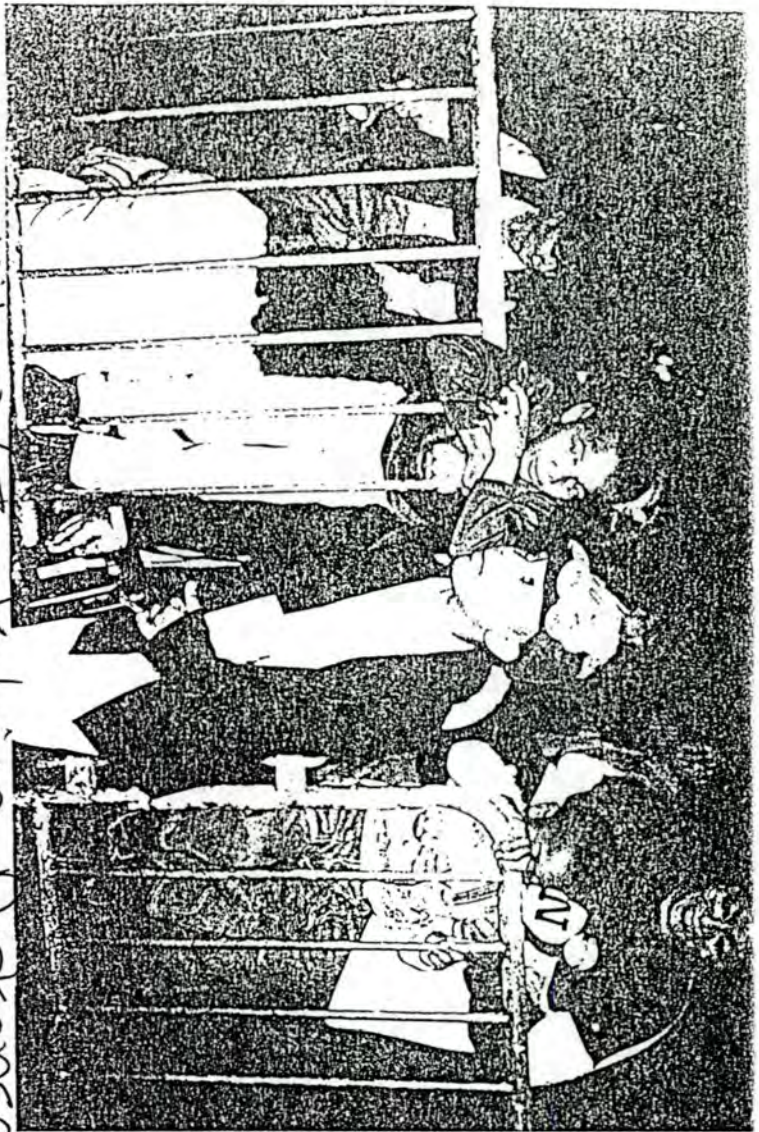
Donavan  
Takes  
His Union  
Buddies  
to School



Downy  
& John  
Sweeney



Donny & African Royalty  
Donny 3/ The kids in Arkansas

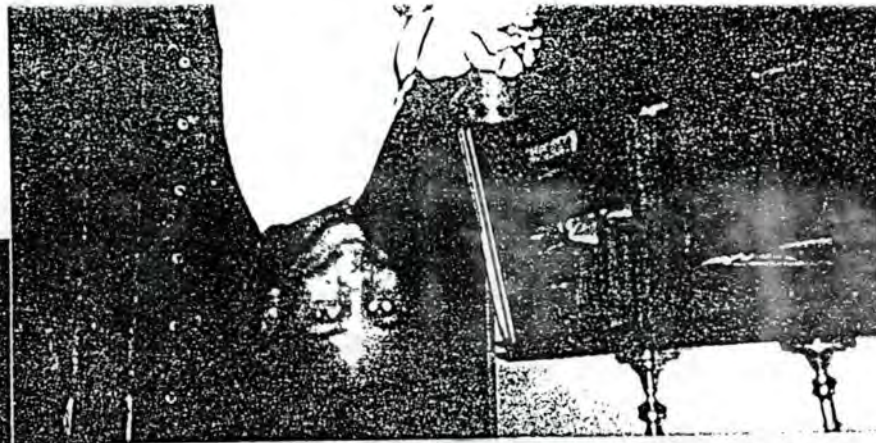
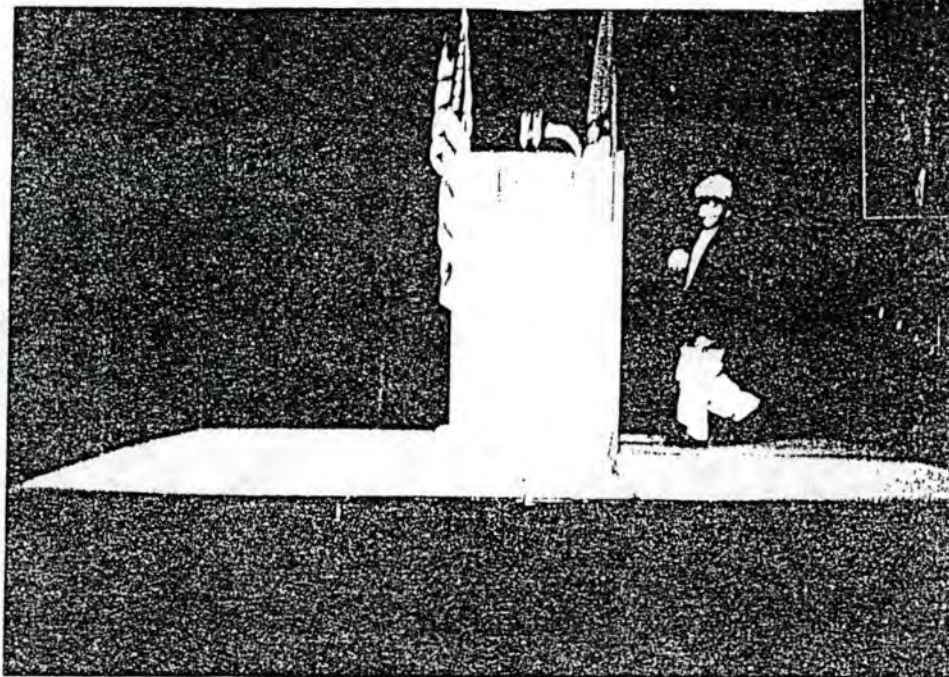


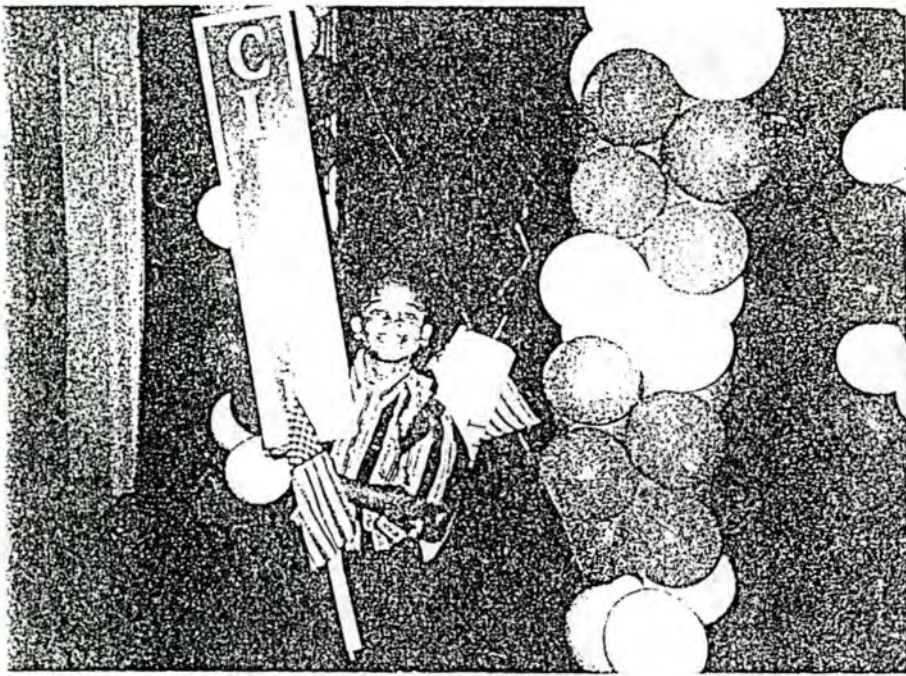
Donny  
2 yrs old goes  
to Baseball game  
w/ Hockey Great  
(Teremy Roenick)

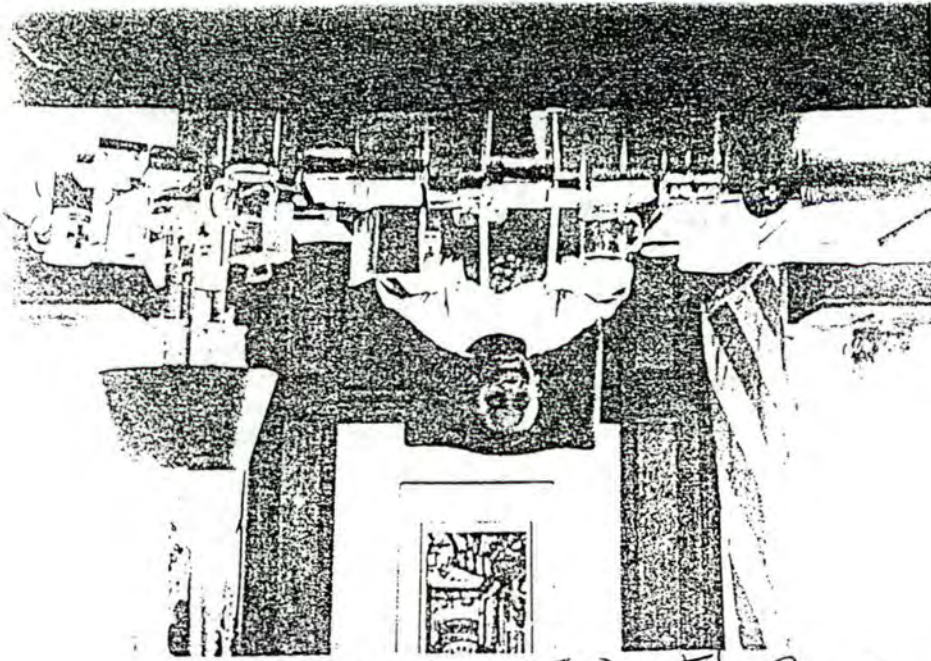


Donny w/  
Happiness  
nulu

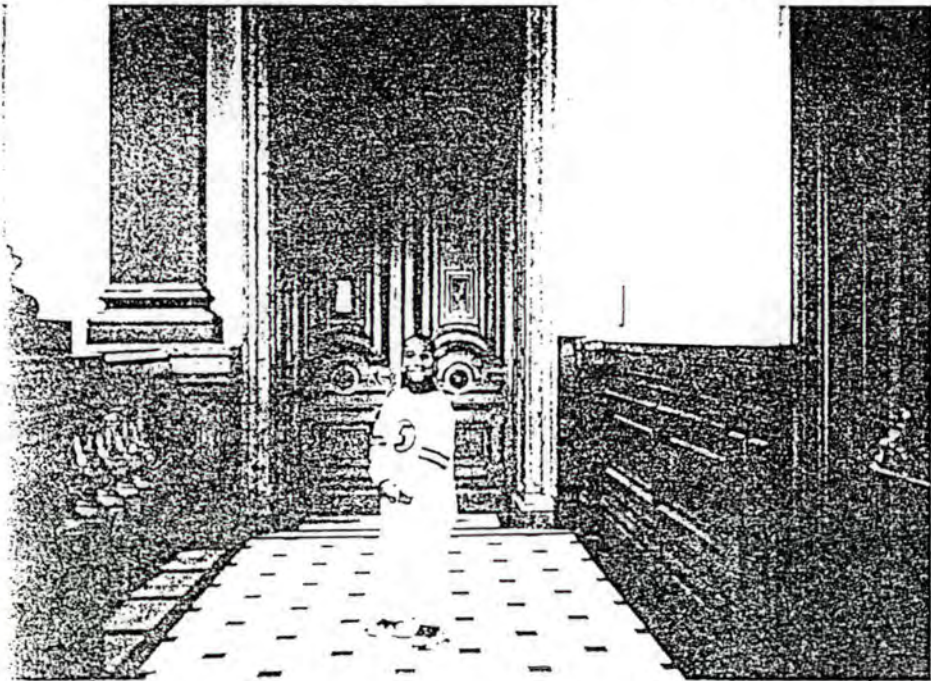
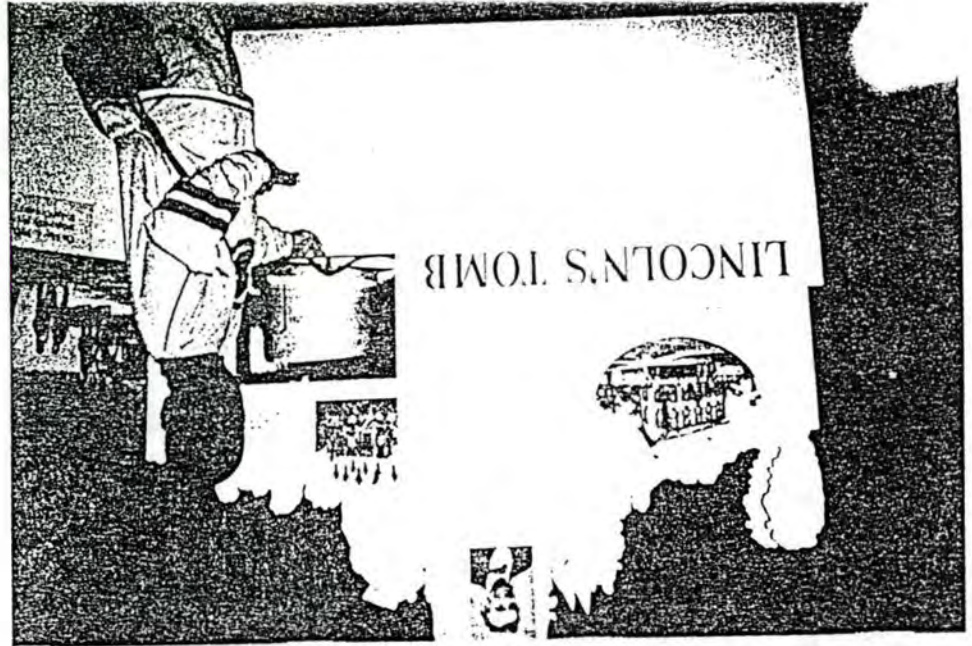
Downy IN D.C.





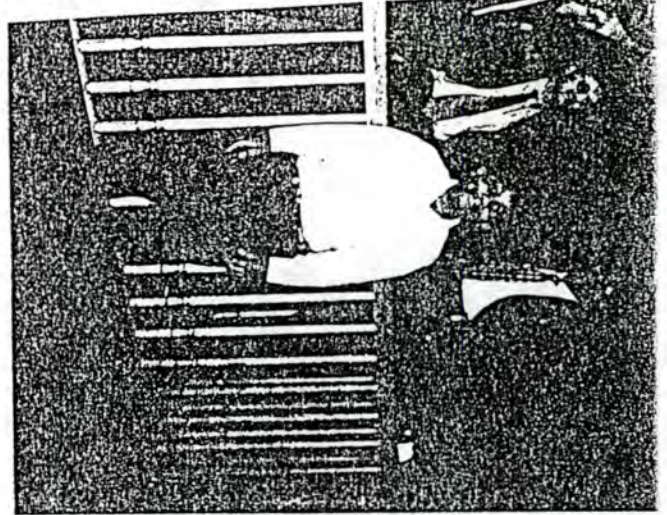


Donny IN The State Capitol



State Senator Emil Jones' office  
+ Secretary are great friends

RAINBOW PUSH



The Happiness Club  
141 White Branch Court N.  
Schaumburg, IL 60194



*THC members surround Gov. George Ryan and his wife, Lura Lynn, following a recent performance.*

## Happiness Club Benefit

The Happiness Club benefit was held in Nov. 1999 at the Park West, Chicago. The "Best of Chicago" Buffet featured Lou Malnati's Pizzeria, Robinson's Ribs, Vienna Hot Dogs, Eli's Cheesecake, Jamba Juice, and Illy Cafe. THC performed their electrifying show KIDS MAKE VALUES COOL. Special thanks to Emcee Merri Dee, CH9 Director of Communications. THC is very proud to partner with WGN-TV Children's Charities.

*The WGN-TV Children's Charities commitment to the various Chicagoland communities is strong and unwavering. It exemplifies the power of the partnership between business and community. We strive to better the lives of children and their families.*

*The Robert R. McCormick Tribune Foundation will add significant dollar to those raised at this event.*



## THE NATIONAL ALLIANCE TO END HOMELESSNESS

December 1, 1999

Ms. Nancy Hernreich  
Deputy Assistant to the President and  
Director of Oval Office Operations  
Executive Office of the President  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Ms. Hernreich:

Eli Segal, Co-Chairman of the Board of the National Alliance to End Homelessness, suggested that I send the enclosed letter to you directly. Please let me know if you need any further assistance regarding this.

Sincerely,

  
Sally A. Karwowski  
Board & Resource Development Associate

### BOARD OF DIRECTORS

#### Co-Chairmen

Susan G. Baker  
Co-Founder  
Eli J. Segal  
The Welfare to Work Partnership

#### Vice Chairman

Barbara J. Easterling  
Communications Workers of America

#### Secretary

Elizabeth Boyle Roberts, M.S.W.  
Co-Founder

#### Treasurer

Gary M. Parsons  
American Mobile Satellite Corporation

#### President

Nan P. Roman

#### Executive Director

Churchill J. Gibson IV

John E. "Chip" Akridge, III  
The John Akridge Companies

Maristev Bradley  
Bank of America

Rob Carmona  
East Harlem Employment Services, Inc./ STRIVE

Rodney J. Carroll  
UPS

Stephen Coyle  
AFL-CIO Housing Investment Trust

Susan A. Davis  
Susan Davis International

Kenneth M. Duberstein  
The Duberstein Group

Anthony S. Harrington  
Hogan & Hartson

Bishop Peter James Lee  
Episcopal Diocese of Virginia

David C. McCourt  
RCN Corporation

Ralph da Costa Nunez  
Homes for the Homeless

The Honorable Louis W. Sullivan, M.D.  
Morehouse School of Medicine

Bob Vila  
BVTV, Inc.

Robert D. Villency  
Maurice Villency, Inc.

David L. Warnock  
Cahill, Warnock & Co.

#### Past Chairmen

Rabbi Martin Siegel

John W. Macy, Jr.

Clifford L. Alexander, Jr.

Anthony S. Harrington

12-9-99  
Scheduling  
Send to ~~Bushchard~~?  
Yes ☒  
No ☐



# THE NATIONAL ALLIANCE TO END HOMELESSNESS

December 1, 1999

The President of the United States  
and Mrs. Hillary Rodham Clinton  
The White House  
Washington, D.C. 20500

'99 DEC 9 AM 9:49

## BOARD OF DIRECTORS

### Co-Chairmen

Susan G. Baker

Co-Founder

Eli J. Segal

*The Welfare to Work Partnership*

### Vice Chairman

Barbara J. Easterling

*Communications Workers of America*

### Secretary

Elizabeth Boyle Roberts, M.S.W.

Co-Founder

### Treasurer

Gary M. Parsons

*American Mobile Satellite Corporation*

### President

Nan P. Roman

### Executive Director

Churchill J. Gibson IV

John E. "Chip" Akridge, III

*The John Akridge Companies*

Maristev Bradley

*Bank of America*

Rob Carmona

*East Harlem Employment Services, Inc./ STRIVE*

Rodney J. Carroll

*UPS*

Stephen Coyle

*AFL-CIO Housing Investment Trust*

Susan A. Davis

*Susan Davis International*

Kenneth M. Duberstein

*The Duberstein Group*

Anthony S. Harrington

*Hogan & Hartson*

Bishop Peter James Lee

*Episcopal Diocese of Virginia*

David C. McCourt

*RCN Corporation*

Ralph da Costa Nunez

*Homes for the Homeless*

The Honorable Louis W. Sullivan, M. D.

*Morehouse School of Medicine*

Bob Vila

*BVTV, Inc.*

Robert D. Villency

*Maurice Villency, Inc.*

David L. Warnock

*Cahill, Warnock & Co.*

### Past Chairmen

Rabbi Martin Siegel

John W. Macy, Jr.

Clifford L. Alexander, Jr.

Anthony S. Harrington

Dear President and Mrs. Clinton:

The National Alliance to End Homelessness has been honored by your serving in prior years as ~~Honorary Co-Chairs~~ of our ~~Annual Awards Ceremony~~. We are asking that you again lend your support to this important cause. The Alliance's Annual Awards Ceremony will be held on March 22, 2000 . at 7:30 pm at the Terrace Theater in the Kennedy Center. Kenneth D. Lewis, President of Bank of America, will be the Chairman of the event.

Mr. President and Mrs. Clinton, we are deeply grateful for the leadership you have provided by acting as Honorary Chairs of this event for the past six years, and for the strong stand your Administration has taken on the issue of homelessness. Indeed, we congratulate you for achieving a substantial increase in funding for the HUD Homeless Assistance Grant program, and for increased funds to meet the primary and mental health care needs of homeless people. Your attendance at the Awards Ceremony on March 22<sup>nd</sup> would underscore your concern and commitment to this issue in a wonderful way.

The National Alliance to End Homelessness is the only national organization that brings together the public, private and nonprofit sectors in a bipartisan partnership to create and implement solutions to homelessness. The Alliance's 2,000 member organizations come from all fifty states and range from nonprofit organizations such as Our House in Little Rock, to national public sector representatives such as the U.S. Conference of Mayors, and major corporate entities such as the Bank of America.

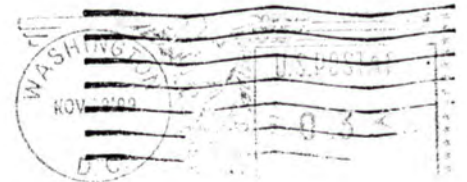
Our entire Board joins us in expressing the hope that you will again act as Honorary Co-Chairs of the National Alliance to End Homelessness Annual Awards Ceremony, and that you will be present with us on March 22<sup>nd</sup>.

Yours truly,

Susan G. Baker  
Co-Chairman

Eli J. Segal  
Co-Chairman

AL ALLIANCE TO END HOMELESSNESS



Ms. Nancy Hernreich  
Deputy Assistant to the President and  
Director of Oval Office Operations  
Executive Office of the President  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

1518 K Street, N.W., Suite 206  
Washington, DC 20005

20300X0003



December 8, 1999

'99 DEC 9 AM 9:50

The Honorable William J. Clinton  
President of the United States  
Washington, D.C.

Dear President Clinton:

As the civilian coordinator for the United States Marine Corps program "Toys for Tots" we humbly ask your permission to participate in the joy of giving the first toy to youngsters of the D.C. area..

We know you have a busy schedule but hope somehow you will acknowledge our request and join the fun. We also pray Mrs. Clinton will attend. "Toys for Tots" began in San Diego with a few Marine wives and friends and has been most successful through the years.

We thank you for your support and wish you well in the year 2000.

Best regards,



Anne Cutler

Wednesday Volunteer

The White House Conference Center

X67507

Please contact 1st Sgt Ton T Bryant  
Page # 202 843 0466

12/19/99

Send to Scheduling? Yes \_\_\_\_\_  
No event, not an invite, right? No ✓  
cc: Beuchardt? Yes ✓

11 ..



**Thomas T. Bryant**

**First Sergeant, UNITED STATES MARINES**

**INSPECTOR INSTRUCTOR STAFF  
U.S. Marine Corps Reserve Training Center  
Naval District Washington, Anacostia Annex  
190 Poremba Court SW Suite 108**

**Washington, DC 20373-5817**

**(202) 433-0178 DSN(288) FAX (2497)**

**ttbryant@marforres.usmc.mil**

12-9-99

99 DEC 8 PM 8:05

Send to Scheduling?

Yes

☒

No

☐

C

Mr. President,

The National Park Service staff at Mount Rushmore National Memorial extends an invitation for you to experience the new facilities at the Memorial on your next or subsequent visit to South Dakota. In the meantime enjoy a small token of the Memorial on a tour of your favorite links.

Dan Wenk  
Superintendent, MEMM.



12-8-99

Caroleen -

Unfortunately I've  
had this for a bit -  
Can still go to  
scheduling? B

THE PRESIDENT HAS SEEN  
12-9-99

## Releasing Serial Killers

THEY DO THE CRIME, THEN DO THE TIME. Afterward, should such predators go free—if doctors can determine that they are "mentally abnormal" and will almost certainly kill again? A debate.

# Quarantine Them Beyond Their Jail Terms

By FRANK M. OCHBERG

There is a certain small group of serial killers who are cruel, ritualistic and devoid of conscience, whose crimes have a strong sexual component and often involve rape or torture. They are outwardly normal and often very intelligent. They are difficult to apprehend and convict because they cover their tracks and improve their methods with each calculated crime. Because of that difficulty, they sometimes are able to plead guilty to lesser offenses and thus avoid maximum sentences. When they are released, it is almost certain they will kill again. Those of us who study them call them "lethal predators."

These people are not legally insane; they understand their misbehavior and can choose when to act upon their urges. Rather, they are mentally abnormal—"a rare blend of psychopathy combined with predatory sexual violence," in the words of Canadian psychologist Robert Hare.

FBI profilers Alan C. Brantley and Mary Ellen O'Toole estimate that there are approximately 100 such criminals in American prisons who are eligible to be paroled or released in less than a decade. And that should not be allowed to happen. Lethal predators serving less than a life sentence should be confined beyond the terms imposed in criminal court. This is not double jeopardy (two punishments for the same offense). It is a constitutional way to save innocent lives.

State by state, legislators can pass laws to accomplish this goal. This has been feasible since 1997, when the U.S. Supreme Court declared that Kansas's Sexually Violent Predator Act was constitutional. Kansas was one of several states that passed laws allowing the involuntary hospitalization of certain sexual predators after they complete their criminal sentences. Various state courts found those laws unconstitutional. Double jeopardy was one reason. Another was the fact that most of these criminals could not be effectively treated, and, in the

words of an earlier Supreme Court ruling, "Absent treatment, confinement is imprisonment." This is ironic: If they can't be treated, why should these criminals be sent back into society?

But in the case of *Kansas v. Hendricks*, the Supreme Court said states could "quarantine" criminals who have a "mental abnormality" that results in predation, even though they had already served their sentences. Such hospitalization must be humane and nonpunitive, the court said; treatment may be offered, but a cure need not be expected. The court drew a parallel between such a predator and a person whose contagious disease poses a grave risk to others; either should be isolated, curable or not.

Although such civil commitment after confinement is now constitutional, only a handful of states have enacted legislation that would make that possible. More states need to do so.

I never thought I'd be a partisan in this debate. After many years in state and federal mental health administration, since 1981 I have been studying and treating the victims of violence, and avoiding the perpetrators. But then the case of Donald Gene Miller landed on my doorstep.

Miller was a 23-year-old criminal justice student and youth minister in East Lansing, Mich., when his fiancée disappeared on New Year's Day 1977. Two years later, Mil-

If they can't be treated, why should they be sent back into society?

ler was convicted of raping and nearly strangling a 14-year-old girl, then stabbing her 13-year-old brother. Local prosecutors were sure Miller was responsible for the disappearances of his fiancée and at least three other women, but they lacked admissible evidence.

So the prosecutors offered a deal: Miller would lead authorities to the bodies of his victims and he would plead guilty to four counts of manslaughter. In exchange, his sentence for those killings would run concurrently with that for rape and attempted murder of the teenage girl—30 to 50 years.

Miller accepted the bargain, the bodies were identified, and he went to prison. Due to statutory sentencing guidelines, including mandatory time off for good behavior, Miller was to be freed in February 1999.

In 1997, my colleagues in the Michigan Victim Alliance asked me to help: Can't we do something, they said, to keep this serial killer from coming back to East Lansing?

As former mental health director for the state of Michigan, I was able to assemble a

group of detectives, judges, legislators, prosecutors, prison psychologists and victim advocates. For two years, we debated Miller's diagnosis, prognosis and dangerousness. We interviewed experts who had interviewed him, including Earl James, a state police homicide detective and author of the book "Catching Serial Killers." "Clearly," James said, "he fit the profile of the intelligent, organized predator who escalates from fantasy to torture, murder and necrophilia." Nothing concentrates the mind like knowing a man like this is coming home—and his home is in your neighborhood.

Could Miller be confined in a mental hospital? Not under Michigan law—he wasn't insane; he was evil. Could Miller be tried in federal court for civil rights violations (crimes against women)? Not with existing evidence and binding non-disclosure agreements.

Ultimately, we discovered that Miller could be charged with a prison felony. Authorities sometime earlier had found a garrote in his cell and had given him a slap on the wrist—docking two years of his earned "good time." Our committee got prosecutors to bring this offense to criminal court. Miller was convicted. At sentencing, we were able to introduce evidence of his sadistic psychopathy because Michigan has a habitual offender statute and this was his third

felony conviction. The court tacked on 20 to 40 more years.

Obviously, we were lucky. Other communities across America, facing the releases of their Donald Millers, are very much at risk.

The National Center for the Analysis of Violent Crime, a unit of the FBI, is now working with members of our Michigan team to reduce that risk. We are summarizing the scientific findings on the dangerousness and recidivism of predators, developing protocols for use in identifying incarcerated lethal predators, and helping state legislators frame appropriate laws.

Although the Supreme Court found the Kansas statute constitutional, it is not an ideal model, since it is broad enough to allow indefinite hospitalization of thousands of sexual deviants, including relatively harmless habitual exhibitionists. Laws that are too broad could be too costly, overwhelm the mental health system, and remove incentives for treatment where treatment is possible.

These are some of the valid reasons cited by the American Psychiatric Association and the American Civil Liberties Union for their objection to the *Kansas v. Hendricks* precedent.

But it is possible for states to write effective statutes that affect only a small group of genuinely dangerous killers. They can define lethal predators and require that such prisoners be evaluated for post-release civil commitment.

The inmate obviously would have to be lethal—he must have killed—and he must be a predator—that is, he must have left evidence of repetitious predatory acts, whether or not they resulted in criminal convictions. One essential feature of predation is its motivation: The perpetrator gets a sexual pleasure—usually involving arousal—while causing pain to the victim. Another feature is the crime's ritualistic quality.

A lethal predator also must demonstrate mental abnormality, usually a combination of sexual sadism and psychopathy. A psychologist or psychiatrist can evaluate sexual sadism to a high degree of reliability using standard tests, clinical interviews and evaluation of corroborated evidence. Psychopathy can also be determined. (This is not to be confused with psychosis, in which a person is out of touch with reality; psychotic criminals were judged mentally ill and confined long before *Kansas v. Hendricks*.) A psychopath understands right from wrong

Frank Ochberg, a psychiatrist, is an adjunct professor of criminal justice and journalism and a clinical professor of psychiatry at Michigan State University.



ck to East Lansing?  
health director for the  
was able to assemble a

were able to introduce evidence of his sadis-  
tic psychopathy because Michigan has a ha-  
bitual offender statute and this was his third

**B**ut it is possible for states to write ef-  
fective statutes that affect only a small  
group of genuinely dangerous killers.  
They can define lethal predators and re-  
quire that such prisoners be evaluated for  
post-release civil commitment.

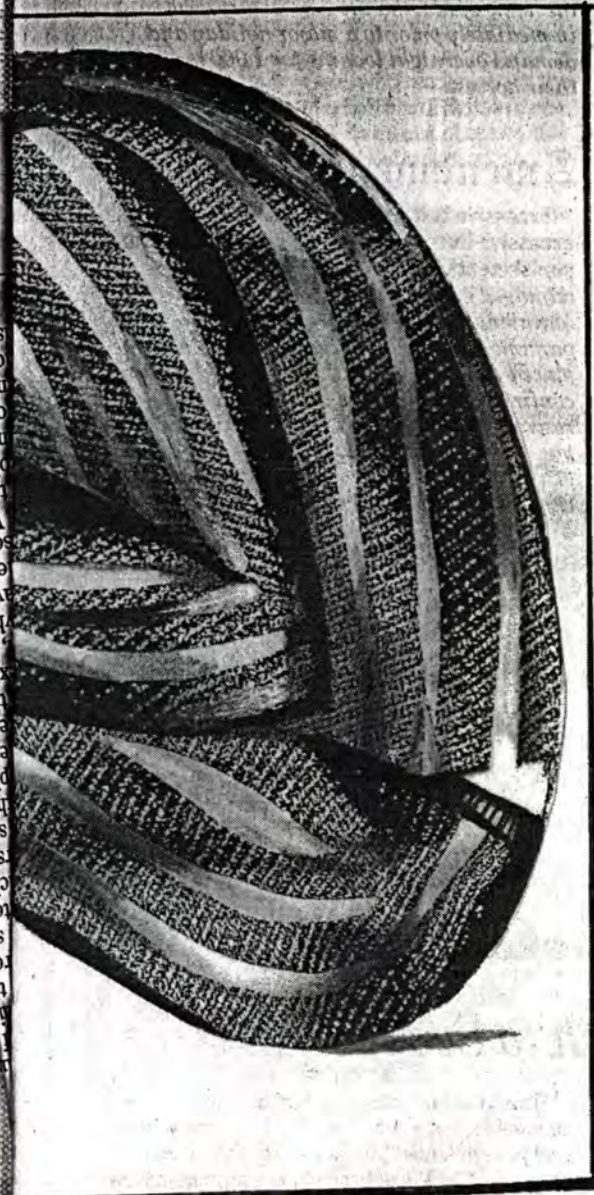
The inmate obviously would have to be  
lethal—he must have killed—and he must  
be a predator—that is, he must have left evi-  
dence of repetitious predatory acts, wheth-  
er or not they resulted in criminal convic-  
tions. One essential feature of predation is  
its motivation: The perpetrator gets a sexual  
pleasure—usually involving arousal—  
while causing pain to the victim. Another  
feature is the crime's ritualistic quality.

A lethal predator also must demonstrate  
mental abnormality, usually a combination  
of sexual sadism and psychopathy. A psy-  
chologist or psychiatrist can evaluate sexual  
sadism to a high degree of reliability using  
standard tests, clinical interviews and eval-  
uation of corroborated evidence. Psychopa-  
thy can also be determined. (This is not to  
be confused with psychosis, in which a per-  
son is out of touch with reality; psychotic  
criminals were judged mentally ill and con-  
fined long before *Kansas v. Hendricks*.) A  
psychopath understands right from wrong  
but has no conscience. Canadian psychol-  
ogist Hare developed a commonly used  
method for establishing this condition,  
which consists of 20 items that trained as-  
sessors can rate according to a carefully con-  
structed formulation.

At the civil commitment trial, a judge or  
jury would hear the testimony of police in-  
vestigators and psychiatrists or psychia-  
trists, and then decide whether the inmate  
fit the statute. The standard of proof should  
be "clear and convincing" rather than "be-  
yond reasonable doubt," since this is a civil,  
not a criminal determination. Predators  
should be confined in a secure setting, but  
separate from nonpredatory mentally ill pa-  
tients. Each individual's case could be re-  
viewed at set intervals.

By limiting the scope of new laws to the  
most dangerous class of predators, ob-  
jections based upon cost and mental health  
policy will be avoided. Lives will be saved.  
And our state legislators will be spared the  
embarrassment of releasing lethal predators  
back home—to where we live.

BY YVETTA FEDOROVA FOR THE WASHINGTON POST



L... ..

[ The Washington Post ]

THE PRESIDENT HAS SEEN  
12-8-99

# OUTLOOK

Commentary

Clos.

SUNDAY, DECEMBER 5, 1999

*Green*  
*They all work Monday*  
*2+3- Bc*  
**The Battle in Seattle**

## What Was That All About?

*Copied  
Seerling  
Podesta*

## Asking Too Much Was Right

By GEORGE J. MITCHELL

This past July 15 was an unusual day in London. Thousands of us stood quietly outside the gates of Buckingham Palace watching the queen's guard, whose marching steps echoed in the courtyard. The scene etched itself in my memory as my family and I turned to see the queen. I was about to be knighted by Elizabeth II.

Although use of the title is reserved for citizens, the queen nonetheless bestowed by a grateful for the role played in chairing the negotiations that led to Good Friday agreement of April 1998. The and Irish government and eight political parties had struggled for years to reach the accord and end the conflict in Northern Ireland. I had led negotiations at the request of the government of the United Kingdom.

When I returned to the United States that exhausted but elated, I was convinced that the work in Northern Ireland was finished, wrong.

Being knighted by the queen was memorable. But even more memorable were the events that took place simultaneously in Northern Ireland. It was an awful coincidence, the peace process was coming in a welter of recrimination and anger complementing the agreement. At a news conference

See PEACE, B2, Col. 1

**TOM HAYDEN**, longtime activist, says the protest in Seattle will have a greater impact than Chicago in '68.

**SEATTLE**  
Comparisons between the World Trade Organization protests here and the protest movements of the '60s became a media micro-industry last week. One reporter even asked me, is the pepper spray helping you relive your youth? My response was that it beats taking Viagra.

My serious take on the question might surprise you. Based on five days of joining in protests, marching, being gassed myself, sitting on cold pavements and hard floors, I have to say I am glad to have lived long enough to see a new generation of rebels accomplish something bigger here in 1999 than we accomplished in Chicago in 1968 with our disruptive protests at the Democratic National Convention.

Unfortunately, the public has been given a picture of the protests that's as foggy as tear gas. While the scattered violence got most of the media attention, the protesters were overwhelmingly committed to nonviolent action. Of the 587 people arrested, virtually all were committing acts of peaceful civil disobedience.

See HAYDEN, B5, Col. 3

**ELAINE BERNARD**, a labor and trade expert, sees the beginning of a global civil society.

**CAMBRIDGE, Mass.**  
In spite of what you may have read or heard about the anti-WTO protests last week, the people on the streets of Seattle weren't opposed to globalization. Their cause is an example of globalization, with protests in solidarity with the Seattle actions taking place in many cities around the world. There is just not a version of globalization endorsed or even envisioned by the WTO.

American media, political elites and corporations seemed startled by the emergence of this powerful worldwide movement of resistance to WTO policies. From my perspective, it was a phenomenon beyond resistance—it was a first step toward the development of an international civil society.

Analysts have long measured the development of a democracy by the vitality of its autonomous civic life. That's because democracy is more than formal rules and the election of a government. Its lifeblood comes from the sphere of society that organizes itself and is not under control of the state. This flowering of

See BERNARD, B5, Col. 1

**A.V. GANESAN** of India, a nongovernmental delegate, says the protesters don't speak for developing countries.

**SEATTLE**  
Labor and environmental groups were the most vocal and influential of all the protesters on the streets of Seattle last week. But were they pursuing only their own protectionist interests or were they also, as they claimed, representing the cause of the defenseless workers and degraded environment in the developing world? To someone watching their strident advocacy from the perspective of the developing countries, the answer seemed to be clear: They were motivated more by their own self-interest than by altruistic or moral feelings toward the poor.

Take the question of labor standards. The real issue is not the observance of core standards, such as freedom of association, formation of trade unions, collective bargaining and abolition of child or forced labor. The issue is whether the WTO is the right forum and whether the trade rules are the right instrument to pursue objectives that are basically social, cultural and political.

See GANESAN, B5, Col. 1

# All the Best! From a Heartfelt Database

By FRANCES STEAD SELLERS

It's begun already—just a flurry so far, but soon there will be a blizzard of brightly colored envelopes. And amid the news of friends and relatives we hear from just this once each year will be more and more glad tidings from people we haven't met and don't expect to.

Last December, an investment company was one of the first to wish our family "a Season

Frances Stead Sellers is the deputy editor of Outlook.

Filled With Beautiful Moments and Cherished Memories." A law firm took a longer view, hoping that the "Peace and Joy of This Holiday Season" would stay with us "throughout the year." DK, the book publisher, supplemented its colorful card that wished us "Happy Holidays" with a recipe for Bolo rei (Portuguese Epiphany bread). There were cards from worthy causes we'd contributed to (with, alas, fund-raising appeals rather than appealing food) and cheerful greetings from catalogue companies we'd given business to, from industry giant L.L. Bean to its

See CARDS, B4, Col. 3



## The Battle in Seattle



# It Was Bigger Than Chicago

**HAYDEN, From B.I.**

such as violating curfew or entering the no-protest zone.

Events get magnified at close range, and it's impossible to know whether the protests here have discredited the WTO fatally or will have any lasting effect. But consider the difference a week can make. I came to Seattle as a state legislator concerned about the WTO's impact on state and local government, and it seemed to me that most Americans knew nothing about the WTO. Now I hear people talking about it with suspicion. Many Americans said Generation X was apathetic until last week. Then, in Bill Gates's backyard, protesters, most of them young, stopped the organization of the new global economy in its tracks—however briefly—and sent the pundits looking for new generational labels.

The 1968 protest in Chicago was the crest of a wave that had been rising for eight years, through thousands of protests from the civil rights movement to the anti-war movement. The Seattle protest, rather than riding a wave, allowed a whole new generation of activists to surface, bringing attention to one of the world's most powerful organizations.

In 1968, people expected Chicago to be Chicago—you could see the protest building. Here, the city and the authorities seemed generally stunned; the protesters accomplished more with less.

Seattle will have greater consequences. In Chicago, we were dealing with a single is-

sue: the Vietnam War. The Seattle activists were confronting the very nature of the way economics, environmentalism and human rights are going to be shaped for the rest of our lives. The so-called new world order has to do with everything: exports, prevailing wages, sweatshops, sea turtles, the price and quality of food. The Vietnam War was going to end eventually, but the new world order will not. You'll either be part of it or you'll be frozen out.

Clearly another major difference is that the issues that brought the protesters to Seattle had such broad-based support from labor and environmentalists—the traditional base of the Democratic Party. President Clinton, while distancing himself from his role in shaping the WTO, expressed support for the protesters' goals. This is quite different from the attitude 30 years ago of President Lyndon B. Johnson—or the actions of Mayor Richard Daley—toward us anti-war rebels in the streets of Chicago.

The Seattle protesters' confrontation was forceful, effective and innovative. They shut down the WTO meeting, albeit temporarily, by chaining themselves together in the streets for as long as 12 hours last Tuesday. Bicyclists recorded the scene with hand-held cameras, enabling the organizers to broadcast live on the World Wide Web. They managed to maintain an attitude more buoyant and carnival-like than violent. Hard hats walked with nature lovers. Students mobilized in action teams with names like the Radical Cheerleaders, the Dot Commies and the Unrestables, whose marches were

led by a giant puppet of a crying Buddha. American campuses are still more insular than they were in the '60s. But the Sea Protesters represent the breakthrough of the vast hip-hop generation into a public effort to challenge the system.

To the young people who fasted in and froze in the streets, the WTO represents all they fear about the future. They will not find a home in the market fundamentalism of Clinton, who appeared tone-deaf referring to the protests as "hoopla" while endorsing their goals in the same breath. Still, they are just as unlikely to be part of Buchanan's anti-WTO model and nationalist constituency.

For the first time in memory, the patriotism of the corporate globalizers is in question, not that of their opponents. Do Clinton administration's investor-state trade priorities benefit America's interests: high-wage jobs, environmental protection and human rights? Are American democratic values and middle-class interests secondary to those of transnational corporations? As a grass-roots movement seeks the overthrow of what it sees as an oppressive system, Seattle '99 was more like the Boston Tea Party than the days of rage and grief in the late '60s.

Tom Hayden, a California state senator, was one of the Chicago 7 convicted of inciting the riots that disrupted the 1968 Democratic National Convention. Their convictions were later reversed.

# A New Society Will Be Heard

**BERNARD:** *From B1*

"civil society" provides space for debate for the development of public values, and is the process by which a public self, or citizenry, is created.

The protesters in Seattle were creating that space. True global citizens in the making, they demand accountability, democracy, and the right of individuals to have a voice in

WTO version of globalization is not a rising tide lifting all boats, as free traders insist, but a dangerous race to the bottom.

**F**or example, the WTO says its purview does not include social issues—only trade. So it claims to be powerless to do anything about a repressive regime selling the products of sweatshops that use child labor. Yet let this regime's sweatshops

tions deemed to be "non-tariff barriers to trade." As the Europeans have long understood, a common market must have a social and political dimension to it.

Third, the protests have fostered some interesting



# A New Society Will Be Heard

BERNARD, From B1

"civil society" provides space for debate for the development of public values, and is the process by which a public self, or citizenry, is created.

The protesters in Seattle were creating that space. True global citizens in the making, they demand accountability, democracy, and the right of individuals to have a voice in setting the increasingly important rules of international trade and commerce.

The WTO meeting was merely the place where these people burst onto the American public's radar. Social movements around the world had already linked into grass-roots networks, made possible by the astonishing speed at which they can communicate in the Internet era. Quick and relatively inexpensive international travel enables direct contact between even very small and poor organizations. Immigration brings workers from the poorest corners of the world to every major U.S. city. So Americans whose chief contact with the problems of developing countries might once have been writing a charitable check now have a more personal basis for activism: It is no longer charity, but true solidarity.

The WTO is a magnet for the concerns of these internationalists because, since its creation in 1995, it has been the central agency for writing and enforcing new global trading rules. These rules, based on the neo-liberal economic policies of free trade, privatization and deregulation, are flawed: They value corporate power and commercial interests over labor and human rights, environmental and health concerns, and diversity. They increase inequality and stunt democracy. The

WTO version of globalization is not a rising tide lifting all boats, as free traders insist, but a dangerous race to the bottom.

For example, the WTO says its purview does not include social issues—only trade. So it claims to be powerless to do anything about a repressive regime selling the products of sweatshops that use child labor. Yet let this regime use the same children in sweatshops to produce "pirated" CDs or fake designer T-shirts, and the WTO can spring into action with a series of powerful levers to protect corporate "intellectual property rights." So, it's really not a question of free trade versus protectionism, but of who and what is free, and who and what is protected.

The WTO says that countries can regulate only "product," not "process." But moving beyond the simple regulation of end product and toward regulating how things are made has been an important achievement of the labor, consumer and environmental movements. The difference between a shirt produced under near-slave-like conditions and a shirt produced by union labor under decent conditions isn't readily obvious in the packaged product; we must monitor the process by which that shirt is produced.

These are the kinds of issues that inspired the Battle in Seattle. So what did the protest accomplish? First, it has put the public back into this vital public policy discussion, which for too long has been dominated by a powerful few in secret meetings.

Second, the protests have illuminated the fact that there is no such thing as pure and simple trade, especially once we start to deal with social programs and government ac-

tions deemed to be "non-tariff barriers to trade." As the Europeans have long understood, a common market must have a social and political dimension to it.

Third, the protests have fostered some interesting new alliances: north and south, labor and environmentalist, Generation X and old hands from the 1960s. There are still significant differences among the wide array of protesters. Some believe the WTO should be abolished; others simply want a seat at its table for labor and environmental activists. Workers in industrialized countries worry about job loss and runaway plants; workers in developing countries fear that labor standards and environmental protection are simply ways to keep their products from getting to wealthy markets.

But that's what makes the emergence of these international advocacy networks so important. They are a forum for debating, negotiating and deliberating global solidarity. They are the beginnings of an emerging international civil society. And as demonstrated in Seattle, they will be heard.

Elaine Bernard is executive director of the Harvard Trade Union Program.

## WTO Protesters Didn't Speak for Me

GANESAN, From B1

Developing countries with vibrant and vocal democracies, such as India, already cherish freedom of expression, collective bargaining and the like as inviolable rights, and they do not need to be told to pursue these objectives through the trade rules of the WTO.

These countries already adhere to labor's core standards—not because of any linkage to trade or investment, but because of their governments' conviction that these are basic rights to be guaranteed in a well-functioning democracy.

Those who want to link labor standards to the trade rules of the WTO have an ulterior motive, revealed time and again by the protesters themselves. The labor organizations of the United States and Europe have complained that the liberalization of trade and investment regimes will lure investment away from wealthy nations to countries where wages are low. But low wages, the result of lower levels of national income, are the primary comparative advantage developing countries have to attract investment and create jobs. This advantage will be destroyed if labor standards are linked to WTO's rules. So the protesters are not speaking on behalf of all workers—just those of industrialized nations.

As for child labor, India and other devel-

opment countries have much more complex than are realized by the Seattle protesters. The fundamental reason is the acute poverty of the children's families. According to one estimate, the abolition of child labor in India by, say, 2010 would require \$15 billion to \$20 billion. Is the West or anyone else ready to make available this magnitude of funds over the next 10 years or so to tackle this problem? It is a sinister assumption that child labor exists in poor countries in order to cut costs or to gain an advantage in international trade.

The Seattle protesters seem to have also forgotten that a large chunk of labor in poor countries, especially in agriculture, is unorganized labor—not because the rights to freedom of association or collective bargaining are denied, but because it best suits the workers' ethos and conditions. In what way can WTO rules or even International Labor Organization conventions handle unorganized labor? Also, will linking labor standards to trade rules not drive more and more labor to the unorganized sector to avoid the stringency of the trade disciplines?

As for environmental issues, the protesters need to recognize that environmental degradation is being caused by two segments of people: the affluent and the poor, or the greedy and the needy. The former are pollut-

ing and host countries will deliberately lower standards in order to attract investment and enhance trade opportunities.

There is, however, one perverse point on which the street protesters in Seattle and in New Delhi seem to be united: From different viewpoints, they both want the WTO to be closed. The former want it to be closed if it does not expand its agenda to include labor and environmental standards. And the latter want the WTO to be closed if its agenda is expanded to include any more new issues.

Good causes are often lost by pursuing wrong means.

A.V. Ganesan is a former commerce

ministers that if such a link is not forged,

the world and host countries will deliberately lower standards in order to attract investment and enhance trade opportunities.

Good causes are often lost by pursuing wrong means.



ILLUSTRATIONS BY EDEL RODRIGUEZ FOR THE WASHINGTON POST

contact between even very small and poor organizations. Immigration brings workers from the poorest corners of the world to every major U.S. city. So Americans whose chief contact with the problems of developing countries might once have been writing a charitable check now have a more personal basis for activism: It is no longer charity, but true solidarity.

The WTO is a magnet for the concerns of these internationalists because, since its creation in 1995, it has been the central agency for writing and enforcing new global trading rules. These rules, based on the neo-liberal economic policies of free trade, privatization and deregulation, are flawed: They value corporate power and commercial interests over labor and human rights, environmental and health concerns, and diversity. They increase inequality and stunt democracy. The

only "product," not "process." But moving beyond the simple regulation of end product and toward regulating how things are made has been an important achievement of the labor, consumer and environmental movements. The difference between a shirt produced under near-slave-like conditions and a shirt produced by union labor under decent conditions isn't readily obvious in the packaged product; we must monitor the process by which that shirt is produced.

These are the kinds of issues that inspired the Battle in Seattle. So what did the protest accomplish? First, it has put the public back into this vital public policy discussion, which for too long has been dominated by a powerful few in secret meetings.

Second, the protests have illuminated the fact that there is no such thing as pure and simple trade, especially once we start to deal with social programs and government ac-

activists. Workers in industrialized countries worry about job loss and runaway plants; workers in developing countries fear that labor standards and environmental protection are simply ways to keep their products from getting to wealthy markets.

But that's what makes the emergence of these international advocacy networks so important. They are a forum for debating, negotiating and deliberating global solidarity. They are the beginnings of an emerging international civil society. And as demonstrated in Seattle, they will be heard.

*Elaine Bernard is executive director of the Harvard Trade Union Program.*

# WTO Protesters Didn't Speak for Me

GANESAN, *From B*

Developing countries with vibrant and vocal democracies, such as India, already cherish freedom of expression, collective bargaining and the like as inviolable rights, and they do not need to be told to pursue these objectives through the trade rules of the WTO.

\* These countries already adhere to labor's core standards—not because of any linkage to trade or investment, but because of their governments' conviction that these are basic rights to be guaranteed in a well-functioning democracy.

\* Those who want to link labor standards to the trade rules of the WTO have an ulterior motive, revealed time and again by the protesters themselves. The labor organizations of the United States and Europe have complained that the liberalization of trade and investment regimes will lure investment away from wealthy nations to countries where wages are low. But low wages, the result of lower levels of national income, are the primary comparative advantage developing countries have to attract investment and create jobs. This advantage will be destroyed if labor standards are linked to WTO's rules. So the protesters are not speaking on behalf of all workers—just those of industrialized nations.

As for child labor, India and other developing countries are seeking to eliminate it—on their own volition and as a basic social ob-

jective. But child labor exists for reasons much deeper and much more complex than are realized by the Seattle protesters. The fundamental reason is the acute poverty of the children's families. According to one estimate, the abolition of child labor in India by, say, 2010 would require \$15 billion to \$20 billion. Is the West or anyone else ready to make available this magnitude of funds over the next 10 years or so to tackle this problem? It is a sinister assumption that child labor exists in poor countries in order to cut costs or to reap an advantage in international trade.

The Seattle protesters seem to have also forgotten that a large chunk of labor in poor countries, especially in agriculture, is unorganized labor—not because the rights to freedom of association or collective bargaining are denied, but because it best suits the workers' ethos and conditions. In what way can WTO rules or even International Labor Organization conventions handle unorganized labor? Also, will linking labor standards to trade rules not drive more and more labor to the unorganized sector to avoid the stringency of the trade disciplines?

As for environmental issues, the protesters need to recognize that environmental degradation is being caused by two segments of people: the affluent and the poor, or the greedy and the needy. The former are polluting the environment by excessive levels of consumption and the latter are forced into un-

sustainable practices by poverty. The approach needed to tackle these two varieties is different, but trade rules applied in a simplistic manner can hardly solve the fundamental problems.

Furthermore, several issues of concern to the developing world have received scant attention from the environmental lobbies. These include the implications of the patenting of life forms; not recognizing the contributions of indigenous and rural communities in terms of biodiversity, genetic resources and traditional knowledge; the indiscriminate patenting of plants, medicines and other products that are already well known in the Third World; and the consequences of genetically engineered and patented seeds. Consider the result of WTO rules that deny developing nations the right to have automatic licensing on patented but essential medicines. Yet that issue was not articulated by the protesters, who seemed quite concerned about protecting rare species. Is the health of the turtles a matter of greater concern than the health of the poor?

Developing countries have therefore strong reasons to believe that the push for linking labor and environmental issues to the trade rules of the WTO is not motivated by moral or ethical considerations. There is no factual evidence or economic logic to support assertions that if such a link is not forged, there will be a "race to the bottom" around

the world and host countries will deliberately lower standards in order to attract investment and enhance trade opportunities.

There is, however, one perverse point on which the street protesters in Seattle and in New Delhi seem to be united: From different viewpoints, they both want the WTO to be closed. The former want it to be closed if it does not expand its agenda to include labor and environmental standards. And the latter want the WTO to be closed if its agenda is expanded to include any more new issues.

Good causes are often lost by pursuing wrong means.

*A.V. Ganesan is a former commerce secretary of India.*



ILLUSTRATIONS BY EDEL RODRIGUEZ  
FOR THE WASHINGTON POST

THE PRESIDENT HAS SEEN  
12-8-99

Give  
U. Int'l  
732

# BUSINESS

SUNDAY, DECEMBER 5, 1999

**H**  
Your Money  
Stocks

## Your Money

### INVESTING

Fred Barbash

## Unease With Tracking Stocks

**T**he notion of a "tracking stock" is simple enough. An older company tries something new but grows frustrated when investors don't reward it—or, worse, when they punish the company for its adventurousness.

Meanwhile, the company's executives see other firms, younger perhaps, engaged in similar innovation but flying high on Wall Street as they report losses and hurl cash at The Next Big Thing.

Jealous, the older company execs want to shout to the markets: "Hey. Look at us. We're cool, too."

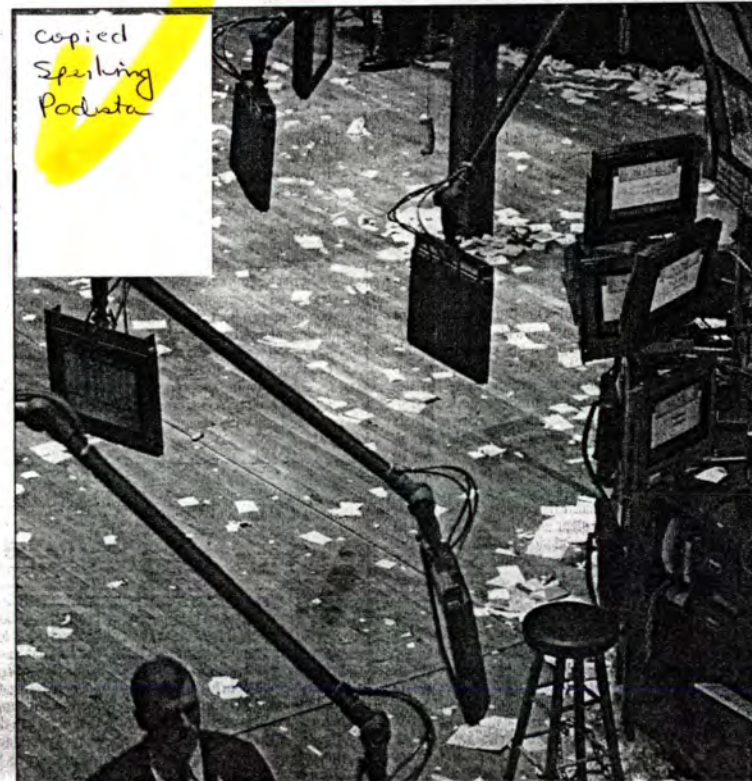
They can't really do that, but the older company can do The Next Best Thing: Create a new stock, representing only the cool part of its operations. It hopes to "unlock" obscured value and make growth-oriented investors suddenly sit up and take notice.

It's supposed to work like Viagra. Or maybe it's the market equivalent of Marian the Librarian, the uptight spinster in Meredith Wilson's "The Music Man" who transforms herself into a ravishing bride simply by unlocking her true beauty.

Tracking stocks have actually been around since the mid-1980s here and there. But now they seem to be everywhere. The most celebrated at the moment is Sprint Corp.'s Sprint PCS, which the company hived off 1½ years ago from its long-distance operation (FON) as a tracking stock of its glitzier wireless business. PCS is up 400 percent since Jan. 1; FON, a mere 95 percent.

Ziff-Davis Inc. has done it with its Internet arm; Donaldson, Lufkin & Jenrette Securities Corp., with its online

# Evolution of the Exchange: 3 Men Reshaping Markets



## Levitt, Grasso, Zarb Moving to Radically Change Way Stocks Are Bought, Sold

By SANDRA SUGAWARA  
Washington Post Staff Writer

**I**n the stock-exchange business, they are the three men who matter most—Securities and Exchange Commission Chairman Arthur Levitt Jr., New York Stock Exchange Chairman Richard A. Grasso, and Nasdaq Stock Market chief Frank G. Zarb.

Each of these men is taking steps that will radically reshape the U.S. capital markets, ultimately determining the cost and speed of buying and selling stocks. They are part of a business elite who rose to prominence during a wrenching period of Wall Street history, when dozens of firms shut their doors in the late 1960s and early 1970s.

Two of them—Zarb and Levitt—are old friends and business partners who talk to each other frequently. Zarb and Grasso have also known each other for two decades, while Levitt and Grasso were for many years crosstown rivals at competing exchanges.

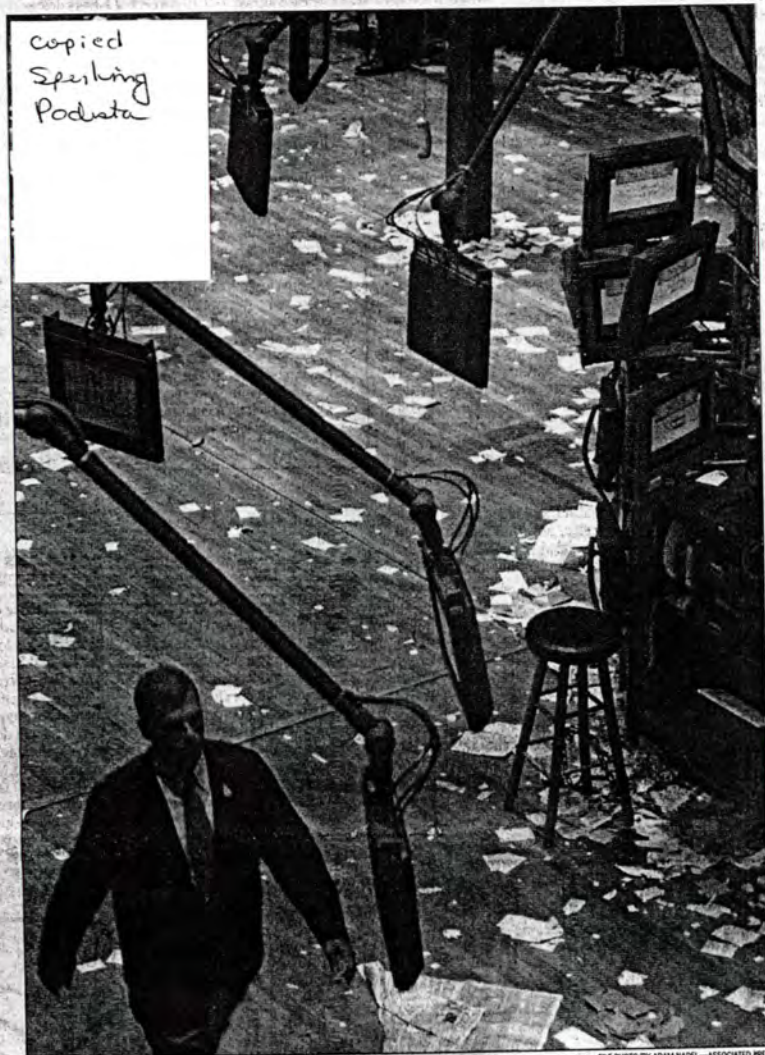
On Thursday, Grasso persuaded his board of directors to pull down decades-old barriers to harsh competition. The NYSE's garrulous and savvy leader, often described as knowing "when to hold them and when to fold them," counseled retreat in this particular battle, but not surrender. Grasso immediately erected a clever new line of defense that could even be sold as pro-investor. He is asking the SEC to prohibit securities firms from doing trades away from an exchange unless they can offer a bet-

# BUSINESS

SUNDAY, DECEMBER 5, 1999

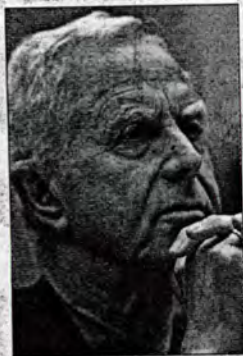
**H**  
 Your Money  
 Stocks

## Evolution of the Exchange: 3 Men Reshaping Markets



A trader walks the floor of the New York Stock Exchange. SEC chief Levitt has let it be known that Nasdaq and the NYSE need to change into for-profit entities to become more competitive.

### THE MARKETS' MAVENS



The SEC's Arthur Levitt Jr. is the invisible hand behind rule changes.



The NYSE's Richard A. Grasso is removing barriers to competition.



Nasdaq's Frank G. Zarb wants to spin the market off from its parent.

### Levitt, Grasso, Zarb Moving to Radically Change Way Stocks Are Bought, Sold

By SANDRA SUGAWARA  
 Washington Post Staff Writer

**I**n the stock-exchange business, they are the three men who matter most—Securities and Exchange Commission Chairman Arthur Levitt Jr., New York Stock Exchange Chairman Richard A. Grasso, and Nasdaq Stock Market chief Frank G. Zarb.

Each of these men is taking steps that will radically reshape the U.S. capital markets, ultimately determining the cost and speed of buying and selling stocks. They are part of a business elite who rose to prominence during a wrenching period of Wall Street history, when dozens of firms shut their doors in the late 1960s and early 1970s.

Two of them—Zarb and Levitt—are old friends and business partners who talk to each other frequently. Zarb and Grasso have also known each other for two decades, while Levitt and Grasso were for many years crosstown rivals at competing exchanges.

On Thursday, Grasso persuaded his board of directors to pull down decades-old barriers to harsh competition. The NYSE's garrulous and savvy leader, often described as knowing "when to hold them and when to fold them," counseled retreat in this particular battle, but not surrender. Grasso immediately erected a clever new line of defense that could even be sold as pro-investor. He is asking the SEC to prohibit securities firms from doing trades away from an exchange unless they can offer a better price.

Meanwhile, Zarb has spent recent weeks trying to line up support for an equally radical move. He wants to spin off Nasdaq from its parent, the National Association of Securities Dealers Inc., and turn it into a for-profit entity. The plan he wants the board to approve, possibly as early as Thursday, would give Nasdaq's major players enormous power and potential wealth, but it would leave thousands of smaller members out of the loop. Still, it would make Nasdaq a far tougher and better-run competitor, so the betting is with Zarb.

Behind all these actions is the invisible hand of Levitt. It was Levitt who, in a high-profile speech several weeks ago, signaled to Grasso that Rule 390, which kept competitors from trading key NYSE stocks, had to go. That was followed by private phone calls and quiet public prodding that ended in Thursday's action to drop the restriction.

Likewise, Levitt has let it be known that Nasdaq and the NYSE need to change into for-profit entities to become more competitive. That has helped Zarb convince some Nasdaq fence-sitters that change is inevitable, according to industry sources.

Pushing all three men to the frontiers of this new age of stock exchanges are the Internet entrepreneurs, who are hungrily circling about, some funded by the deep pockets of Wall Street and media companies. For instance, investors in Archipelago, an alternative electronic trading network, include Goldman Sachs Group Inc., J.P. Morgan & Co., Merrill Lynch & Co. and CNBC.

Just as the Internet has reduced the profits of the middlemen in the retail world, so now it is attacking the stock world's middlemen—the stock exchanges. The Internet means that anybody with the right kind of software can display buy and sell orders, making stock exchanges the latest bricks-and-mortar industry under siege by the Internet.

Gerald D. Putnam, the 41-year-old founder, declares that one day Archipelago will rival NYSE and Nasdaq: "I wake up every morning believing that is possible."

See MARKETS, H4, Col. 1

# Markets Compute Response to High-Tech Rivals

MARKETS, From H1

## Grasso: NYSE Protector

It's a Friday morning on the crowded, boisterous floor of the New York Stock Exchange a few minutes before trading is to begin. A large crowd of traders yelling "What have you got?" has gathered around the trading post of Bryant Yunker Jr. of Spear Leeds & Kellogg, who handles all the trades in International Business Machines Corp. stock.

The day before, IBM had announced surprisingly disappointing earnings, and floor brokers, representing Wall Street firms such as Morgan Stanley, were running up to his desk shouting out their buy and sell orders. Yunker was trying to decide on an opening price that would match buyers and sellers. Tempers flared. A floor official hurried over to try to ensure a fair price and maintain order.

An animated Grasso has brought a visitor here to explain what he sees as the beauty of the NYSE system: All the buyers and sellers come to one person, known as a specialist. The specialist can combine a deep understanding of the trading patterns of the stock with a knowledge of all the orders to keep the market orderly. During the day, the specialists make dozens of decisions that a computer could not, Grasso said.

Smaller orders are routed by computer to the specialist, and in the future they will be executed by computers. But for the larger, more lucrative orders, floor brokers race across the floor and yell out what they want. Specialists match buyers and sellers standing in front of them or trade the stocks themselves, as they scribble the deals by hand.

Wall Street brokerage firms, struggling with plunging commissions, are unhappy about the high costs of having to support an army of floor brokers. Moreover, they would like to keep much of the profits now going to the specialists.

Meanwhile customers argue that many of the most heavily traded stocks could be matched faster and cheaper by computer. "I haven't met a human being that can think faster than a computer chip," said Harold S. Bradley, senior vice president of American Century Investments, which manages mutual funds.

a major shock to the NYSE's inhabitants.

This summer, Grasso declared that the NYSE should go public by Thanksgiving. Switching from a membership structure to a for-profit one would give Grasso the ability to make changes more quickly. The current structure requires him to win a vote of the 1,366 NYSE members.

That plan, however, has been delayed for at least a year. There is internal opposition, according to some, plus concern that a NYSE stock offering might not draw much interest from investors.

Grasso often resorts to fast quips to defuse tension in meetings or deflect controversial questions. But when asked about the public offering, he responds quietly and seriously, with a tortuous answer that perhaps reflects the sensitive internal debate underway.

"I believe the real competitive landscape is not looking at the Nasdaq, the London Stock Exchange or Tokyo Stock Exchange... but looking at the data companies," he said. "What this business really does is create a moving stream of data."

That expands the field of potentially damaging competitors to include companies such as Yahoo Inc., Microsoft Corp., E-Trade Securities Inc. or CNBC, or some combination. "If I'm correct that the landscape of competition will be these dramatically different set of names," then a public offering is necessary, Grasso said.

"If I'm wrong about that, then an IPO may or may not be desirable," he said. "But let me say this: A large part of who [our competitors are] will be determined by whether those nontraditional names see an opportunity there."

## Zarb: Nasdaq Visionary

In June, Zarb set Japan's financial world buzzing. Just who was that brash, white-haired American who unexpectedly popped in to Tokyo and declared to hundreds of cameras and reporters that he would revolutionize Japanese stock trading in one year by setting up a replica of Nasdaq there?

That was the question that several Japanese journalists and Finance Ministry officials posed to Americans in Tokyo. The Japanese were taken aback by his boldness, skeptical of his vision and yet se-

Zarb has jumped between Washington and Wall Street, seeming to prefer the role of dealmaker and trailblazer over manager. In the process, he has developed strong ties to men such as Federal Reserve Board Chairman Alan Greenspan and Levitt. During a recent interview, in fact, he fielded a call from Levitt.

In his New York office, the political photos and memorabilia far overwhelm the financial.

He was brought into NASD less than three years ago to shake things up. And he has. Months after he revealed plans for a Nasdaq clone in Japan he unveiled a similar strategy for Europe. Many NASD members remain skeptical of his plans, annoyed at the speed he is moving and yet intrigued by his vision.

His game plan: tap into the pools of capital accumulating in cities such as London and Tokyo. That will draw in more foreign investors in Nasdaq stocks and more foreign-company listings on Nasdaq. That means more business for Nasdaq traders and more revenue for Nasdaq.

Plus, if Nasdaq were able to offer 24-hour trading and easy access to investors around the globe, and to do it before the NYSE, Nasdaq might finally be able to steal some listings from the Big Board. Despite Nasdaq's rapid growth, the stocks that trade there still have a total market value one-third the size of the NYSE.

Zarb is aware that his efforts in Japan and Europe face daunting odds. The risk of failure is high, but if the projects succeed, the payoff will be phenomenal. To those who complain that he is moving recklessly fast, Zarb points to the lessons he learned in the 1960s and 1970s, when the complacent Wall Street firms got battered.

When he started in the securities business, it was a genteel game dominated by "rich Princeton and Yale graduates," he said. "Rich men sold stocks and bonds to other rich men at fixed commissions."

As a poor Hofstra University graduate, he was an outsider in that world. He joined the investment firm Cogan, Berlind, Weill & Levitt, "an itty-bitty company," according to Zarb, whose partners included Levitt and Sanford "Sandy" Weill, now co-chairman of Citigroup. "We were young and risk-takers" and fierce competitors, buying up the blue-blood

## Two Major Markets

### NYSE

The New York Stock Exchange, a 36,000-square-foot facility located in Manhattan, operates like an auction. Open bids and offers are shouted out by NYSE members acting on behalf of institutions and individual investors. Buy and sell orders for each listed security meet directly on the trading floor in assigned locations. Every listed security is traded in a unique location, near one of the floor's 17 trading posts.

|                                                |                                  |
|------------------------------------------------|----------------------------------|
| Date established                               | 1792                             |
| Chairman                                       | Richard A. Grasso                |
| Total market cap of listed stocks              | \$11.1 trillion<br>(as of 10/29) |
| Number of stocks                               | 3,042 (as of 11/30)              |
| Annual share volume (1998)                     | 170 billion                      |
| Share of value of all publicly owned companies | 75% (as of 10/31)                |

### Nasdaq

Nasdaq was the world's first electronic market. Trading is through an open-market, multiple-dealer system, with many market makers competing to handle transactions in an individual stock. Unlike traditional floor-based stock markets, Nasdaq has no single specialist through which transactions pass. Since 1992, its securities have been traded in the early morning hours, when the London markets are open.

|                                                |                                 |
|------------------------------------------------|---------------------------------|
| Date established                               | 1971                            |
| Chairman                                       | Frank G. Zarb                   |
| Total market cap of listed stocks              | \$3.7 trillion<br>(as of 10/31) |
| Number of stocks                               | 5,252* (as of 10/31)            |
| Annual share volume (1998)                     | 202.0 billion                   |
| Share of value of all publicly owned companies | 19% (as of 10/31)               |



SOURCES: New York Stock Exchange, Nasdaq

\*Indicates those issued; 4,852 companies



PHOTOS BY REUTERS, GRAPHIC BY THE WASHINGTON POST

ing at a wave coming toward us," Zarb said. "We're about to go through the biggest changes in 200 years in how stock markets do business."

## Levitt: Pushing SEC Goals

Congressional hearings can be disastrous and humbling events for the powerful and brilliant. Some

the nail on the head when you said...," he begins as he highlights a point of agreement. Afterward he debriefs his staff, to find out how they think the hearings went and to make certain that no parties were unintentionally offended by his testimony.

His predecessor, Richard Breedren, used to draw a line in the sand and fight ferociously for it, said

to head the SEC. His choice of causes—such as his crusade for "plain English" in investment literature—puzzles many of Washington's legion of securities lawyers. The SEC issued rules requiring that prospectuses shun legalese and jargon in favor of shorter sentences and better English.

"He thinks more like a reporter than a securities lawyer," one at-

past, and for years Grasso has been a staunch defender of its culture. He has worked at the NYSE his whole life and knows many of the highly skilled, well-paid traders who might be put out of work if the NYSE were to go electronic.

So he is navigating a difficult course, trying to move into the electronic, global, highly competitive era fast enough to ward off danger but slow enough to prevent

nese entrepreneurs.

Zarb has that impact on lots of people.

He was President Gerald Ford's energy czar during the Arab oil embargo, leading tough negotiations with the Democrats on Capitol Hill. He took over the reins of a faltering Smith Barney and helped raise its profitability. He oversaw the turnaround of insurance services firm Alexander & Alexander.

"Now, based on the new technology of the Internet, the market is saying: We can find a new way to exchange stocks that is faster and a lot less expensive than the traditional processes. And you stock exchanges—and I'm including Nasdaq in this—either you get it right or we're going to form our own exchanges," Zarb said.

"So here we are, the traditional stock-exchange community, look-

cially when they are asked what might be regarded as inane queries from clueless members of Congress.

Levitt, on the other hand, seems to glide through the process.

Elegant, soft-spoken and never defensive, his answers are often preceded by "That's an excellent question, senator." Even when he disagrees with the lawmakers, he seeks a middle ground—"You hit

Levitt. Levitt dislikes that confrontational style, he said, meaning it's difficult to tell how hard the SEC will push for quick and dramatic reforms.

"Arthur won't declare—this is the SEC position, and try to cram it down industry's throat," said another securities industry lawyer in Washington. "Arthur is able to move issues with ambiguous-enough language. . . . Look closely at his speeches. He doesn't really say that the SEC is going to do much. He merely says this is what ought to happen."

Still Levitt, who loves perilous mountain-climbing expeditions, is driven, say former and current staffers. He runs the SEC like a business, with goals and deadlines. He expects loyalty from his staff and closely studies and understands the Machiavellian ways of Washington.

Levitt learned politics at the knee of his father, a popular New York state comptroller for 24 years. Although the state Democratic Party was interested in recruiting the younger Levitt for political office, he declined, instead spending most of his adult life working on Wall Street and serving as chairman of the American Stock Exchange, which has always suffered in the shadow of the far more powerful NYSE. He also owned Roll Call, a newspaper that covers Capitol Hill, before being tapped by President Clinton to head the SEC.

He is one of the few non-lawyers

most critical phase of his tenure as chairman—the transformation of the stock markets. He has already laid out his goals, although not what actions he is willing to take to achieve them or how hard he is willing to push for this ideal.

He wants exchanges to drop rules that block competition, and brokers to stop sending their orders to the firms that pay the most for those orders. He wants to link markets so investors can quickly find the best prices and to eliminate accounting practices that hide problems. He does not want to see individual investors pushed to the end of the line when important stock information is doled out.

Former Treasury secretary Robert E. Rubin, who was once a top Goldman Sachs executive and now is co-chairman of Citigroup, said he basically agrees with Levitt's approach. "The major issue is 'What kind of a market structure do we want in this country?' It seems to me, you want one that encourages competition, avoids fragmentation and is as open as possible to all participants . . . and is effectively regulated," Rubin said.

Levitt has particularly singled out the NYSE, because of the way it dominates U.S. financial markets. His fear: that the NYSE will lose business rapidly if it doesn't reform.

"I think that would be a national economic catastrophe," Levitt said, "and I'm going to do everything I possibly can to see to it that doesn't happen."

## In Profile

### Arthur Levitt Jr.

**Position:** Securities and Exchange Commission chairman since 1993



Development Corp.; owned Roll Call, a newspaper that covers Capitol Hill.

SOURCES: Who's Who, Bloomberg News, SEC, NYSE, NASD

### Richard A. Grasso

**Position:** New York Stock Exchange chairman since 1995



exchange's chairman.

**Age:** 53, born in Queens, N.Y.  
**Education:** Attended Pace University; completed advanced management program at Harvard Business School in 1985.  
**Career highlights:** Joined the NYSE as a staff member in 1968 and has moved up the ranks to become the

### Frank G. Zarb

**Position:** National Association of Securities Dealers chairman since 1997



of the Office of Management and Budget and assistant secretary of labor; was chairman and CEO of Smith Barney, a unit of Travelers Inc., and a vice chairman of Travelers.

**Age:** 64, born in Brooklyn, N.Y.  
**Education:** BA in 1957, MBA in 1962, both from Hofstra University  
**Career highlights:** Various assignments in five administrations including assistant to the president for energy affairs, associate director of

# Tiny Electronic Trading Systems a Big Threat to NYSE, Nasdaq

So just why is the Big Board afraid of Gerald Putnam's tiny Chicago-based Archipelago?

Just as Barnes & Noble and FAO Schwarz worry about Amazon.com and eToys, the New York Stock Exchange (and also the Nasdaq Stock Market) are nervous about the handful of alternative electronic trading systems nipping at their heels.

These systems, called electronic communication networks, or ECNs, may be small, but they understand the new Internet world of day traders, online investors and software that can give tiny companies powerful capabilities.

Putnam was a little-known entrepreneur, running a small Chicago-based securities firm, when in 1996 the Securities and Exchange Commission decided that market participants should be required to publicly display more customer orders. That meant that ECNs would be able to interact directly with the Nasdaq market, giving them the link they needed to break into the big time.

Putnam quickly conferred with some software designers, who within weeks built the software to run

Archipelago. If Archipelago turns out to be a big success, it may be due in large part to that software.

"Our model says give us your orders. If we don't have the best prices and somebody else does, then our system will automatically route your order electronically to that place. Our software enables our customers to access the whole marketplace, to do one-stop shopping," Putnam said.

A while later, Putnam called Goldman Sachs to try to establish electronic links between the two operations. "They said they were interested, but that they were even more interested in our business model," Putnam said.

Goldman Sachs invested in Archipelago, as did E-Trade Group Inc., J.P. Morgan & Co., Merrill Lynch & Co. and CNBC, the business news network.

To understand why ECNs are a threat to the NYSE



Gerald D. Putnam founded Archipelago, an alternative electronic trading network.

and Nasdaq, and why big Wall Street firms would be interested in them, it is important to understand what happens when someone wants to buy or sell stocks.

When you place a trade online, an e-mail message is sent to your broker. If the brokerage has the stock in its inventory, your trade may be executed with that firm. Otherwise the broker will route the order to a "market maker," a firm that agrees to buy or sell particular stocks so that investors are always able to trade.

The broker is supposed to route the order to the place offering the best stock price at that moment. But often he sends it to the firm that is paying the brokerage the most for the orders.

Some investors use limit orders—an order to buy at a set price—to protect themselves from wild fluctuations. For instance, an investor might tell a broker to

buy Microsoft only at \$87 or less. Brokers are increasingly sending those limit orders to ECNs, which electronically match buy and sell orders at specified prices.

The fear at the large stock markets is that as their major customers—such as Goldman Sachs and Merrill Lynch—invest heavily in ECNs, they will shift more of their business to these electronic competitors.

Institutional investors say they can save lots of money by using ECNs. "We can move 2 million shares of Dell in 10 minutes through three ECNs, saving time and money," said Harold S. Bradley, senior vice president and portfolio manager at American Century.

Meanwhile, the SEC opened another door for Archipelago about a year ago, when it said that ECNs could register to become stock exchanges. Archipelago has done that and is now waiting for an SEC answer.

"There's no reason to think it won't happen," Putnam said.

—Sandra Sugawara