

THE PRESIDENT HAS SEEN

'Don't ask, don't tell' has little effect on discharges

By Rowan Scarborough
THE WASHINGTON TIMES

The U.S. military is discharging homosexuals at about the same rate for violating President Clinton's new "don't ask, don't tell" policy as it did under the old ban in its final year.

Mr. Clinton and top Pentagon officials last year trumpeted the new guidelines as a major departure from previous regulation.

The Clinton plan allows homosexuals to serve if they keep their orientation private, and it discour-

ages investigations into a person's lifestyle based solely on hearsay evidence.

Homosexual-rights groups complained that the new regulation, the product of a compromise between the White House and pro-ban legislators in Congress, did little more than codify the 50-year-old ban.

Early figures provided by the Army, Navy and Marine Corps appear to show there is little change, at least in the rate of those discharged in relation to the total active-duty force. The new policy

went into effect Feb. 28.

The Navy and Marine Corps did show slight decreases, but not the significant drop in separations some had predicted under the Clinton plan's ban on "witch hunts" to ferret out homosexuals. The Army showed an increase in the rate of separations.

Charles Moskos, a professor of sociology at Northwestern University and a military expert, said the initial figures please him because they show "don't ask, don't tell" has not disrupted the ranks.

"I thought it would be this way,"

said Mr. Moskos, who supported the old ban and helped devise the new regulations. "This shows that basically, the status quo is holding. There has been no big rupture in the system as concerns gays in the military. I'm very heartened by that."

Michelle Benecke, co-director of a Washington group that pro-

see GAYS, page A26

MILITARY DISCHARGES

The number of discharges under the old and new military homosexual policies. The Air Force did not keep comparable discharge statistics.

	Feb. 28- Oct. '92	Active force	Feb. 28- Oct. '94	Active force
Army*	137	611,000	138	541,000
Marine Corps	39	185,000	25	174,000
Navy	272	542,000	201	464,000

* Army figures are for full fiscal years, 1992 and '94.
Source: U.S. military

The Washington Times

GAYS

From page A1

vides legal aid to suspected homosexuals targeted for military discharge, said she believes the numbers show that field commanders are not adhering to the new directive.

"If 'don't ask and don't pursue' were enforced, then maybe that would make life marginally less intolerable for service members," said Ms. Benecke of the Servicemembers Legal Defense Network. "But in fact, in many commands, it is not being enforced. Many commanders are violating the policy."

Robert Maginnis, a retired Army colonel who supports the old ban, said "it's possible" the rate of separations is basically unchanged because both policies contain a key similarity — they ban open homosexuality.

"Without looking at the individual cases, I really couldn't tell," said Mr. Maginnis, an analyst at the Family Research Council. "It's going to take a number of years to really determine if this is a blip or if this is consistent. Political correctness still reigns. Yes, they are discharging people, but there is confusion and there is trepidation as they approach some of these cases."

The last full year the old ban was enforced was 1992. President Clinton took office in 1993 and ordered an easing of the ban while he, the Pentagon and Congress worked out the compromise. He initially sought to lift the ban completely.

With Republicans set to take control of Congress in January, there has been speculation conservatives would move to override "don't ask, don't tell" with a new law reinstating an outright ban. But congressional sources this week said there is little sentiment to reopen the debate.

The Washington Times asked each of four branches to supply the number of homosexuality-related discharges they executed during the policy's first eight months, from Feb. 28 until the new federal fiscal year began in Oct. 1.

The numbers showed the Navy separated 202 people from an active-duty roster of 464,000. For the same period in 1992, the Navy discharged 272 sailors from a

force of 542,000.

The Marines discharged 25 persons (out of 174,158) under the new policy, compared with 39 (out of 184,529) in 1992.

The Army did not break its numbers down in monthly totals, but its yearly totals show that the rate of discharge appears to have increased under the new regulations.

In the last fiscal year, it discharged 138 soldiers (out of 541,343). In 1992, it discharged 137 people (out of 611,000).

The Air Force did not provide comparable numbers.

It has separated 125 service members since February for violating the policy. During the same period in 1992, it discharged 72 persons, but then it did not keep track of personnel discharged for failing to acknowledge their homosexuality at the time of enlistment.

Under the Clinton regulations, the Pentagon no longer asks recruits about their sexual orientation.

Ms. Benecke said her organization, through a nationwide network of about 200 lawyers, has in the past year helped more than 400 service members targeted for separation under the new and old policies on homosexuality.

Based on her involvement in these cases, Ms. Benecke contends the military is in fact intruding on people's private lives to determine if they are homosexual.

"The sad fact is, there have been so many people who needed assistance because their commanders continue to ask and pursue," she said.

Ms. Benecke, a former Army officer, also said the emotional debate on the issue last year has hurt homosexual service members.

"For many service members the national debate resulted in a far worse command climate, and that's entirely aside from the new policy," she said. "In many units, there wasn't that sort of constant speculation when I served."

Ms. Benecke also contended the official count of those discharged always has been artificially low because the services use other means to get homosexuals to leave the military. One way, she said, is for them to deny re-enlistments to those suspected of being homosexual.

The Washington Times FRIDAY, NOVEMBER 18, 1994

THE PRESIDENT HAS SEEN 11/27

Leon / Tony
What's yr take on this
BP

* No "off-the-Record"
comments - except
Mark &
Dee-Dee

* List ~~off~~^{all} contacts with
press.

* form a working group
to stop the
problem:

George

David Meyer

Ruben Ebrunman

Gene Sperling

John Podesta

Jonathan Prince

THE PRESIDENT HAS SEEN 11/27

Leon/Eurain
VPs suggestions
A new min policy

THE PRESIDENT HAS SEEN

At the Bar

Linda Greenhouse

THE PRESIDENT HAS SEEN 11/27

For Clinton, the Supreme Court's docket is a mine field of politically sensitive cases.

WASHINGTON

The House of Representatives and the Senate are not the only institutions in town in a position to give the Clinton Administration a major headache in the post-election era: The Administration's remarkable about-face in a recent child pornography case before the Supreme Court underscored yet another unpleasant new fact of life: how perilous the Court's docket has become for the White House.

The docket is a virtual mine field of politically unpalatable cases waiting to explode as the Administration files briefs and argues its positions on subjects like minority set-asides in Federal contracting, school desegregation and state limitations on welfare benefits.

Waiting in the wings, in the lower courts, are more highly charged cases that are surely headed to the Supreme Court. These include a trio of prominent cases relating to race: affirmative action in university admissions; blacks-only college scholarships; and a reverse-discrimination claim by a white teacher selected for dismissal over a black teacher with equal seniority in staff cuts at a New Jersey high school.

Compared with cases with the unsettling potential of these, the child pornography case may prove to have been only the appetizer to an array of discomfiting main courses.

With child pornography's potential as a wedge issue firmly in mind, Congressional Republicans and their allies cheerfully and successfully played to the hilt a case that had little practical significance beyond the symbolic.

But what a symbol. The Administration's critics accused the Solicitor General, Drew S. Days 3d, of being soft on child pornography for taking the position that the Federal law on the subject, which refers to "lascivious exhibition of the genitals or public area," applies as a matter of statutory construction only to depictions of children who are naked or whose anatomy is at least discernible through tight clothing.

Only once in the law's 16-year history has it been used to prosecute someone for possessing films showing children who were wearing clothes. That defendant, Stephen A. Knox, challenged the law as unconstitutionally vague, and the Supreme Court in agreeing to hear his case last year over the Government's opposition appeared receptive to that argument.

So in adopting a more limited view of the law's scope in the brief he filed last year, Mr. Days, a Yale Law School professor, was not trying to weaken the law but to insulate it against constitutional attack and preserve its usefulness as it has traditionally been applied.

That point was evidently lost in the Administration's defensive response to the well-orchestrated firestorm that followed the filing of the initial brief. With the case back before the Court for a second round, Attorney General Janet Reno repudiated the earlier position and filed a new brief that bore her own signature but not that of Mr. Days or any other lawyer in the Solicitor General's office.

The Administration's self-protective crouch contrasts sharply with the Reagan and Bush Administrations' approach to the presence of hot-button cases on the Court's calendar.

Those Administrations joyfully seized opportunities for using the Court as a gigantic bulletin board on which to post their views on school prayer, abortion and civil rights. Even when the Federal Government's institutional stake in a case was tenuous, as in a 1992 case on the constitutionality of prayer at public high school graduations, the Solicitor General's office would jump in with a broadly worded friend-of-the-Court brief putting forward its positions and asking the Justices to revise their precedents accordingly.

Win or lose — and the Court regularly rebuffed the more aggressive arguments — those Administrations could nonetheless turn a case into a useful vehicle for staking out political ground.

By contrast, this Administration's concern now seems to be to avoid getting run over. While the Reagan and Bush Administrations sought to find a way to win political points even while losing, it may be the Clinton Administration's fate to lose politically even if it wins cases like one the Court added to the docket on the eve of the new term's opening.

The Justices agreed to hear a constitutional challenge to the minority contracting provisions of the Small Business Act, under which business-

es owned by blacks, American Indians, Asian-Americans and Hispanic citizens are presumed to qualify for treatment as "disadvantaged business enterprises." Prime contractors on Government jobs receive a bonus for using a "disadvantaged" subcontractor.

A nonminority company filed suit after it submitted the low bid but lost a subcontract on a Federal highway project to a Hispanic-owned company. The case, Adarand Constructors Inc. v. Peña, brings the Court back into the debate, quiescent for the last few years, over minority set-asides in particular and Government-sponsored affirmative action in general.

While the commotion over the child pornography case was intense, the subject itself is remote from most people's daily concerns. But the distribution of Government benefits along lines defined by race, a theme common to the Adarand case and the others making their way to the Court, is a divisive issue that resonates throughout society. Several weeks remain before the Administration's brief is due. While it will defend the constitutionality of the Federal program, it has leeway to write broadly or narrowly in an effort to shape the debate both within and outside the Court.

The brief will be read, Senator Orrin G. Hatch, the Utah Republican who is in line to head the Judiciary Committee, said recently he planned to hold hearings on the Justice Department's civil rights policies, which he characterized in a television interview as moving in the direction of racial quotas.

The one worry the Administration does not have these days is the lack of an audience.

THE NEW YORK TIMES, FRIDAY, NOVEMBER 18, 1994

CASEBOOK

The Supreme Court and School Prayer

ENGEL V. VITALE, 1962

The court ruled that organized prayer in the public schools violates the First Amendment's prohibition against the establishment of religion. At issue was a nondenominational prayer to be repeated voluntarily at the beginning of each school day, proposed by the New York Board of Regents for adoption by the state school districts.

SCHOOL DISTRICT OF ABINGTON TOWNSHIP V. Schempp, 1963

The Court found that state-ordered recitation of The Lord's Prayer and Bible readings in public school classrooms are unconstitutional but added that religion can be taught as a subject.

WALLACE V. JAFFREE, 1985

The Justices struck down an Alabama state law that prescribed a "moment of silence" in public school classrooms. The history of the Alabama law made it clear, the Court said, that it was intended as an endorsement of religion, to encourage the students to pray.

LEE V. WEISMAN, 1992

The court found that inclusion of a prayer at a school graduation ceremony in Providence, R.I., was unconstitutional. The First Amendment was violated, wrote Justice Anthony M. Kennedy, by "pervasive" government involvement in a religious activity that left students no real choice but to participate.

Leon/Ginsburg
unusual a
systematic review
of their before
Tuckers get
too far out
B

Leon (aunt)

CS

*To Coates
for Mr. N. Stern*

HARVARD SCHOOL OF PUBLIC HEALTH

Jay A. Winsten, Ph.D.
Associate Dean and Center Director

CENTER FOR HEALTH COMMUNICATION

677 HUNTINGTON AVENUE BOSTON, MA 02115 617 432-1038

August 19, 1994

THE PRESIDENT HAS SEEN 11/27

Mr. David J. Stern
Commissioner
National Basketball Association
Olympic Tower
645 Fifth Avenue
New York, New York 10022

Dear David:

I want to congratulate you and the NBA for another successful season. The "Stay in School" messages are terrific. I want to applaud this effort, which I understand involves both an on-air and individual community commitment.

I know the NBA has a long tradition of public service projects -- and when you undertake such an action, you do it right. It is clear that the NBA is in a unique position to reach at-risk youth and contribute to reducing youth violence in America. While no one strategy by itself can solve this problem, an important piece of any solution is teaching young people conflict resolution skills. I urge you to consider using the vast power of the NBA with its players, its coaches, and its community outreach to promote the idea that there are ways other than violence to resolve conflicts. As I have mentioned publicly, programs such as "Squash It" offer a focused and promising approach to lending visibility and substance to conflict resolution.

Keep up the great work.

Sincerely,

COPY



100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200

W. THURSDAY, OCTOBER 13, 1994

WALL STREET JOURNAL

Catch the (Political) Wave

By ALVIN TOFFLER
And MENDI TOFFLER

As election day approaches, political pundits are predicting a major power shift in Congress and in state capitals across America as a new generation of political leaders arrives on the scene.

Yet Americans remain pessimistic and disengaged from the political process. Americans are increasingly alienated, bored and angry at both the media and politicians. Party politics seem to most people a kind of shadow play—insincere, costly and corrupt. Increasingly, they ask: Does it matter who wins?

The answer is Yes—but not for the reason we are told.

Ten thousand years or so ago the First Wave of historical change, the agrarian revolution, began to spread peasant-centered societies across the planet. Three hundred or so years ago a second wave, launched by the Industrial Revolution, burst upon the world and gave rise to a factory-centered way of life. What the U.S. and other countries are experiencing today is a Third Wave of change giving rise to information-centered economics and so cities.

But that enormous change, which is reshaping business, has not yet penetrated our political system. It will, soon, with striking consequences.

The Third Wave

The coming of the Third Wave is creating in our midst two basic political camps that cross party lines, one dedicated to the Second Wave status quo and the other to Third Wave change. One seeks to restore the smokestack past, the other to move us beyond it.

The reason the public does not, even now, recognize the crucial importance of this cleavage is that much of what the press reports is, in fact, the politics-as-usual conflict between different Second Wave groups over the spoils of the old system. But despite their differences, these groups quickly coalesce to oppose Third Wave initiatives.

This is why, when Congress passed an "infrastructure bill" in 1991, \$150 billion was allocated to roads, highways and bridges—providing profits to Second Wave companies and jobs for Second Wave unions—while a trivial \$1 billion was allocated to help build the much-touted electronic superhighway. Necessary as they may be, roads and highways are part of the Second Wave infrastructure; digital networks are the heart of the Third Wave infrastructure.

This is why, more recently, Second Wave Naderites and Second Wave Buchananites found common cause against the North American Free Trade Agreement, which will, over the long run, destroy Second Wave jobs in the U.S. and replace them with Third Wave jobs.

This is why Vice President Gore—with one toe wet in the Third Wave—has been unable, despite his efforts, to "reinvent" the government along Third Wave lines. Even as advanced corporations, driven by competition, are desperately trying to dismantle their bureaucracies and invent new Third Wave forms of management, government agencies, blocked by Second Wave civil service unions, have managed to stay largely unreformed, unre-engineered, unreinvented.

Second Wave elites in both business and the unions fight to retain or reinstate an unsustainable past because they gained wealth and power from applying Second Wave principles, and the shift to a new way of life challenges their wealth and power. But it isn't only the elites. Millions of middle-class and poor Americans also resist the transition to the Third Wave out of an often justified fear that they will be left behind and slide

further down the economic and social slope.

The Second Wave sector is backed by those elements of Wall Street that service it. It is further supported by intellectuals and academics, often tenured, who live off grants from the foundations, trade associations and lobbies that serve it.

Their task is to collect supportive data and hammer out the ideological arguments and slogans used by Second Wave forces—for example, the idea that information-intensive service industries are "unproductive" or that service workers are doomed to "eating hamburgers" or that the economy must revolve around traditional manufacturing.

With all this firepower continually battering them, it is hardly surprising that both political parties reflect Second Wave thinking. The Democrats' reflexive reliance on bureaucratic and centralist solu-



The failure of the Democrats to make themselves the party of the future (as, indeed, they once were) throws the door wide open for their adversaries.

tions to problems like the health crisis is drawn straight from Second Wave theories of efficiency. The failure of the Democrats to make themselves the party of the future (as, indeed, they once were) throws the door wide open for their adversaries. The Republicans, less rooted in the industrial Northeast, thus have an opportunity to position themselves as the party of the Third Wave.

The Republicans are basically right when they urge us to take maximum advantage of the dynamism and creativity that market economies make possible. But they, too, remain prisoners of Second Wave economics. For example, even the free-market economists on whom Republicans rely have failed, as yet, to come to terms with the new role and inexhaustibility of knowledge. Republicans also are still beholden to some of the corporate dinosaurs of the Second Wave past, and to their trade associations, lobbies and policy-formulating "round tables."

The difference between the parties, however, is that while the Second Wave nostalgia-pushers in the Democratic Party are concentrated in its core constituencies, their counterparts in the Republican Party tend to be found on its frenetic fringe—leaving room for the center of the party, if it is inclusive and open to change, to seize the future, lock, stock and barrel.

However powerful Second Wave forces may seem, their future is diminishing. Today the overwhelming majority of Americans are neither farmers nor factory workers. They are, instead, engaged in one form or another of knowledge work. America's fastest growing and most important industries are information-intensive. The Third Wave sector includes not only high-flying computer and electronics firms and

biotech start-ups. It embraces advanced, information-driven manufacturing. It includes the increasingly data-drenched services, such as finance, software, entertainment, the media, advanced communications, medical services, consulting, training and education—in short, all the industries based on mind-work rather than muscle-work. The people in this sector—knowledge workers—will soon be the biggest constituency in U.S. politics.

Unlike the "masses" during the industrial age, the rising Third Wave constituency is highly diverse. Its very heterogeneity contributes to its lack of political awareness. It is far harder to unify than the masses of the past.

Thus the Third Wave constituency has yet to develop its own think tanks and unifying political ideology. It has not systematically marshaled support from academia. Its various associations and lobbies in Washington are still comparatively new and less well-connected. And except for one issue—Nafta—in which the Second Wave's were defeated, the new constituency has few notches on its legislative guns.

Liberation

Yet there are key issues on which this broad constituency-to-come can agree. To start with: liberation from all the rules, regulations, taxes and laws laid in place to serve the smokestack barons and bureaucrats of the past. These arrangements, no doubt sensible when Second Wave industry was the heart of the American economy, today obstruct Third Wave development.

For example, depreciation tax schedules, lobbied into being by the old manufacturing interests, presuppose that machines and products last for many years. Yet in the fast-changing high-tech industries, and particularly the computer industry, the usefulness of products is measured in months or weeks. The result is a tax bias against high tech. Research-and-development deductions, too, favor big, old, Second Wave companies over the dynamic start-ups on which the Third Wave sector depends. The tax treatment of intangibles means that a company with a lot of obsolete sewing machines may well be favored over a software firm that has very little in the way of physical assets. Yet changing such rules will take a bitter political fight against the Second Wave firms that benefit from them.

Much of the Third Wave sector is engaged in providing a dazzling, ever-changing array of services. Instead of decrying the rise of the service sector, shouldn't it be expressly supported and expanded—or at least freed of old shackles? Yet no political party as yet has even begun to think this way.

Despite this political lag, the Third Wave constituency is growing in power every day. It increasingly expresses itself outside the conventional political parties because neither party has so far noticed its existence. Thus it is Third Wavers who fill the ranks of the ever more numerous and potent grass-roots organizations. It is Third Wavers who dominate the electronic communities proliferating around the Internet. And it is the same people who are busy "democratizing" the Second Wave media and creating an interactive alternative to it. Traditional party politicians who ignore these new realities will be swept aside like the MPs in 19th-century England who, even as the Second Wave of change washed over them, imagined that their First Wave, "rotten borough" seats in Parliament were permanently secure.

The Tofflers are authors of "Third Wave" and other books. This is adapted from "Creating a New Civilization: The Politics of the Third Wave," published by The Progress & Freedom Foundation.

THE PRESIDENT HAS SEEN 11/27

To Brumfield
He Pol + Gov't Refers
I think it would be
worth getting Toffe's ideas
perhaps from Wankel + sum or in
future before we finalize
contracts
B.

Hobart Rowen

Double-Edged Recovery

In every advanced industrial country—here, in Europe and in Japan—voters seem to be saying that the macroeconomic numbers on employment, inflation and profits are no longer a personal guarantee of a happy future.

"They see a disconnect between the past and the future," Goldman Sachs Vice President Robert Hormats observed. The pressure of a new kind of competitive workplace gives managers and ordinary workers a sense of insecurity. Even those who hold good jobs today have learned from the experience of others to worry about tomorrow.

The German election provides a clue to what may happen here in November. True, Chancellor Helmut Kohl's right-centrist party maintained a squeaky-thin control in the German parliament.

But recovery from a serious recession was not enough to mask the huge underlying problems of the German economy, which still faces mass unemployment and a two-class society—one in the West and one in the East. In what might have been referred to once as "normal" times, Kohl probably would have gotten a much bigger electoral bang out of improved exports and other positive macroeconomic signs.

This time, most of the opposition parties got stronger, and there is a real question whether Kohl's 10-seat majority in a 672-member Bundestag will allow him to pursue his agenda at home and abroad.

American parallels with Germany are not exact: we have had a much sounder and more extensive recovery to begin with. But President Clinton and incumbent Democrats may suffer a rebuff despite low unemployment, high profits and stable prices. We face the same high-anxiety economic environment that swamps the benefits of good, traditional macroeconomic performance.

"Only slices of the population benefit from a good GDP [gross domestic product]," an administration official concedes.

My own hunch is that the Democrats' losses in next month's election will be less severe than advertised, but even if his party maintains technical control of both houses, Clinton is likely to face a governing coalition of right-wing Democrats and Republicans.

Administration officials publicly profess bewilderment at how voters could be so unappreciative of a long list of Clinton accomplishments, starting with his getting control of the budget deficit. Naturally, they don't talk openly about the "character" issue. They hope, moreover, that recent foreign policy successes in Haiti, Iraq and North Korea will give the president and the party a boost.

And they hope that somehow anticipatory Republican arrogance will boomerang.

But they privately acknowledge that the controlling factor in the election may be a brand-new dynamic: growing disparities between the rich and poor and between the educated and less well educated in the labor force. "You can surely bet that the next few years will be even better [for the American economy as a whole] than the last few, but in our society, there is a growing wedge between the top and bottom," an administration official admits.

A troubling illustration: A decade ago, about 80 percent of college graduates had good health-care protection, while only 50 percent of high school graduates had the same sort of coverage. Now, the college graduate protection has eased to 76 percent, but for high school graduates it has dropped to about one-third.

Intuitively, American citizens seem to understand that our new high-tech, high-productivity economy probably guarantees steady economic growth. But it doesn't guarantee jobs (and health insurance, except for those who can benefit from training). We are breeding a new mix of haves and have-nots.

Moreover, it is believed in the administration, there has been a fundamental change in the manner in which individuals assess credit and blame for whatever economic success they achieve. "More and more, we are entering an era in which government

responsibility for the individual's economic security is seen as less significant, and [more credit] is given to the private sector," the official said.

But blame, of course, is easily absorbed by dissatisfied voters onto incumbents of all parties.

If this line of thinking is right, the part of the electorate that is doing well will tend to accept the situation as having developed without government help, or even in spite of it. And the part of the electorate doing poorly will still blame the government.

President Clinton recognizes the problem inherent in the decline of real wages in the past 15 or 20 years and has taken limited steps, within budget constraints, to address it. But this problem won't be solved in time for this or the next election.

For America, the problem is exacerbated by the fact that that our economy is now an integral part of the global economy. In earlier times, an unemployment rate that moved down from 7.5 percent to less than 6 percent would have ensured labor a bigger share of the national income pie. But union leaders can't demand higher wages when surplus labor in other nations acts as an effective ceiling.

George F. Will

Not Only 'Not Feinstein'

COSTA MESA, Calif.—Perhaps Michael Huffington, who earned an engineering degree from Stanford and an MBA from Harvard, really is intellectually inconsiderable when compared to the journalists and cartoonists currently condescending to him. However, that is not a truth Americans must hold to be self-evident.

Perhaps it is sinful, as Huffington's deplorers say, that his own money is financing his challenge to Democrat Sen. Dianne Feinstein. However, enough already of the adjective "unprecedented" when describing Huffington's spending.

The sensible measure of political spending is the amount spent relative to the state's voting-age population. In 1982 Mark Dayton used \$6.9 million of his wealth (contributions to himself or loans made or guaranteed by himself) in a losing Senate race in Minnesota. In 1994 dollars, that amounts to \$10.6 million, or \$3.56 per Minnesotan of voting age. In 1984 West Virginia's Jay Rockefeller used \$10.2 million (\$14.5 million in today's dollars) winning a Senate seat at \$10.12 (1994 dollars) per potential voter. In 1988 Wisconsin's Herbert Kohl used \$6.9 million of his wealth (\$8.6 million in 1994 dollars) winning a Senate seat at \$2.44 per voter.

If Huffington spends \$25 million of his own money, that will be \$1.32 per voter. There was much less journalistic indignation about Dayton, Kohl and Rockefeller than there is about Huffington. Dayton, Kohl and Rockefeller are liberal Democrats.

"I am," says Huffington, a forkful of corkscrew pasta paused halfway between plate and him, "a lot tougher than anyone gives me credit for." He will get such credit from Feinstein, whose 29-point lead has evaporated. Certainly his skin is tough. To the herd of independent minds who are his critics in the media, he is engagingly serene about the herd's disapproval.

The New Yorker warns that an unnamed source says Huffington washes his hands frequently. Vanity Fair reports that "rumors have swirled about his sexual preference," and an unnamed gay source says of Huffington (the married father of two young girls), "I wouldn't be amazed if he thought in a couple of directions." A New York Times columnist says that when Huffington was in Reagan's Defense Department, he was a "luster bureaucrat." Perhaps the columnist has a list of lustrous bureaucrats.

For Feinstein this is not a year to be living dangerously, so she is not presenting herself as what she is, the savvy operator who once said, "Basically, my life is government." Rather, she is running as defender of the Republic against the Huffington menace, defined this way in one of her ads: "The Associated Press reports that government records describe Huffington as secretive, threatening and greedy." Actually, the "government records" are papers submitted in a lawsuit by business competitors of Huffington.

When Huffington's detractors depart from anonymous and ad hominem attacks on him (and on his wife's religious views), they make the case for him that he makes on his own behalf. The detractors say he lacks both "experience" and a list of legislative achievements from his one term in Congress. Huffington responds: Fine. Everyone who admires the people experienced at making the government what it is, and who measure political virtue by legislative quantities, should vote for Feinstein.

Huffington may win, not because of what he is but because of who he is not: her. She is a political careerist (this is her 13th time on a ballot) and much more liberal than he. It is terminologically peculiar, but true: Conservatives are the people most unhappy about the status quo. Those Californians whose principal complaint about government is that there is too little of it are Feinstein voters. They are pleased as punch that she just recently got passed a bill bringing 6 million acres of Southern California desert under federal "protection."

But out in Bakersfield the other day, a tepid Huffington supporter but ardent anti-Feinstein voter asked, "How the hell do you harm a desert?" Bakersfield is in Kern County, where a farmer is facing federal prosecution for killing rats of the Tipton kangaroo variety that enjoys federal reverence under the Endangered Species Act. The feds have seized the murder weapon, the farmer's tractor. Kern County is Huffington country.

In a sense, all the Sturm und Drang about this contest is disproportionate: One senator is one percent of one-half of one branch of the federal government. However, come January a margin of one could decide which party organizes the Senate, thereby deciding who controls committee chairmanships and hence the legislative and investigatory agenda. So Huffington is not only Not Feinstein, he is Not Ted Kennedy as chairman of the Labor and Human Resources Committee, and Not Joe Biden as chairman of Judiciary. This is a good year to be defined as what you are not.

THE PRESIDENT HAS SEEN "1/27

16 Galtton
Fy1

fritter away the precious resources of the Institute for Advanced Study on the felonious gambling enterprises of Meyer Lansky and his cohorts. And finally, we get a fascinating glimpse of the great, culminating project on which Einstein labored for the last quarter-century of his life: the Unified Field Theory.

Lansky, renowned as the Mafia's one-man think tank and the academic *éminence grise* of the syndicate's gambling empire, began his illustrious criminal career bootlegging with Lucky Luciano and Bugsy Siegel. A numerical wizard who did computational puzzles as a form of recreation, he allocated the spoils from smuggled liquor shipments, keeping all the figures in his head. Lansky, according to gangland folklore, was also the inventor of money laundering.

FILE NUMBER: 2951B-992

LOCATION: Phone booth on the corner of Nassau Street and Murray Place in Princeton, New Jersey.

TIME: November 3, 1935, 10:15 a.m.

PARTICIPANTS: Albert Einstein, Meyer Lansky

EINSTEIN: Meyer, did you finish proofing the calculations demonstrating that Maxwell's equations on electromagnetism satisfy the principles of relativity?

LANSKY: They're (inaudible) screwed up. Ah...

EINSTEIN: They're all screwed up?

LANSKY: I'm redoing the whole thing. Don't worry about it.

EINSTEIN: You know what the problem is? (Coughs) I've been distracted by this other theory I've been working on. Meyer, listen to this: "The heartbeat of a person traveling with a velocity close to that of light would be relatively slowed, along with his respiration and all other physiological processes. He would not notice this retardation because his watch would slow down by the same degree. But judged by a stationary timekeeper he would grow old less rapidly." Do you understand?

LANSKY: He'd get younger?

EINSTEIN: Yeah. But do you understand the ramifications?

LANSKY: Ah, no.

EINSTEIN: If we can build airplanes that can travel close to the speed of light, then—let's say, Meyer, you're traveling from Vegas to Havana and then back, O.K.? When you get back, you're going to be younger, and that delicious cigarette girl at the Flamingo is going to be a little older. So now it's not going to be "Mr. Lansky, you remind me so much of my father," it's going to be more like, "Mr. Lansky, I get off in half an hour." Do you know what I'm saying, Meyer?

LANSKY: It's mind-boggling. You really think such a thing is possible?

EINSTEIN: (inaudible)

LANSKY: Albert, you know Charlie, right?

EINSTEIN: Charlie?

LANSKY: Charlie Luciano—my business partner.

EINSTEIN: Oh, Charlie Luciano, yeah.

LANSKY: Well, Charlie and I were wondering if, given the fact that you were able to predict precise deviations in the perihelion motion of Mercury, you might be able to help us out with the Belmont Stakes.

EINSTEIN: Uh... sure... yeah. I'll need some information and (inaudible) work up a calculation pretty quickly.

LANSKY: It's 3-year-olds, Albert. They go a mile and a half. Charlie and I feel very strongly about a horse by the name of *Omaha*—he already took the Derby and the Preakness and...

EINSTEIN: All I need is the mass of the horses and the jockeys, O.K.?

LANSKY: The mass? You mean the weight? I think *Omaha's*

carrying about 126 pounds. The weight, right?

EINSTEIN: The mass, Meyer, the mass. It's a measure of an object's inertia, its degree of resistance to being accelerated by a force... (inaudible) it's a measure of the object's gravitational effect. Do you understand what I'm talking about?

LANSKY: The mass of the horses and the jockeys—yeah, sure. What about baseball, Albert? The Series. (inaudible) And Charlie's curious about the Oscars.

EINSTEIN: Baseball I can do, Meyer, but it's much more complicated. Horses, you got mass and velocity—it's simple. Baseball, elections, Academy Awards—it's a lot more complex. You have more variables. Maybe you have a pitcher who throws a heavy sinker ball, you've got a pull hitter at the plate, men on base—you have to modify all measurements of time and distance according to the velocity of each system of reference, you have to consider the alignment of any massive gravitational bodies, etc. etc. (inaudible) Academy Awards—you've got all sorts of quantum *potentia*. The quantum world consists of tendencies, not actualities. A nominated actress's measured attributes may be determined by events in other galaxies, events from the future...

LANSKY: So what you're trying to say is that the universe is too complex to make book on?

EINSTEIN: No, that's not what I'm saying at all. Look—the universe is like a craps game, O.K., except instead of a Euclidian three-dimensional table, you got a four-dimensional space-time curvature.

LANSKY: I thought you said: "*Gott würfelt nicht*,"—God doesn't play dice.

EINSTEIN: No, Meyer. I said: "God plays dice, it's just that the dice are loaded." You know what I'm saying? The fix is in. That's the Unified Field Theory in a nutshell, my friend.

LANSKY: So this thing... (inaudible) This thing of ours... it's gonna last forever?

EINSTEIN: Oh yes, Meyer. *Gott crap out nicht*.

MARK LEYNER is author of the forthcoming *Tooth Imprints on a Corn Dog* (Harmony Books).

A reinventing government triumph.

REGO A GO-GO

By Paul Glasstris

With all due respect to Bill Clinton's busy schedule, could he possibly devote a bit of time to a subject that might save his presidency? Fourteen months ago, when Vice President Al Gore's National Performance Review (NPR) released its plan to "reinvent" the federal government, Clinton's popularity rating surged 11 points. And it wasn't just voters who loved the idea that the government could be made to "work better and cost less." Among a huge contingent of civil servants down in the bowels of the federal bureaucracy, Gore's report, "From Red Tape to Results," lit a reformist fire. One such bureaucrat was Dean Martell, a 45-year-old manager with the Department of

Veterans Affairs in Milwaukee. "I couldn't believe the insights," Martell recalls. "I read the report three times and forwarded it to a bunch of my colleagues."

An energetic former Army medic, Martell runs something called the Central Region Contract Service Center, located on the campus of the Clement J. Zablocki Veterans Administration Medical Center in Milwaukee. Opened in the waning days of the Bush administration, the center is home to a pilot program that helps eight Midwestern veterans hospitals do a better job of buying everything from fresh meat to ambulance services. It sounds boring, but it's a critically representative part of the federal government. The V.A. is the largest non-defense agency in the federal government. The Milwaukee service center does what most federal agencies do: it's a contracting agency, buying products and services for a taxpayer-funded institution. It's ground zero for any attempt to really reinvent government. Which is why Dean Martell's enthusiasm matters. If reinventing government works here, the omens are good.

So far, they are. Soon after the Gore report was released, the Milwaukee V.A. and Martell's center were dubbed a "reinvention lab"—one of about 150 scattered throughout the federal government. The labs were promised dispensation from onerous personnel and procurement regulations in order to test the main tenet of the NPR: that government agencies can improve their "service" to "customers" by "empowering" front-line bureaucrats, the way today's best-run companies do their employees. So what happened? I traveled to Milwaukee to find out.

The V.A. center where Dean Martell works is a surprisingly beautiful place, founded just after the Civil War and set amid an Arlington-like forty-nine-acre military cemetery of rolling hills, sprawling oaks and small white gravestones arrayed in perfect straight lines. Martell's Contract Service Center occupies an elegant old French-provincial building that was once a medical domiciliary, with a wide wooden-front veranda upon which one can imagine aging Union soldiers in wheelchairs. Inside, the building has been retrofitted in contemporary back-office style, with blond wood-veneer desks and sound-absorbing nubby fabric on everything.

Martell gave me a tour of the facilities, including a trip to a basement crowded with rows of metal shelves that reached to a low ceiling with exposed pipes. The shelves were lined with plastic three-ring binders. Martell pulled one off the shelf and flipped through a two-inch-thick stack of paper that spelled out the terms of a single contract with a firm to maintain an ultrasound machine. "You never see contracts like this in the private sector," complained Martell, who has a masters degree in hospital administration from NYU: "A lot of vendors won't even bid for V.A. business because they don't want to pay lawyers to read this stuff and tell them what kind of exposure they'd have." (Last month, with little fanfare, Congress passed and the president signed a sweeping overhaul of federal procurement law that should cut substantially the number of pages in such

contracts, thereby boosting the number of companies that might want to bid for government business.)

Later, we sat in a conference room with a half-dozen members of Martell's staff. Most were contract officers whose short hair and short-sleeve dress-shirts told of careers spent crunching numbers in federal bureaucracies. There was also the staff lawyer, a sharp, upscale-looking woman in a green silk blouse and finely tailored skirt whose presence on the team seemed a source of pride to the guys. Since the center opened in July 1992, this team slowly has been taking over the contracting responsibilities for eight hospitals in the region. Before that, each hospital had its own small staff of contract officers who dealt directly with vendors, making it impossible for the V.A. to achieve economies of scale by buying in bulk. The hospital-based contract officers were seldom as well-trained or sophisticated as the medical company representatives from whom they were buying. Consequently, the contracts often didn't represent the best possible deals for the hospitals or patients. If a hospital contract officer circulated a proposed contract for review to legal and technical experts at V.A. headquarters, the paperwork would often sit there for months. By creating the Contract Service Center, the V.A. aimed both to centralize and decentralize the process. Experts, like the lawyer, were moved down from Washington, while the contracting work was sent up from the hospitals.

This did not sit well with the hospital-based contract officers who figured, rightly, that their jobs would be eliminated. Soon after the center opened, its staff started getting nasty comments at hospital training sessions and rude E-mail messages from contracting officers at V.A. centers all over the country. It was deeply demoralizing to the staff. Morale picked up when the V.A. chose Milwaukee as a reinvention laboratory and the designation also gave Martell more clout when dealing with others in the V.A. "We're incredibly unpopular within the bureaucracy," he says. "The performance review changed the internal climate. What we're doing here would have had a lot less chance of surviving because the bureaucracy would have dragged its feet much more than it has."

Morale picked up even more when the center's efforts began to bear fruit. For instance, when it came time to renew a contract to service home oxygen equipment, the center's staff interviewed patients and respiratory therapists and found that firms were being paid full price to refill oxygen tanks that only needed to be topped off. The new contract specified that the vendor would be paid only for the oxygen actually used, a change that saved \$100,000 a year.

Incremental improvements like this, repeated in contract after contract, soon added up. Martell and his staff documented \$2.8 million in savings in less than three years. With payroll and overhead costs of \$1 million annually, the center is about breaking even. But that doesn't take into account certain other advantages. Having a lawyer on hand made it less likely that the V.A.

would be sued (or at least sued successfully) by irate vendors. The contracts are tougher on vendors, but the vendors benefit by dealing with one organization rather than eight. "There's less paperwork, and the paperwork is more efficient," says Homex Healthcare president John Cook, whose firm supplies walkers and wheelchairs to homebound patients. Under Homex's new contract, products can be ordered by fax rather than mail, cutting delivery time to patients. Indeed, surveys of vendors and hospital clinicians show growing "customer satisfaction" with the new regime, says Martell. An evaluation of Martell's center (and three similar ones) is still underway, but preliminary results "validate the efficiency of the regional contracting model," says Chris Figg of the V.A.'s acquisition office.

The regime certainly has been bad for the hospital-based contract officers whose jobs were eliminated. But those cuts have helped the hospitals themselves meet staff reduction targets that are part of a NPR-inspired plan to cut the overall federal workforce by 271,000. (This government-wide downsizing is the one aspect of reinventing government that Clinton does tout.) And not all the contract officers lost jobs. At the V.A. center in North Chicago, contract personnel were redeployed in a larger reorganization to improve the hospital's inventory management system, according to hospital managers. Now, nurses in North Chicago spend less time hoarding bandages and bed linens for fear of running out, and more time tending to patients.

Where's the catch? For all the center's success, Martell still labors under oppressive federal regulations. For instance, if he wants to fill a staff position, he can't just put an ad in the paper. He has to pick from a list of candidates generated by the federal Office of Personnel Management, a list that is usually out of date and filled with less-than-stellar applicants who haven't been snapped up by other employers. The Office of Personnel Management's hold over other agencies' hiring practices was supposed to have been loosened thanks to an NPR-sponsored presidential directive, but for mysterious reasons, that hasn't happened at the V.A. Another regulation prohibits the center from joining purchasing pools that non-V.A. hospitals have formed in order to concentrate their buying power. Even more burdensome is a federal requirement that all contracts expire at the end of the fiscal year on September 30. That rule results in a crushing workload for the center's staff in July, August and September. If the contract end-dates could be staggered and the workload evened out, the staff could do a more careful job with each contract.

Last spring, the Milwaukee V.A. sent requests for waivers from these regulations to V.A. headquarters in Washington. Seven months later, they are still waiting for a response. A mid-level V.A. official explained that the waiver requests have been bouncing around several agency departments, accumulating "comments" from budget and legal experts. Those comments are now being pulled together in "decision memos" that must

make their way up several layers of political appointees, a process that could take months. If, as seems likely, some of the waivers require changes in statutory language, then the requests will be sent to the Office of Management and Budget, where the decision will be made whether to forward them to the relevant congressional committees.

Meanwhile, Martell struggles to fend off cynicism among fellow bureaucrats. For a while, he chaired a reinventing government task force made up of colleagues from elsewhere in the V.A. procurement bureaucracy. "They were these seasoned federal guys," says Martell. "They asked me, 'You don't really think this will amount to anything?' And I said 'Sure it will!'" But the longer the waiver requests stagnated, the less there was to talk about at the meetings, and Martell stopped calling them. "I hated to see their told-you-so smiles," he says.

I explained this waiver problem to John Kamensky, deputy director of the National Performance Review, headquartered in Washington. He hadn't heard about the situation in Milwaukee, but he said wasn't surprised. His staff has visited about one-third of the 150 reinvention labs, many of which have had problems securing waivers. "We've found that typically it's headquarters that is blocking innovations," he allowed. "When we hear about problems we try to intervene. Sometimes it works, sometimes it doesn't." But with a staff of forty, there's only so much the NPR can do to put heat on the bureaucracy.

That job falls to the press. Yet aside from the flurry of coverage given to Gore's report last September, reporters and editors have been cavalierly inattentive to the hundreds of reinventing government stories happening all around them. The reason, I think, is that compared to reporting on congressional battles or political campaigns, these reinventing government stories are time-consuming and not particularly fun (believe me).

Bill Clinton seems equally uninterested in one of the genuine successes of his administration so far. Yet if he had paid one-tenth as much attention to reinventing government as to health care reform, he'd be in far better political shape. NPR, after all, is at the heart of what the Clinton administration campaigned for. If Washington can show itself capable of seriously improving its implementation of federal programs, then the public's faith in activist government—the *raison d'être* of the Democratic Party itself—would be immeasurably strengthened, and the cause of do-nothing Gingrichism seriously weakened. Although the evidence suggests that the campaign is slowly succeeding in doing for government what ten years of economic stringency have done for the private sector, the movement will not survive unless the bureaucracies' revanchist forces are kept at bay by public scrutiny. And the press isn't going to pay attention to reinventing government unless the president does.

PAUL GLASTRIS is the Midwest correspondent for *U.S. News & World Report*.

THE PRESIDENT HAS SEEN "1/27

Leones
an do have
to find a way
to do something
to publicizing this move

R

3000 K STREET, N.W.
WASHINGTON, D.C. 20007

Mr. President

THE PRESIDENT HAS SEEN

November 11, 1994

PERSONAL

BY TELECOPIER

The President and Mrs. Clinton
The White House
Washington, D.C. 20500-2000

Dear Mr. President and Hillary:

Tuesday was rough, but you should take great comfort in knowing that every day you give your all to do what's right for the country. Keep heart and faith; there's much useful that can be done by compromise or without the Congress.

I do fear intensified partisan congressional investigations. If they come, I am, of course, most willing to assist and provide whatever perspective I've gained from handling numerous difficult Hill inquiries.

Please know that, when things get tough for you, your friends and supporters want all the more to help you fight the good fight.

As ever,

Jim

James Hamilton

THE PRESIDENT HAS SEEN 11/27

Leon / Eustace / Harold
called to discuss this -
R.C.

To Hides HRC Sean
 GS Leon Ertin → B
 save ~~this~~
 might want to
 circulate -

THE PRESIDENT HAS SEEN 11/27

Richard Rothstein

8036 Elden Ave.

Whittier, Ca. 90802

phone: 310-945-8950; fax: 310-945-5180

"Give Em Hell" Harry

888 Words; For publication in the LA Weekly, December 1, 1994.

Bill Clinton's not made of Harry Truman's stuff, liberals complain. Clinton wants to please everyone, pandering to Republicans by moves to the center rather than launching "give em hell" crusades against "profiteers and the privileged."

Not so fast.

Though liberals now idealize Truman's no-waffle class war, in 1948 liberals abandoned him, almost costing the election. David McCullough's biography, Truman, has sold briskly since last month's GOP landslide, but Clinton critics apparently acquire this thousand-page tome as coffee-table decoration, not for study. McCullough's liberals never found Truman sufficiently pure; instead they backed Progressive Party candidate Henry Wallace whose votes threw New York and New Jersey to Republican Thomas Dewey. A shift of fewer than 30,000 could have given Ohio, Illinois and California to Dewey as well, denying Truman his now famous victory. That liberals today claim Truman as a weapon against Bill Clinton is an ironic postscript to McCullough's tale.

Liberals denounced Truman because, as Eleanor Roosevelt said, he was "weak and vacillating." (Her endorsement came only two days before the election.) Columnist Max Lerner said Truman had "a middle class mind," so "fearful of labor" he couldn't choose sides and fight. Henry Wallace, formerly Secretary of Commerce, complained Truman "does so like to agree with whoever is with him at the moment."

After Truman's 1946 repudiation by even greater Republican numbers than 1944, liberal (on everything but race) Senator William Fulbright urged Truman to resign in favor of stronger leadership. (Truman tagged him "Senator Halibright.") The leading liberal in Franklin Roosevelt's cabinet, Interior Secretary Harold Ickes, told Truman to withdraw or be "driven out of office by a disillusioned and indignant citizenry." Liberals like Minneapolis Mayor Hubert Humphrey, Florida Senator Claude Pepper, and union president Walter Reuther tried to persuade Dwight Eisenhower to wrest the 1948 nomination from Truman. Though Eisenhower was no Democrat, New Dealers were so disillusioned with Truman's alleged betrayal of principle they figured Eisenhower couldn't be worse. When Eisenhower refused, Truman tried to gain liberal support by offering Justice William Douglas the vice-presidency. Contemptuous of Truman's leadership, Douglas declined "to be number two man to a number two man." At the convention itself, Humphrey led demands to strengthen Truman's centrist civil rights platform (written to accomodate southern Democrats) and won. Truman then campaigned as a

civil rights advocate -- but only in Harlem. In Texas, Truman never mentioned civil rights.

Today's fabricated "buck stops here" Truman would have been unrecognizable to contemporaries. In 1946, Winston Churchill proposed British-American solidarity against Russia, declaring, in effect, cold war. He met with Truman to outline a speech about Europe's "iron curtain." Truman agreed and introduced England's wartime leader when Churchill delivered the speech in Missouri.

Many Americans, however, feared this provocation of Russia. The Wall Street Journal editorialized that America needed alliances against noone. Truman then waffled -- wobbled, they said in those days. He told reporters he had no preview of what Churchill would say. Then Truman invited Soviet dictator Joseph Stalin to give his own speech in Missouri, equal time for cold warriors. (Stalin declined.)

Truman tried to woo Congressional conservatives, straddling domestic issues. Prior to 1948, Truman attempted to compromise expansion of unemployment insurance, higher minimum wages, universal health insurance, and civil rights measures like anti-lynching laws, poll tax elimination, interstate commerce integration, and nondiscrimination in employment. None passed. Truman proposed full employment legislation but, in negotiations with Congressional conservatives, agreed to "all practical means" to assure "maximum employment," compromise we now regard as useless. Truman's greatest

civil rights decree -- ending armed forces segregation -- was for many liberals, too late. His order came only after South Carolina Governor Strom Thurmond (yep, the same one) led southerners out of the Democratic Party to run a fourth party challenge. With "Dixiecrats" lost anyway, Truman risked less.

Like Clinton, Truman faced conservative Congressional majorities. Most Democratic congressmen voted for Taft-Hartley anti union rules and then to override Truman's veto. When anti communists like Senator Joseph McCarthy and Congressman Richard Nixon gained support, Truman tried to preempt them, moving rightward to establish "loyalty boards" to investigate federal employees. He later rued the resultant witch-hunt as "a terrible" mistake.

Truman wasn't the first to balance principle with politics while shepherding impossibly broad coalitions. Franklin Roosevelt's "doorkeeper" Louis Howe kept others away because FDR wanted to please everyone and tell each visitor just what he wanted to hear. Throughout the New Deal, Roosevelt swayed between conservative and liberal economic advisors. He waffled for eight years over Japanese aggression in Asia, whether to aid Ethiopia, and even whether to assist England after Nazis overran Europe. On saving Jewish refugees, Roosevelt dithered until too late. He deceived Americans about Lend-Lease commitments to Britain; historians now deem his dissembling, "pragmatism."

The point is not to diminish Roosevelt or Truman, nor to prove that democratic governance in a society riven by class, race, religion and ideology is so complex that greater consistency in leadership is impossible. Perhaps critics are correct who argue that Clinton should now refuse compromise and attack Newt Gingrich and Rob Dole. But those who make this argument should be wary of the "Henry Wallace instinct;" with Strom Thurmond's Dixiecrats now solidly Republican, Democrats have a smaller margin for error.

Advocates of uncompromising confrontation need do better than rely on mythology of the pugilistic man from Missouri. Harry Truman was, alas, no Harry Truman.

THE PRESIDENT HAS SEEN 11/27

Abroad at Home

ANTHONY LEWIS

**The King
Must
Die**

BOSTON

"Why do we want to kill our Presidents?" A doctor asked me that other day, and left me wondering whether there is something about the American system, or the American psyche, that now makes the Presidency a hopelessly vulnerable institution.

"With the exception of Reagan, who was sui generis," he said, "we have cut off every President for nearly 30 years: Johnson, Nixon, Ford, Carter, Bush. Now it looks as if the same will happen to Clinton."

"We don't just say they failed at this or that. We say they failed as human beings, and we seem to get satisfaction from that idea. There's almost a glee about it: 'Boy, he really was terrible.'"

With each of those Presidents one can find a fault that led to his undoing. Lyndon Johnson dug us into the disaster of Vietnam. Richard Nixon was responsible for the lies and abuses of Watergate. And on and on.

Vietnam and Watergate, moreover, had lasting effects on the institution. We ceased to believe Presidents, to assume their good faith. The press became hostile, and has remained so. It did not give Bill Clinton even a brief honeymoon.

President Clinton, too, has inflicted many wounds on himself. From Zoë Baird to Lani Guinier, from Bosnia to prayer in schools, he has repeatedly failed to stand on principle.

But the doctor's point was that something larger is going on. Whatever the mistakes of this President or that, we want to find some fundamental, personal flaw in the man. Is that so?

What is undoubtedly true is that we expect far too much of the Federal Government nowadays. In this vast country, we think Washington can and should prevent local street crime. We expect it to repair family life, and make sure our incomes rise.

And the President is the great symbol of the national Government. We lay on him almost the personal

burdens that King Henry V felt the night before the battle of Agincourt in Shakespeare's play: "Upon the King! Let us our lives, our souls, our debts, our careful wives, our children and our sins lay on the King!"

At least since the New Deal, we have had this romantic notion of what Presidents ought to do for each of us. Asking for the impossible, we are bound to be disappointed. And as in a failed romance, we turn bitterly on the one who has failed us. So the theory might go.

Now we are evidently returning to

**Do we fixate on
personal flaws in
our Presidents?**

the pre-New Deal political system, Congressional Government. However much resolve President Clinton can summon up, the legislative agenda is likely to be set by the newly dominant Republicans in Congress. It is there in Newt Gingrich's "Contract With America," and no one should doubt the seriousness of his intention to carry it out.

Will the planned Republican measures fulfill our expectations? Mr. Gingrich has taken some welcome procedural steps, such as shaking up the House seniority system. But what about the substantive problems?

The rise in illegitimate births, especially among teen-agers, is one. Will a denial of welfare benefits to illegitimate children — the idea being discussed by Republicans — solve the problem? Will poor teenage girls change their sexual habits if the Government takes their babies away and puts them in Gingrich orphanages?

Or crime. Longer sentences and more prisons have not affected the level of crime noticeably so far. Will even more savage policies turn the growing population of young men without hope into good citizens?

The economy is the problem causing the most profound discontent among Americans. Real per-capita income has been stagnant or declining for years. The rich have grown dramatically richer, while the middle class struggles to keep afloat.

Some of the Gingrich Contract's economic ideas are appealing: the \$500 tax credit per child, for example. But the huge cost of the various proposed tax cuts would make the deficit balloon or require cuts in Social Security, Medicare and like entitlements on a similar scale. Will such a package cause American frustrations?

The concern is not an idle or a partisan one. Frustrated expectations can in time exact a heavy cost in politics. They can turn people against the whole idea of representative government. Unless political leaders begin to talk honestly about the limits of what they can produce, the present cynicism and anger may become dangerous.

on the far shore can Tony
kill him that the religion
the right
hasn't
because I have
forgot so
many battles
on principle
B

Books by Peter F. Drucker

Men, Ideas & Politics

Technology, Management & Society

The Age of Discontinuity

The Effective Executive

Managing for Results

Landmarks of Tomorrow

America's Next Twenty Years

The Practice of Management

The New Society

Concept of the Corporation

The Future of Industrial Man

The End of Economic Man

To ~~Drucker~~ / *Endler*
By *B.*

THE PRESIDENT HAS SEEN 11/27

MEN, IDEAS & POLITICS

Essays by Peter F. Drucker



HARPER & ROW, PUBLISHERS

New York, Evanston, San Francisco, London

7 The Secret Art of Being an Effective President

According to the campaign orators, our next President will be a wondrous man. Above all, he will be a statesman. He will also be a first-class administrator, dedicated to efficient government. His political philosophy will be sound. (Either soundly liberal or soundly conservative, but in any case sound.) To hear them tell it, he may even be suffused with that elusive quality, "greatness."

These are the terms in which we always discuss our candidates—and, indeed, it will be nice for all of us if November's winner actually proves to be endowed with these blessings. But they are not the things which will decide whether he is going to be a success or a failure. That will depend on something else, seldom mentioned during any campaign: his effectiveness.

All our experience tells us that a President needs, above all else, to be effective. No effective President in our history has been a failure, whatever his convictions or his personal stature. No ineffectual one has ever succeeded, no matter how great a man or how right his policies.

First published in *Harper's Magazine*, August, 1960.

Polk and McKinley, for example, were hardly great men, but they made fairly effective Presidents. Herbert Hoover, a much bigger man, did not. Neither did John Adams, though he was a truly great man and a statesman to boot. Mr. Truman, on the other hand, never considered himself a great man; but he learned to be a highly effective President.

This is something that any reasonably intelligent man can hope to learn, for it is about 80 percent system. Our history indicates that an effective President always does three things. First, he organizes his work so that he can concentrate on his decisive job—which is not administration, but political leadership. Second, he focuses American politics on the issues that are relevant to the situation—not on those which fit his program or his political convictions. Finally, he takes such a big view of his own office and of the American people that he never tries to "sell" anything; he demands.

The Eisenhower administration tried one major political innovation: a new organization of the President's job and work. It did not work out. Eisenhower, the man, enjoyed from the first tremendous popularity. Eisenhower, the President, did not really become effective until he had lost Sherman Adams and John Foster Dulles, his two "theater commanders" or "general managers." Their loss forced him to become a political leader instead of the nonpolitical administrator he had tried to be. The man didn't change, but his role and impact did, thus proving again that Presidential effectiveness depends on system rather than personality.

There is nothing mysterious about this kind of system. All our effective administrations have organized their work pretty much the same way, from that miracle that built a nation, George Washington's first term, to the first "New Deal" term of Franklin D. Roosevelt.

As far as the office of the President goes—his role as chief of state, head of government, and commander in chief—the requirements for effectiveness are well known.

First of all, there can be no substitute for the President in the American system, no "deputy," no "general manager," no "chief of staff." Every one of our effective Presidents has always made the big decisions himself; he did not just say "yes" or "no" to a staff recommendation. Each of them has in one way or another brought about what George Washington accomplished when he asked Hamilton and Jefferson for their separate recommendations on the same topic: a full presentation of all alternatives, rather than a joint recommendation of an innocuous but ineffective compromise.

Aside from making decisions, an effective President, however, does not do anything. He delegates all work. And he delegates only to individuals. He is not one bit interested in having a "harmonious team"; he wants strong, independent, ambitious men who can get their jobs done. He entrusts decision or action to a committee only if he really wants neither.

The next President will badly need to restore individual responsibility throughout the government. It is paralyzed today by the fatty degeneration of committees, co-ordinators, special assistants, and advisers, all busily "making one more study," yet powerless to act. We have split responsibility for an area—for example, Brazil—so many ways that no one can do anything. In the end the President has to go in person to settle matters that a State Department section head used to dispose of adequately in earlier, less "efficient," but more effective days.

Even the strongest and most influential Cabinet member or adviser is neither the President's "colleague" nor his "friend." A President has only subordinates. They are his tools. They are also expendable. The only "indispensable man" is the President himself.

But the President's job goes way beyond the formal duties of his office. And effectiveness in this other, extraconstitutional part of his work may matter even more. The President must be able to escape the strait jacket of official channels.

He must be able to bring the world into his vision and imagination. For this he needs a corps of unofficial, volunteer eyes and ears outside and independent of both government and party. Every effective President has had someone to do the indispensable chores that Mrs. Roosevelt handled for FDR. Every one of them could keep his Secretary of State waiting for hours in the outer office while listening to some unimportant missionary from the Congo or (as Lincoln did, to the great scandal of the righteous) to his wife's rebel relatives from the Confederacy. Every one of them also knew that it is hard work to build this eyes-and-ears network—especially as it had better consist of people who see things differently from the President and have minds of their own.

An effective President is always an active politician. "The President is the head of his party," says every textbook. But it forgets to add that an effective President must create the political alignments that make a "party" out of the mad swirl of groups, interests, national antecedents and religious ties, traditions, personal loyalties and convictions, which—to the despair of the orderly political scientist—is the stuff of American politics.

To say that a President should be "above politics" is as silly as to say that a violinist should be above tuning his strings and rosinning his bow. No effective President, to be sure, is ever a "good party man." He doesn't aim to please his party; he tries to give it new shape, new leaders, new direction, and new alignments. But all this requires shrewd, aggressive politicking.

A "nonpolitical" President—a Grant or a Hoover—simply hands things over to the party hacks. Eisenhower's failure to create the "modern Republican party" that he once proclaimed was the inevitable result of his being, for most of his eight years, "not a politician." For there is no conflict between being a politician and being a statesman in the American

system. To become a statesman, a President must first be a truly competent politician.

How to Use Experts

Finally the President, to be effective, needs "idea men" in his government—for himself first of all.

Few even of our greatest Presidents have been original thinkers. Admiral Rickover would hardly have considered Abe Lincoln "promising college material." What a President needs is an active mind—a mind interested in other people and their ideas; able to find the kernel of sense in a farrago of abstract theorizing; quick to see where imagination turns into riot, but also where logic turns into absurdity. Such a mind needs constant nourishment and stimulation through the ideas of others.

This the experts usually cannot provide. They know how to do better what is already being done. But they rarely ask: What should we do? What might we stop doing?

The idea man in government is needed even more to create public interest in politics, public excitement over issues, public imagination that new things can be done.

The American "ruler" who used the most such men was not a President, but General MacArthur as Supreme Commander in occupied Japan. But MacArthur often let them make policy, which was not their proper job. Franklin D. Roosevelt was much closer to the tradition. His idea men had little influence on New Deal measures and were dropped as soon as they asserted any. They spouted ideas and proposals, thus creating controversy, excitement, and interest.

Government, in other words, cannot be left entirely to the experts, whether administrators or politicians. It needs the idea man who is neither. Today, however, such men are not to be found in the government. They have been stifled by the blanket of "no controversy"—a legacy of wartime security and

McCarthyism. They are not even wanted. They are certainly not "efficient." They are a menace to orderly administration and a scandal to the administrator who seldom remembers that today's well-oiled procedure was yesterday's harebrained and impractical idea.

But the idea men, and they alone, can make politics become a human drama. Thus they arouse public opinion, creating understanding and public commitment. And no President can be effective unless he makes politics—his politics—grip us as high drama of men and ideas.

Putting Together a New Party

The demands on the next President's effectiveness as a politician and a political leader will be extraordinary. Whether Republican or Democrat, he may have to redesign and rebuild the very foundations of party cohesion and political alignments. He will have to bring into public life a new generation that has grown to manhood since the Depression and World War II. And he will have to tackle the new job of the American President: to win acceptance as a leader by the people of the non-Communist world.

Whether the New Deal coalition of farmers, workers, and urban minority groups can still be glued together may well still decide a presidential election. By itself, however, this coalition no longer represents even a decisive minority; farmers and manual workers each are a much smaller percentage of the population than they were only a few years ago. And as soon as the next administration gets under way, new alignments will be forged and old ones will be cut asunder.

For the new issues of American politics do not fit the established political boundaries. Neither do the realities of American social structure. Within the next few years, the farmer as a major interest group may fade from the American political scene. Labor and management may band together as the

"producer interest," on basic economic policies. "Spenders" may learn also to be "economizers" and vice versa. The fight over tax sources that is likely to break out might even produce a new states-rights alliance. Southerners, afraid of federal control in race matters, may get unexpected support from the powerful northern liberals who run the growing programs of states, cities, and regions. These men like federal grants; but they will fight tooth and claw for the fiscal autonomy of local governments.

Our existing political alignments go back much further than 1932. Franklin D. Roosevelt remodeled extensively; but the basic structure was designed a generation earlier by that political master builder, Mark Hanna—who was, ironically, a Republican. By 1965, however, basic political terms such as "labor," "business," "South," or "farmer" may begin to change—if not to lose—their political meaning. They may increasingly become irrelevant. A new central question of domestic politics will emerge: the allegiance of the as yet uncommitted, as yet politically amorphous, new majority—the educated middle class of employed technicians, professionals, managers, and teachers.

These political miracles may take a long time, if they happen at all. But their very possibility is enough to make both existing parties shaky. This means that the next administration will be highly political. Our next President will have to choose between being the impotent victim of the politicians' maneuvers and being himself the master politician who will create tomorrow's political alignments.

And this, of course, ties in with the "generation jump" that lies ahead. By the end of his first term, our next President will appoint as generals and admirals men who were too young to serve in World War II. Half of our present top-management people will have been replaced; the average age of this group is fifty-nine now. And half of our present union leaders, too, are already at (or past) normal retirement age. Searching for

"nationally known" women to put on a public-affairs panel, one of the radio networks last spring could not find a single name that would not have been on such a list in the late thirties.

The successors are likely to be men and women twenty or thirty years younger—new leaders rather than the lieutenants of the outgoing old ones. Meteoric careers like those of Richard Nixon and John Kennedy will become commonplace in politics as well as in business and labor unions.

It is pretty obvious that the common slogans and issues of today will make very little sense to this next generation. "Liberals" and "conservatives" alike still invoke the rhetoric of the thirties—the "rights of labor" or the "virtues of free enterprise." But for the people under thirty-five—and they are a full third of all voters—such slogans are as topical as "Remember the Maine!" Even the distinction between the two Roosevelts, Teddy and Franklin, must be as blurred for them as are most things one had to learn for a high-school test.

But no one—not even its own members—seems to know what the new generation stands for, believes in, wants. It has no spokesman so far—no one who does what Reinhold Niebuhr, Norman Thomas, or Walter Lippmann did for their fathers. The new generation has not even rebelled. It is silent, if not uninterested.

To be effective, our next President must, however, kindle in this generation—which will supply both tomorrow's majority and its leaders—the excitement of politics. He must convince it that politics deals with great issues, that it is concerned with right and wrong rather than with procedures, with the nature and destiny of man rather than with "who gets what."

Finally, the next President will have to gain acceptance as the leader of the Grand Alliance. Unlike his predecessor, he will come into office unknown to most of our friends abroad. Yet trust in the American President is the invisible bond

which alone can hold together the non-Communist world. Take that away, and our power becomes a threat to other countries, rather than their common shield and buckler. Our friends in other countries are not constituents of the American President, but they must be his "followers"—in our own national self-interest and theirs.

And abroad, too, a generation jump is close at hand. The Macmillans, Nehrus, de Gaulles, Khrushchevs, and Adenauers are all men who reached manhood in those faraway days before World War I, and little is known about their successors except that they will be much younger and quite different.

Leadership of the peoples beyond our shores cannot be gained in popularity contests. It must rest on clear understanding of American policy and position. To achieve this, however, requires a President organized for political leadership of unusually high effectiveness.

These new demands also heighten the need for relevant issues. If our next President clings to the old familiar issues—the ones all our political campaigns still chew over—he cannot expect to be effective as a leader either of his party or of the new "publics" at home or abroad. For these issues have become irrelevant.

A List of Priorities

"I would rather be relevant than right" should be the motto of the effective President. The right answer to the irrelevant question misdirects. But the wrong answer to a relevant issue still puts the spotlight where it belongs. And only by raising the relevant issues can a President hope to accomplish anything.

For example, Andrew Johnson held nothing of the Presidency but the empty title—and even that he came within one vote of losing by impeachment. Yet he, rather than the seemingly all-powerful Radical Republicans, set the course of

Reconstruction. His definition of the issue was relevant to the national goal and the need of restoring the Union; the Radicals' view of the issue as punishment and revenge was irrelevant.

Herbert Hoover was completely right in his two basic beliefs: that the American economy and society were at bottom strong and sound and that the real dangers were the international demonic forces beneath the surface. But Hoover's definition of the issue as preservation of the international gold standard was irrelevant. What was relevant, domestically and internationally, was preservation of the human values. Because FDR saw that clearly, he was effective, as Hoover was not.

What a President deems right is determined by his convictions. What is relevant, however, is decided objectively, by the logic of the situation.

What, then, are the relevant issues today?

"Isolationism" and "internationalism" have become as irrelevant for 1960 as the maintenance of the international gold standard was in 1932. So has "foreign aid." "Interdependence" is now the relevant fact—interdependence between our strength and that of the rest of the Free World; interdependence between our economic growth and rapid economic development elsewhere; but also interdependence between foreign and domestic policy, in defense, economic management, education, and many other fields.

"Capitalism versus Communism," as the issue has been posed these last twenty-five years, is no longer relevant. Almost any "ism" can now produce material goods and technical knowledge. And no "ism" by producing these things alone can insure its own victory.

"Freedom versus tyranny" is now the relevant issue. The basic fact is not the economic success, but the human failure, of Communism. Mr. Khrushchev is right in considering all his steel mills and missile pads no offset to West Berlin. It is

our job to make the world see that the steel mills are secondary. What is really relevant is the stampede of broken human beings through the smallest pinhole in the Iron Curtain.

"Peace versus war" also has become a phony issue, and a very dangerous one. As John Fischer has pointed out,* it can easily slide into an argument for surrender: war means destruction of the human race and is unbearable; we must therefore have peace even at the price of submitting to Communist tyranny for a few centuries. That, of course, is not the real issue. What is relevant is how to make bearable a prolonged period of strain which is neither peace nor war. For the foreseeable future the man in the White House will be neither a "war President" nor a "peacetime President," but both at the same time. Our ability to maintain our freedom, our ideals, and our sanity during this period will be the acid test of our character and institutions. To make such a period livable for the world—both through control of the absolute weapons and through the common constructive tasks that engender hope—has to be the goal of our foreign policy. Above all, we have to understand ourselves, and make others understand as well, that the present kind of truce is the true alternative to war and that it is the only path that might lead eventually to genuine peace.

In domestic affairs the Welfare State is a fact, and the New Deal history. Today's relevant issues are the shape and values of the new society that is being created rapidly all over the world by what might be called the Second Industrial Revolution. The sweep of this revolution is much broader, its impact heavier, its spread much faster than that of the first Industrial Revolution two hundred years ago—which was, by and large, confined to the Western world.

Our role in this second revolution is completely different. The first affected us very late. The second one is "made in the

* John Fischer, in *Harper's* (March 1960).

U.S.A." and has grown largely out of our success in solving the problems of the first. Now we will have to find the answer to many unfamiliar problems.

Our next President does not need a quiverful of specific proposals. He needs big new goals and compass bearings to show us how to move toward them. His job is not to "solve" the new issues. It is to make us start work on them. Above all, he has to create understanding, and this requires dissent and controversy as much as it requires support and approval. It requires our accepting his priorities and his definition of what issues matter. The next President need not be right; indeed, nobody can as yet say what is "right" for these new tremendous tasks. But he very much needs to be relevant.

The Unhidden Persuader

There is one more ingredient in Presidential effectiveness: an effective President always demands more from the American people than they think themselves capable of.

Roosevelt acted on this precept when, in early 1942, he asked for the production of 40,000 planes. His closest advisers thought him both mad and irresponsible. They knew that even half that figure was "absolutely impossible." But FDR was right, and he got a great many more planes than he asked for. Lincoln, Wilson, Theodore Roosevelt, all in their different ways, were equally demanding; and the country always responded.

All our effective Presidents were expert at public relations, untiring propagandists for themselves and their ideas. The slickest Madison Avenue outfit is bush-league compared to Thomas Jefferson.

But they also knew that leadership is not just getting one's measures through Congress or one's proposals accepted by foreign governments. It means making the American people see that new tasks have to be tackled, that old issues had

better be forgotten, and that cherished habits have to be broken to preserve basic values.

And our effective Presidents never "sold."

They all knew instinctively what the last few years have proven: The Hidden Persuaders do not really persuade. Since the great propaganda binge of World War II, all the black and white arts of "creative selling" have been employed to get the American people excited about politics. Yet we have never been so bored, so uninterested, so stubborn in our sales resistance. (When Mr. Eisenhower crusaded against "inflation" in 1959, he did stir up some public interest—but on that occasion he addressed us as adults.) The methods which sell lipstick to the twelve-year-old mentality have been found wanting in politics; effective leadership is not the merchandising of a brand image.

"The President of the United States does not sell anything," could be blazoned on the President's crest. Effective Presidents have been demagogic; but no effective President has ever been ingratiating. Every effective President knew that his job was not to reach the "mass mind," but to stir up the bright boys and girls in the class. Every one knew that the President leads through vision and not through cajolery, through courage and not through popularity.

The American people may be readier for such leadership than their TV programs indicate—and so might be the peoples throughout the Free World and the secret listeners behind the Iron Curtain. Reluctant as we may be to admit it, we all know that there is no "return to normalcy," whether that of Franklin D. Roosevelt or of Herbert Hoover, of the Americans for Democratic Action or of the Daughters of the American Revolution. We prefer to read forecasts about the glittering future ahead; but actually for the first time since Lincoln came in as an untried and unknown President, even the stoutest heart may tremble in the night for the future of the Union.

We are, I suspect, ready for effective leadership from the next President. We know by now that we have to be both a "superpower," to survive, and "the last best hope on earth," to prevail. The whole moral and intellectual climate of the country may change overnight, if only we get soon a President who takes a big view of his function, who takes pride rather than fright from the challenges that lie ahead—a President who demands much of us.

THE PRESIDENT HAS SEEN

11/27

Martyr or Misfit?

Secretary of State Warren M. Christopher has been relentlessly pilloried. But is he suffering for the sins of an erratic and unfocused President? Or does Christopher lack the voltage to spark confidence in America's global leadership?

BY DICK KIRSCHTEN

Sometimes a picture is worth more than 10,000 words. On the back of the latest issue of *Foreign Policy*, illustrator Vint Lawrence depicts Secretary of State Warren M. Christopher as St. Christopher, bound to a stake, his bare flesh pierced not by arrows but by journalists' pens.

The Clinton Administration's front man for foreign policy has indeed been relentlessly pilloried by the press. But is he a martyr, suffering for the sins of an erratic and unfocused President? Or is he simply a misfit who lacks the voltage to spark confidence in U.S. global leadership?

To Leslie H. Gelb, president of the Council on Foreign Relations, an organization of sideline quarterbacks who yearn to call the diplomatic plays, President Clinton is to blame for the bad reviews given to his Administration's performance on the international stage.

"Many of the things that people criticize about U.S. foreign policy are problems that really relate to the President himself," said Gelb, a former journalist who served in the Carter State Department when Christopher was deputy secretary. "The fixes, by and large, are a matter of [Clinton] fixing himself up."

But to Harald B. Malmgren, a veteran international trade consultant who logged time as a policy adviser to Presidents Kennedy, Johnson, Nixon and Ford, Christopher appears unsuited to lead the State Department. "He's seen as the perfect No. 2 for everything," Malmgren said. "He's not somebody conceptual, therefore he doesn't generate themes that the press can write about or that provide a framework in which his bureaucracy can fit its pet projects."

Whoever's at fault, the Capital's conventional wisdom holds that Christopher will pay the price. Despite White House denials, it has been widely reported that the Secretary—whose gull-wing eyebrows and elongated ears are the delight of cartoonists—will get the ax shortly after November's elections. For months, the mentioning class has busied itself floating names of potential replacements.

If White House political advisers convince Clinton that his chances for reelection in 1996 will be enhanced by a fresh start with a new foreign policy team, no one doubts that the 69-year-old Christopher will gracefully step aside. His epitaph, in that event, will be recorded as failure to craft a geopolitical strategy. Closer to the truth will be that by Washington's standards, he committed a larger sin: He failed to craft a successful public relations strategy.

There is, after all, a rather familiar ring to the rap against the Administration: that it fails to provide a road map for post-Cold War diplomacy. Most critics, including some Republicans, concede that the predecessor Bush Administration also came up short on the "vision thing."

In the view of *Foreign Policy* editor Charles William Maynes, who served in a variety of State Department posts between 1962 and 1980, the nation hasn't had "a successful foreign policy vision since the Berlin Wall came down." In an interview, Maynes said: "I'd give Christopher the same grade that I would give [James A.] Baker [III] in his last 18 months in office. We have basically been operating by inertia."

But Baker, Secretary of State for most of Bush's one-term presidency, walked away from the wreckage of the 1992 election with his image intact, if not enhanced. The Washington press corps now speaks of him not as a failure but as a presidential-caliber heavyweight to be watched closely as 1996 draws closer.

The differences between Christopher and Baker—and the inside-the-Beltway responses to them—explain as much about how Washington works as they do about how the Clinton Administration dug itself into a rut on foreign policy.

Self-effacing by instinct and less than inspiring as a public speaker, Christopher generously shares the limelight with top aides. Supporters describe his aversion to grandstanding and his stoic disinclination to lash back when under attack as refreshing at a time when the Capital's political mood is unusually acrimonious.

Christopher inspires fierce loyalty

among those closest to him. His lieutenants like to point out—in an obvious allusion to Baker—that their boss does not view the State Department as a stepping-stone. Having won the job he always wanted, they say, Christopher has no motive to indulge in self-promotion. They applaud his decency and diligence. They suggest that his is a class act, playing before an increasingly crass Washington audience.

Christopher's critics scoff at such arguments. "For people who respect modesty, that sounds nice," said Robert B. Zoellick, a member of Baker's inner circle at State. "Part of the job of Secretary of State of the United States is to personify power," said Zoellick, now a senior Federal National Mortgage Association official. Under Christopher, he said, "that image of power has significantly been lost."

In recent months, State Department public affairs honchos have sought to increase Christopher's visibility on television and to stress his hands-on involvement in key policy decisions. In late summer, Clinton assigned White House communications specialist David R. Gergen—who helped shape news coverage for Baker when he was President Reagan's chief of staff—to work full-time on foreign policy issues.

Recent successes in Iraq, Haiti, North Korea and the Middle East have given the Christopher team a lift and enabled its members to argue that Clinton's foreign policy has "turned the corner." Remark- ing upon their boss's persistence—not to mention his loyalty to Clinton—Foggy Bottom aides say it will take more than anonymous leaks by skittish White House aides to run Christopher out of his job.

The Secretary's outward manner may be courteous and subdued, aides say, but there's steel in his backbone. Consider the recollections of Bryce Nelson, a University of Southern California journalism professor who served as press secretary to the Christopher-led commission that investigated the Los Angeles Police Department following the Rodney King beating.

Although three panel members were named by police chief Daryl F. Gates, Christopher produced a unanimous report harshly condemning the department's excessive use of force and calling for Gates's replacement. "I'm sure that

when Gates appointed those three people to the commission, he never thought they would ask him to retire," Nelson said. "Christopher never raised his voice, but he just kept at it until he got agreement."

But Christopher appears to be losing the PR battle in Washington. To a major extent, the prevailing view about U.S. foreign policy and its architects is shaped along the capital's K Street corridor.

Strong Secretaries, such as Henry A. Kissinger, knew how to "maneuver the city to get the President to focus on an issue," he said. Insiders view Baker as successful, he added, not because he was "terribly conceptual" but because, "as a skilled shmoozer with the press, he always had everybody on board."

When it comes to maneuvering the city, the consultants say, Christopher is a klutz. John N. Yochelson, a former Christopher colleague at State and now vice president for economic and business policy at the Center for Strategic and International Studies (CSIS), a K Street think tank and consulting boutique, summed it up: "Warren Christopher has always been an inside guy who has tried to accomplish things principally outside the spotlight. . . . And we have seen in this town that people who try to operate an inside game without having strong and receptive media attention eventually get picked on."



UNCONVENTIONAL WISDOM

Although Christopher dresses flamboyantly enough to be the ringmaster, his role under the Clinton Big Top has been more that of the lion tamer. His taciturn Norwegian demeanor arguably is well-suited to the task of working with little outward display of emotion while his back is constantly exposed to sharp-toothed hazards.

Despite the poor reviews, Christopher's supporters contend that the lion tamer has succeeded in keeping most of the world's dangerous actors on their stools. An Administration official close to Christopher argued that critics have concentrated mostly on genuinely controversial "second-tier" issues while paying less attention to more-important matters that have gone relatively well.

"Christopher has taken on the key issues of vital interest to America and steadily handled them," the official said. "He has maintained the current historic and unique situation in which none of the Great Powers regard each other as a military threat, a situation that could have enormous negative consequences for the United States if it went wrong."

With Moscow and Beijing no longer regarded as the enemy, the Administration has enlisted their aid in trying to resolve peripheral crises of mutual con-

where officials of prior Administrations lucratively ply their trade as international business advisers, pen op-ed pieces and swap ideas with reporters.

With any President, but especially with a President such as Clinton who tends to ignore foreign policy unless there is a crisis, a Secretary of State has to know how to create "a wave of opinion that sweeps across town" and attracts the White House's attention, Malmgren explained.

cern. In Bosnia, U.S. diplomats have—with some success—prevailed upon Russia to get Serbia to curb its aggression. The Chinese have agreed to back the unfolding U.S. effort to stifle North Korea's aspirations to become a nuclear power.

In Europe, the Administration has won backing for its Partnership for Peace proposal that finesses for now the sticky issue

conventional wisdom been defied more than in Haiti, where Clinton has succeeded, thus far peacefully, in fulfilling his pledge to restore the democratically elected government of President Jean-Bertrand Aristide. Despite congressional objections and resistance within the Administration, Clinton, siding with the State Department's argument that diplomatic approaches had been exhausted,

officials who appeared to be associates of national security aide Anthony Lake.

In characteristic fashion, Christopher quickly patched things up with Carter and ordered his senior staff not to "hit back" at Lake or his staff. Lake reportedly gave similar instructions to his aides, and an angry Clinton let it be known that the bickering was "unacceptable."

Reviewing the incidents, an Administration official acknowledged that Christopher had briefed Clinton on the risks involved in sending Carter to negotiate with the then-de facto ruler of Haiti, Lt. Gen. Raoul Cedras. "The downsides were fairly clear," the official said. "With a fiercely independent person [such as Carter], you do risk some loss of control."

But Christopher, according to the official, also presented the "upside" of pursuing a last opportunity to avoid bloodshed and did not disagree with the President's decision to send the Carter mission, which also included Sen. Sam Nunn, D-Ga., and former Joint Chiefs of Staff chairman Colin L. Powell.

Despite an apparent string of successes, praise for the Clinton foreign policy apparatus remains grudging. In a contrarian article in *The New Republic*, Owen Harries faulted the Administration's style but gave credit to its accomplishments. "Beyond the pratfalls, the ham acting and the lousy production, some sensible decisions have been made and some dangers avoided," he wrote. "It could have been a lot worse, particularly if the advice given by many of the people now criticizing Clinton had been followed."

But in an interview, Harries, the editor of *The National Interest*, a journal of conservative opinion, suggested that Christopher and his aides not become euphoric about their long-term employment prospects. "A couple of weeks of things going decently right doesn't settle the matter," he said.

Harries sardonically added that his favorable assessment of the Clinton international affairs record has more to do with inaction than action. Thanks to "Clinton's sheer lack of interest in foreign policy," he said, unwise interventions have been avoided. "Ironically, he's gotten it right by default."

MANEUVERING THE CITY

The end of the Cold War has done surprisingly little to change the political instincts of the consulting community. On K Street, defense spending is still a core issue, Russia is still viewed as a potential menace and Democratic Administrations are regarded as soft on both subjects.

Speaking at a dinner of the CSIS advisory board on Oct. 12, former Secretary of State Kissinger kibitzed on Clinton's



Shepard Sherbell/SABA

White House national security adviser Anthony Lake
His staff was suspected of a recent round of Christopher bashing.

of admitting former Warsaw Pact nations to NATO, a move favored by Germany and its immediate neighbors but opposed by Russia.

Clinton's gamble in supporting Russian President Boris N. Yeltsin thus far has paid off, and he appears wise to have similarly positioned himself as a strong supporter of German Chancellor Helmut Kohl, who has just won reelection despite dire predictions not many months ago that his government would fall.

Nowhere has Christopher's profile been higher than in his dogged pursuit of peace in the Middle East. In nine trips to the region since becoming Secretary, he has midwived an Israeli-Jordanian peace agreement and advanced the prospects for an Israel-Syria accord. (See this issue, p. 2522.)

The progress toward peace in the Middle East provided Clinton a timely opportunity to take a bow less than two weeks before U.S. congressional elections in which his party's candidates face formidable opposition. During a swing through the region, the President visited U.S. troops sent to Kuwait to stand tall against Iraq's Saddam Hussein and attended the Oct. 26 signing of the pact between Israel and Jordan.

Perhaps nowhere has Washington's

ordered an invasion to oust the military junta that seized power in Haiti in 1991.

Thanks to former President Carter's mediation, Haiti's generals agreed to step down and Aristide, with Christopher accompanying him, was triumphantly—and nonviolently—returned to power on Oct. 15. It was "a victory for the policy" of restoring democracy to a hemispheric neighbor, a State Department official gloated.

For Christopher, however, the victory did not come without bruises. It was leaked to the press that Christopher was not at the White House when Clinton gave the go-ahead for Carter's mission; and that the Secretary and his deputy, Strobe Talbott, were at a movie on the afternoon that Carter was negotiating in Port-au-Prince. Christopher, nonetheless, got credit for insisting that Carter get the Haitian generals to agree to step down by a fixed date whether protected by an amnesty or not.

Carter's freelance tactics in Haiti made Clinton's control of the situation appear haphazard at best, and the former President's bizarre statements afterward included some personal potshots at Christopher. Almost simultaneously, the Secretary was on the receiving end of sniping attributed to anonymous White House

139

crisis-oriented management style, which he said did not allow time to think through the long-term implications of U.S. moves to restore Haiti's elected government.

Citing Russia's historic expansionist tendencies, Kissinger said that America's intervention in Haiti was greeted with enthusiasm in Moscow because the Russians feel it establishes a precedent for them to intervene in strife-torn Tajikistan and other former Soviet republics.

As a heavyweight in the community of foreign policy opinion shapers, Kissinger, who runs his own consulting business out of New York City and is a counselor to the Washington-based CSIS, has been courted for advice by the Clinton White House and has tried to be impersonal in his criticism.

Nonetheless, the balance of opinion among Washington's foreign policy "heavies" has been punishing to Clinton and Christopher. According to trade consultant Malmgren, even Bush Administration national security adviser Brent Scowcroft, "who is the mildest-mannered person that I know in the foreign policy field, was just withering in his criticism" of the current Administration in a recent meeting.

Among the critics is Carter Administration national security adviser Zbigniew Brzezinski, another CSIS counselor. A lightning rod for their wrath has been Christopher's deputy, Talbott, who is seen as the primary architect of the Clinton Administration's policies toward the former Soviet Union. "All of these heavies think Talbott is a disaster," Malmgren said. "They think he is naive, especially about Russia, which is supposed to be his strong suit."

It appears that Christopher's demise is already a given among the K Street mercenaries, and a campaign is well under way to make sure that Clinton does not consider Talbott, his old Oxford roomie, as a possible replacement for Christopher or national security adviser Lake. Malmgren predicted that the "openly scathing" criticism of Talbott will take its toll, if indeed it hasn't already. "What you call the intellectual elite of the press and other news media [will] slowly crank it into their thinking that this guy is not up to it," he said.

The knives are also out for other aspects of the Clinton foreign policy. Adversaries, for example, give the Administration little credit for its moves to advance trade with China—after backing away from demands that the Chinese curb human rights abuses—and to create an Asia Pacific Economic Cooperation forum.

Asian policy has been executed clumsily, former Baker aide Zoellick argued. Because of mixed signals and narrow objectives, he said, "we have lost much

ground in terms of Asians' image of us." In Japan, Zoellick said, "a great opportunity" to use economic policy to influence political reform and changes in that nation's thinking on security issues was forfeited. "Instead, we got led down a blind alley of quantitative [trade] goals, which in the end we weren't able to get anyway," he said.

Some critics even slosh cold water on the Administration's record in the Middle East. "If we are looking at this as Warren Christopher's great contribution, it's pretty unimpressive," said Alan Tonelson, research director of the Economic Strategy Institute, a Washington think tank that favors a more isolationist U.S. foreign policy for the post-Cold War era.

"I find it revealing that Christopher spends so much time on this, because in my view the Arab-Israeli conflict is a perfect example of the old foreign policy agenda," said Tonelson, a Jew who describes himself as a strong Zionist. "I think this is a wonderful example of a foreign policy being driven by intellectual inertia."

PLEASING THE CROWD

The expectation that there will soon be a new Secretary of State is far higher than

are replaced, Gelb said, it will be for electoral reasons rather than a matter of policy. Clinton, he said, may have to make "a hardheaded political decision" after the midterm elections that will be designed to signal that "the problem was the team," not the policy.

Even so, Gelb continued, unless Clinton then puts his "considerable knowledge" of foreign affairs into focus, there still won't be much change in the policy. "You could put a Colin Powell or a Sam Nunn in there and, of course, there would be wrinkles of difference," he said. "But the President of the United States has to decide what kind of foreign policy he wants to conduct."

From a public relations standpoint, Powell would be a clear winner. In terms of image, he is everything that Christopher is not: an Army general who rose to the top of the military command structure, as opposed to a skillful lawyer-bureaucrat who is both lauded and taunted as the perfect No. 2.

Powell, who keeps his powder dry when it comes to professing a political affiliation, is an unlikely candidate to rush to Clinton's rescue, however. Powell's star, after all, rose under Republicans and could be badly tarnished by service to a floundering Democrat.



White House communications specialist David R. Gergen
He has set out to sharpen the Clinton Administration's foreign policy messages.

the expectation that there will soon be a new Clinton foreign policy.

The Council on Foreign Relations' Gelb has been a tough critic, contending that Clinton has shown conviction only in the area of international trade. "A foreign economic policy," he said, "is not a foreign policy and it is not a national security strategy."

But if Christopher, and possibly Lake,

Other possibilities mentioned as Christopher replacements spark less excitement. Ambassador to Japan Walter F. Mondale and Treasury Secretary Lloyd Bentsen command solid respect, but both have been around so long that they seem a bit shopworn. Chief U.S. representative to the United Nations Madeleine K. Albright is a fighter who would make her presence felt, but she has been at the cen-

Richard A. Bloom

ter of much of the Clinton foreign policy making that now is under attack.

Nunn heads an ever-growing list of congressional mentionables that also includes Sen. Bill Bradley, D-N.J., Rep. Lee H. Hamilton, D-Ind., and—if he isn't reelected—House Speaker Thomas S. Foley, D-Wash. But with public admiration of Congress at an all-time low, a refugee from Capitol Hill might bear little resemblance to a white knight riding to the rescue.

Given the lack of certainty that a change at Foggy Bottom would reverse the President's fortunes, Christopher may yet survive. Clinton relied heavily on his advice during his 1992 campaign and transition, and there is little evidence to indicate that personal ties between the two have frayed. But even the Secretary's supporters concede that he is dangling by a thin thread. He desperately needs events in Haiti and Bosnia to remain on an even keel and for early signs that U.S. incentives to steer North Korea from the nuclear weapons path are taking hold.

Beyond that, Christopher needs to become personally identified with a diplomatic coup, perhaps the peace accord between Israel and Syria that he has been pursuing for months. "Reputations in this town rise and fall very quickly with success or failure," noted *Foreign Policy* editor Maynes. "If Christopher had a big success in the Middle East, I think some people would start saying, 'Look what a good Secretary we've got.'"

A more common view, however, is that such a triumph would be Christopher's swan song, an occasion that would permit him to step down voluntarily on a high note. If such an achievement appears to be in the works, he very likely will be permitted to see it through to conclusion. Clinton "would not pull the rug out from under Christopher in the midst of Middle East negotiations," a White House aide said.

The Secretary's supporters express frustration that what they see as his strengths are perceived by others as weaknesses. Maynes acknowledged that Christopher's deferential manner and low-key operating style have damaged him in the public eye. "He doesn't have much of a public persona," he said. "He's a behind-the-scenes man, and that is really where he has been at his best."

Some Secretaries of State succeed by

hogging the spotlight, Maynes said. "In Kissinger's State Department, nothing happened except what he was working on; there were sort of six dead areas with the lights turned out and one with lots of activity." But Truman Secretary of State Dean Acheson, he said, was seen as strong because he "had very strong people around him who played major roles in policy."



Warren M. Christopher's aides suggest that his is a class act, playing before an increasingly crass Washington audience.

Although Christopher, the quintessential buttoned-down senior partner, has aspired to emulate the Acheson model, Maynes conceded, he has not conveyed the perception that "he is managing this process, as opposed to tolerating it."

To change that perception, top Christopher advisers, including Gergen and assistant secretary of State for public

affairs Thomas E. Donilon, have intensified efforts to improve the image of U.S. foreign policy.

Although Gergen plans to depart at year's end, he has attempted to install an ongoing process for sharpening the Clinton foreign policy message. Gergen's presence at the "principals' meetings" where Clinton's top advisers refine foreign policy options serves as a reminder that a strategy will be needed for explaining the Administration's decisions and objectives to the public.

On the operational level, Gergen has reached into his bag of tricks from the Reagan White House and instituted morning conference calls to give the television networks a heads-up on what to expect during the day in high-profile situations, such as Haiti or Iraq.

Each morning at about 9, Gergen calls key players at State and the Pentagon to discuss objectives and expected problems in the day ahead. By 9:15, he's usually ready to begin his calls, which link network news directors with Administration officials who are knowledgeable about conditions in the field. The idea, the officials say, is that informed coverage will portray the Administration in a better light.

In the end, though, critics insist that the Secretary of State cannot delegate the function of communicating U.S. foreign policy. "It is the responsibility of the Secretary of State to cut the kind of public figure that commands public respect," the CSIS's Yochelson said. "He has to be articulate, forceful and imaginative enough to make a difference."

But it simply is not Christopher's style to invoke stirring rhetoric. "I have urged him to give a speech fighting back against the critics," undersecretary of State Timothy E. Wirth said at an Oct. 14 policy forum, where he defended the Administration's foreign policy.

To those who argue that the Washington policy game can be mastered only by those who can manipulate public opinion, Christopher is viewed as a flawed commodity. "Can you remember a speech that he has given that has made a difference, or even a significant try in that regard?" Yochelson asked.

The message to Foggy Bottom seems loud and clear: It's not enough to concentrate on good works; the Secretary must produce good words, as well.

Pesky Critters

They used to be known as Boll Weevils. Now some people call them FROGs. Whatever the name, right-leaning House Democrats are a force that leaders of both parties will have to reckon with in the next Congress.

**BY ELIZA NEWLIN
CARNEY**



In the waning days before House Members went home on Oct. 7, Rep. Robert T. Matsui, D-Calif., was getting nervous. Democratic leaders weren't sure that they could win approval of a worldwide trade pact, and it was Matsui's job to help round up the votes.

Matsui called colleague after colleague, stressing the importance of a General Agreement on Tariffs and Trade (GATT) vote before adjournment. He also stopped by to see Rep. Nathan J. Deal, a freshman Democrat from Georgia.

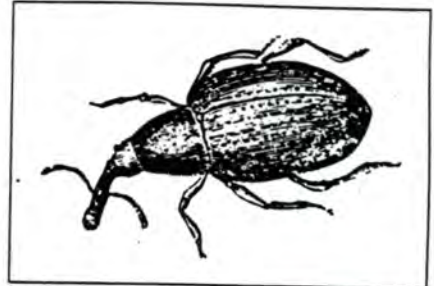
Deal was hosting a meeting of the Freshman Fiscal Caucus, an informal group of Democrats who lean to the right on budget issues. When Matsui arrived, a handful of them—including Carolyn B. Maloney of New York, David Minge of Minnesota and Lynn Schenk of California—were munching on popcorn and the Georgia peanuts that Deal keeps in baskets around his office.

They peppered Matsui with questions: What about the recent controversy over a rumored deal with the Washington Post Co. on the GATT legislation? What would happen if the vote got put off?

"The vote count's looking very good right now on the bill itself," Matsui told the freshmen. But, he added, the vote on a procedural rule to take up the bill looked shaky.

As it turned out, Democratic leaders put off action on the GATT until after the November elections because they couldn't round up sufficient Republican support for an earlier vote.

But as Matsui's visit with Deal's group shows, Republicans aren't the only Members that House Democratic leaders have



to worry about these days. They're also working hard to keep tabs on a potentially powerful force in their own midst: moderate-to-conservative Democrats.

Often isolated, unpredictable and treated with suspicion by leaders of both parties, these Democrats are a far-flung group, numbering 50-100 Members from all parts of the country. They operate primarily through a host of caucuses and working groups that have grown in size and sophistication in recent years.

These include the 54-member Conservative Democratic Forum, headed by Charles W. Stenholm of Texas, and the Mainstream Forum, a larger, less-conservative group headed by Dave McCurdy of Oklahoma. Several smaller conservative caucuses meet on a weekly, monthly or ad hoc basis.

Some centrist Democrats come together on environmental issues, some on welfare reform or on deficit reduction. Virtually all, however, express growing frustration with what they describe as the Democratic leaders' left-leaning agenda. Emboldened in part by President Clinton's decline in popularity, they are increasingly determined to have their say.

"We are going to flex our muscles in the coming Congress," said Rep. Mike Parker, D-Miss., whose voting record is one of the most conservative in the House. "Either the Democratic leadership will work with us [and] the President will work with us, or we will be forced to make agreements with other forces. But what we want, we will get passed."

The "other forces," of course, are Republicans. Political analysts predict GOP gains of 20-40 House seats in the



Stanley K. Sheinbaum

THE PRESIDENT HAS SEEN

November 10, 1994

First Lady Hillary Rodham Clinton
President Bill Clinton

via fax

Dear Hillary & Bill:

I thought the enclosed to Dave Gergen might interest, amuse, and possibly annoy you. I had not wanted to send it to you until he left the premises.

Warmly,

SKS/kc
clinton.43

P.S. Betty and I constantly are thinking about you and as always with the same fervor and friendship.



Stanley K. Sheinbaum

FAXED

October 13, 1994

Mr. David Gergen
The White House
via fax # 202-456-2215

Dear Dave:

I cannot resist adding a bit more to our very hasty exchange on Reaganomics.

You had said that you were upset with a critical remark made by President Clinton the other day of President Reagan's economics.

Then I said--as you were being distracted by some woman--that I could not fault President Clinton. After all Reagan had left us with a three or four trillion dollar deficit.

To which you responded--as you were heading toward the dais--that President Reagan had ended the Cold War.

So while you were at the dais I was unable even to ask if that was an economics remark.

Had you had the chance you might have said that that deficit went toward the US arms buildup which the Soviets could not contend with (a debatable point).

To which I might then have responded yes, but to have engaged in enormous supply-side tax cuts at the moment of those escalating defense expenditures was poor politics and worse economics. (I won't even mention it--even as I do mention it--that the longstanding conservative criticism that deficit spending would lead to economic disaster proved not to be the case. I could, however, make a different argument which is that just as Herbert Hoover inherited the results of Calvin Coolidge's inept economics, so also did George Bush lose his reelection campaign because of Ronald Reagan's supply-side stuff which Bush had been smart enough to label as voodoo. Neither did we get the increases in savings or investment in real capital formation which was the promise of supply-side. However, and as promised, I won't mention all those things except in this parenthesis.)

In any event it was good sitting next to you and getting a chance to talk.

I hope when you are out here in the future you will give a call. Maybe you could stand a dinner with some of my fuzzy liberal friends. How come you made no nasty remarks about my JUST THINK pieces? They must make you break out in a rash.

With warmest wishes,

SKS/kc

THE PRESIDENT HAS SEEN 11/27

To Leon/Heller
Fyr
B

Books

ON THE EDGE

The Clinton Presidency

By Elizabeth Drew

Simon & Schuster • 462pp • \$24

ALL THE PRESIDENT'S FOIBLES

Well, O. K., it's not news that the first year in Bill Clinton's White House was turbulent. But what Elizabeth Drew tells us in *On the Edge: The Clinton Presidency* is that things were even worse than we imagined. Drew's book covers many events already reported. But when these goings-on, together with Drew's insights and new information, are compressed into a five-hour read, the result is breathtaking. Nearly every page describes an episode of ineptitude, indecision, poor planning, or internal rivalry.

Drew's prose is wordy and plodding, and her analysis sometimes falls short. Even so, she goes a long way toward explaining how President Clinton, for all his intelligence, acumen, and skill at

communicating, could so quickly squander so much of the public trust. Drew casts him, astutely, as "an activist president in a cynical age," a transitional figure whose efforts to govern as a New Democrat—seeking ways government can help when public confidence and money are in short supply—often displeased liberals and conservatives alike.

The problem was exacerbated by the Administration's disorganization and Clinton's personality. The troubles began on Day One. Advisers tell Drew they came to Washington with no strategy for advancing their agenda. The Clintons, she says, thought they were smarter than everyone else and didn't want old Washington hands around to compete with them. They preferred inex-

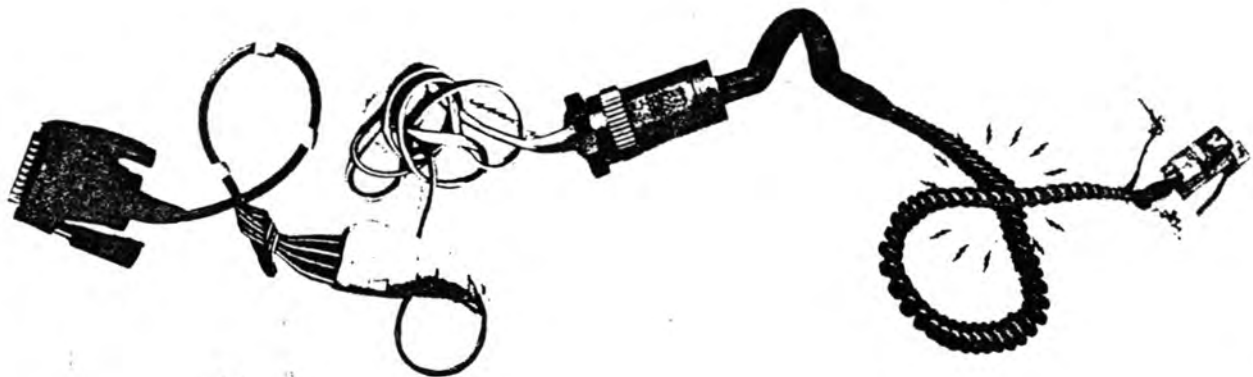
perience and paid a price: a White House where havoc was the norm.

What's most disturbing, though, is Drew's depiction of Clinton's disabling character flaws. He was so riddled by self-doubt that he sought constant reassurance. His desire to please left aides and members of Congress confused. Staff members, says Drew, "often had to disabuse people of the notion that Clinton had agreed to what they had proposed." And the difficulties of governing as a New Democrat were compounded by "the ambiguity of his own beliefs."

Clinton agonized over decisions (often swayed by op-ed pieces)—even those already made. He complained about staff disarray but ignored advice on how to control it. While he mulled some issues for weeks, he was surprisingly inattentive to others, including early signs that Zoë E. Baird's nomination as Attorney General was imperiled.

One of Drew's most telling anecdotes concerns the ouster of Defense Secretary Les Aspin. Clinton, she reports, wavered even after he had told Aspin he was out and had hurriedly chosen Bob by Ray Inman to replace him. On the day before the announcement was to be made, Aspin argued compellingly that

Some companies say they're joining forces to make international network communications simple.



In the U.S., IBM Global Network services are provided by Advantia, a joint-venture of IBM and Sears, Roebuck and Co.

One global network
has all the advantages

More local support
from 5,000 networking
specialists worldwide

Total outsourcing
and management of SNA, multi-protocol
and emerging ATM-based networks

CLINTON'S INSECURITIES HAVE KEPT HIS WHITE HOUSE ON THE BRINK FROM DAY ONE

he should stay. Clinton was "shaken," says Drew. "He asked his advisers, 'Are we sure we're doing the right thing?'" Counselor David Gergen argued that if Clinton reversed himself and word got out, he would look indecisive. So Clinton went ahead with the Inman nomination—with disastrous results.

Persevering readers are rewarded with other such insider's nuggets. In an ongoing battle to make Clinton look Presidential, aides tried to get him to give up baggy Donna Karan suits, Drew reveals. Male advisers, afraid to take on Hillary Rodham Clinton, urged Laura D'Andrea Tyson, chair of the Council of Economic Advisers, to challenge the First Lady's health-care plan. And when advisers were split over whether Clinton should pursue the North American Free Trade Agreement, Trade Representative Mickey Kantor offered to

"blow up" negotiations with Mexico and Canada if Clinton decided to pull back.

Although all recent Presidents have sought advice from pollsters, Drew sees Clinton as so "poll-driven" that he lost his own voice. In May, 1993, she reports, Secretary of State Warren Christopher invited pollster Stan Greenberg to dinner to ask him to warn the President not to get involved in Bosnia. The idea of the top foreign policy adviser turning to a pollster to get the President's ear is frightening. But it is typical of the book's weaknesses that Drew recounts the incident without commenting on its significance.

On the Edge covers far different terrain than Bob Woodward's *The Agenda*, which dealt only with economic policy. And while Woodward dwelled on the policymaking process, Drew tries to analyze why the Clinton-

ites acted as they did. Like Woodward, she has gotten aides to say the darnedest things. Describing the struggle to define Clinton's "profile," for example, Communications Director Mark D. Gearan tells her: "We were just reeling, we were just reeling. We were out of focus. The question was what does the President stand for." But again Drew pulls her punches. One unanswered question: Why didn't aides move to remedy the problems they now see so clearly?

Clintonites, responding quickly to *On the Edge*, contend that the White House is running smoothly now that there's a new Chief of Staff and advisers have acquired some experience. But the voters' repudiation of Clinton in the recent elections suggests he has paid dearly for the early chaos. Then again, disorganization is something voters might forgive. But no matter how many management reforms the President enacts, Drew leaves us with a worrisome impression of a man of great promise who is his own worst enemy.

BY SUSAN GARLAND

Garland covers the White House.



Elizabeth Drew

We'd like to set the record straight.

There's nothing simple about a communications network that's patched together by a collection of companies around the globe. Common sense suggests it would be better to have one global company responsible for

global E-mail, they're likely to tell you some of their overseas affiliates aren't on line yet. The IBM Global Network provides access to more than 90 countries. Now. So you can get a head start on the high-speed global

managing your network. And that's exactly what you get with the IBM Global Network. Others may offer a "single point of contact"—but if you ask for something like

networking you need. Questions? In the U.S. and Canada call us at 1 800 455-5056 for some straight answers about international network communications.

The IBM Global Network

Advanced
LAN internetworking for
client/server computing

Efficient
global messaging with EDI,
E-Mail and the Internet

IBM®

THE PRESIDENT HAS SEEN
11/27

~~Leons~~
This is the piece
I told you about
~~BP~~

JOHN L. HILLEY
301 Springvale Road
Great Falls, VA 22066
(703) 759-5870 (home)
(202) 224-5556 (office)

THE PRESIDENT HAS SEEN

Current Position

Chief of Staff
Senate Democratic Leader
United States Senate

Responsibilities:

- o Advise the Senate Democratic Leader on policy, political, communications, and administrative issues.
- o Plan and implement the Democratic agenda.
 - Play a lead role in the formulation and passage of economic, tax, and deficit reduction legislation.
 - Devise and implement strategies for dealing with issues including health care, crime, trade, banking, foreign policy, social issues, campaign and congressional reform, and appropriation matters.
 - Counsel Democratic Senators and coordinate the efforts of Senate Committees on legislative initiatives.
- o Serve as liaison and coordinating agent for the Majority Leader's contact with various parties.
 - Act as the lead Democratic staff liaison to the White House, the bipartisan Congressional Leadership, all cabinet officials, government agencies, and the Democratic Senatorial Campaign Committee;
 - Act as lead staff liaison to public and private groups with interest in legislation;
 - Address numerous groups on legislative and political issues.
- o Oversee and manage over 100 staff members in the Leader's Offices.
 - Direct the efforts of the professional staff in the Majority Leader's Office;
 - Oversee and direct the overall activities of the staff of the Democratic Policy Committee, and the Leader's Washington-based state staff;
 - Coordinate activities of Senate administrative offices.

Previous Positions

Staff Director
Committee on the Budget
United States Senate

Assistant Director for Economics, Trade, and Finance
Committee on the Budget
United States Senate

Principal Analyst
Fiscal Analysis Division
Congressional Budget Office

Associate Professor of Economics (with tenure)
Lehigh University
Bethlehem, PA

Education

Bachelors, Masters, and Ph.D. in Economics
Princeton University, Princeton, NJ

High School: Phillips Academy, Andover, MA

Areas of Expertise

Budgetary and Fiscal Policy
Taxation and Public Finance
Money and Financial Institutions
International Trade and Finance
Governmental Programs and Policies
Legislative Strategies and Procedures

THE PRESIDENT HAS SEEN 11/27

Leon
He's staying
B

Elite Federal-Local Task Force Is Attempting To Combat Violent Crime in the 'Murder Capital'

By PAUL M. BARRETT

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Jose Thornton, 16 years old, was shot to death on a muggy afternoon last June near the East Capitol Dwellings project where he lived.

At first glance, the killing appeared numbingly typical of the carnage that has given this city its "murder capital" reputation. It was also the kind of gang-related shooting that police frequently never solve.

But something different happened in the Thornton case. Within hours, an elite federal-local homicide task force known as Redrum got a tip identifying the alleged shooter, who, it turned out, is suspected of having committed at least one other murder as well. An arrest warrant was issued, and the next day the Redrum task force already was rumbling through East Capitol Dwellings looking for Johnny Lee Simpson, 17, known on the street as "Benjy."

Redrum, which is "murder" spelled backward, combines the talents of nine local homicide detectives and four U.S. Drug Enforcement Administration agents who target repeat killers in especially violent neighborhoods. "President Clinton, the Republicans — everyone is looking for ways to combat violent crime; we think we provide a model," says Ron Provencher, Redrum's DEA supervisor.

The city's deadly dangers were violently brought home to law-enforcement officers here Tuesday when a gunman invaded police headquarters, shooting and killing a city detective and two Federal Bureau of Investigation agents who worked on a separate federal-local task force. The gunman also was killed.

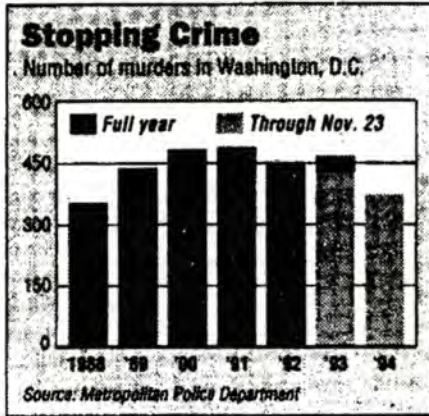
Geographic Targeting Strategy

Despite the grisly incident, Redrum's success in identifying and, in most cases, catching killers provides at least a glimmer of hope in the fight against violence: There is less shooting in the specific areas where the task force operates. Now the rest of Washington's homicide branch is adopting the geographic targeting strategy.

And, while it's too soon to draw firm conclusions about the reasons, there has been a drop in the city's homicide rate so far this year.

One old-fashioned technique that Redrum has revitalized is cultivating citizens who want to help. At East Capitol Dwellings, Redrum's informants from previous investigations allowed it to quickly reconstruct Jose's death:

He and some friends had bought a gray late-model Cadillac from members of the Eastgate crew, a drug gang. Eastgate had been using the car to rob members of the



Simple City crew, a rival gang that Benjy ran with. Out for revenge, Benjy allegedly tracked down the Cadillac and shot Jose, assuming he was associated with Eastgate, which he wasn't.

Redrum took Jose's killing personally. In 1993, there were 17 homicides in East Capitol Dwellings, whose dilapidated two-story buildings sprawl across a half square mile in the city's southeast section. Since Redrum was assigned to the housing project this February and started looking people up, there hadn't been any murders — until Jose's.

"Yo, you seen Benjy?" Sgt. J.T. McCann asks a muscular black teenager named Brian as the two stand near the project. It is a week after Jose's death, and eight Redrum members are fanning out, talking to residents. Children, some only wearing underwear, peek out of boarded-up structures that look abandoned but aren't. "We know them [Redrum]," says Michael, a bony 12-year-old watching the action. "They been here a lot."

Brian, shirtless and wearing baggy black denims, says he has seen Benjy, but not today. He whispers something else to Sgt. McCann, who is dressed in off-white chinos and a striped golf shirt. Nodding, the investigator says, "We just want to stop the killings." Brian, who has a jagged bullet-wound scar on his abdomen, glances around and walks away. Benjy stays on the street for now.

Drug Crews Flourished

Homicide in Washington is concentrated in the city's poor, predominantly black southeast and northeast sections. In sharp contrast, the enclave of federal buildings, the tourist-mobbed Mall and museums, and the northwest business and residential districts are all relatively safe by urban standards. But as demand for crack-cocaine jumped in the mid-1980s, loose-knit drug crews flourished in places like East Capitol Dwellings. Guns proliferated. Shooting became normal; killing, a badge of manhood.

After exploding in the late 1980s, the murder rate stabilized at between 70 and 80 victims per 100,000 residents. Last year, New Orleans surged to the top of the killing-rate chart, with Washington falling to No. 2, according to Justice Department statistics. Even with this week's bloodshed at the city's police station, the pace of homicides in Washington has eased so far this year, prompting hopes among police officials that the total number of murders will fall below 400 for the first time since 1988.

Redrum may be part of the reason for the encouraging trend. Given the luxury of having to focus on a limited number of killings in discrete areas, Redrum detectives can sweep through shooting scenes in force and return day after day until they squeeze out a lead. Regular homicide branch officers typically work in pairs and must deal with however many cases come in. But the larger branch is being reorganized so that groups of detectives will concentrate on specific parts of the city.

Redrum began focusing on Greenway, another southeast neighborhood, in October 1993 because in the first nine months of last year 16 people had been killed in the relatively small area. In the 12 months since the task force went into Greenway, there have been only three murders, and there have been arrests in two of those cases.

Key Is Persistence

Redrum has some of the city's best veteran detectives, including Sgt. McCann, who after 26 years on the job, is known for his hyperactive work style. The wiry former Marine, who helps supervise the task force, says "there's no magic" to a homicide investigation. The key is persistence: In one case this year, Redrum Det. Joe Schwartz kept going back to talk with defendants' relatives until they revealed threatening letters sent from the jail house. Blown up to poster size, the letters became critical evidence used in court to get two convictions.

DEA agents don't come with much homicide experience. But those in Redrum are energetic and apply their anti-drug expertise to build narcotics cases in the event homicide charges don't stick. The federal government also provides vital resources: Take-home cars, special surveillance vans, cellular phones, and cash for overtime and informants. Ordinary homicide detectives can only dream about such things.

Overall, the task force says it has closed 71% of the 72 homicides it has been assigned; the rate for the main homicide branch is about 50%, although it has been improving lately, according to department officials.

Redrum, because of its success, has lately been stretched thin. Without reinforcements, it is supposed to go into a third southeast neighborhood. Back at East Capitol Dwellings, there have been three more murders since Jose Thornton's. But the good news is that after months on the run, Benjy was arrested early this month and is in jail awaiting trial.

THE PRESIDENT HAS SEEN 11/27

Leon & Balen
This she begins by
to get more persons
at the end, that would
be a big deal.
B

Starving the Poor

THE PRESIDENT HAS SEEN

The poor, particularly at election time, are routinely demonized for political gain. Their exploitation in this way has brought us to a cruel place in the political landscape, a place where Americans — conservative, moderate and liberal — are finding it frighteningly easy to blame the poor for their own fate, even though that means condemning millions of children to poverty, hunger and hopelessness.

Given the savagery of the climate, it is useful to note what the Roman Catholic Church is saying in response. The church, through its efforts to feed and house America's poor, is intimately familiar with the problem of poverty. Of late, the church's most compelling voice has been that of the Archbishop of New York, John Cardinal O'Connor, who last month lashed out at politicians who caricature the poor for political benefit. Cardinal O'Connor's observations last month in his column, published in the newspaper Catholic New York, merit extensive quotation:

"Cuts in serving the poor are the cuts most vehemently demanded and most popularly accepted because the poor have been so grossly caricatured, easy to blame, easy to hate." He continued: "'The poor are poor because they want to be poor,' because 'they don't want to work' ... such are the clichés by which the poor can starve to death. ... Will we be proud of ourselves to know that we have

saved money on the bellies of the starving? Will we ease our consciences by asking with Scrooge, 'Are there no prisons? Are there no workhouses?'"

About the cruel stereotyping of the poor, the Cardinal said: "It is increasingly rare for many of us ... to believe that people can be poor, but honest, poor, but deserving of respect. Poverty is no longer blamed on anyone but the poor themselves. Contempt for the poor has become a virtue."

These views were underscored last week at the National Conference of Catholic Bishops, meeting in Washington. Its president, Archbishop William H. Keeler of Baltimore, warned against "punitive welfare provisions" that would destroy fragile families and bury children deeper in poverty. Archbishop Keeler said the bishops' opposition to such cruelty was not partisan, but based on the church's teachings about "the dignity of life." He put the church squarely on the side of the vulnerable.

By all means, reform the welfare system, end the cycle of dependency, put able-bodied people to work. But politicians also need to remember that the country has a moral obligation to feed and protect those who cannot feed and protect themselves. Even trying, we fall short of that mark. If we cease to try at all, we inflict needless human suffering, and become less of a society as we do.

Don't Cave In on Myanmar

The Clinton Administration, after struggling messily for nearly two years with the dilemmas of human rights diplomacy, seems at last to have arrived at a consistent approach: Deny reality, declare things are getting better and lower the pressure on authoritarian regimes. Now, at least, tyrannies large and small, from China to Indonesia to Myanmar, can count on consistent treatment.

Until this month Myanmar, the former Burma, stood out as the principled exception to the Administration's complaisance. While Asian and European countries cozied up to the ruling State Law and Order Restoration Council, Washington refused to forget about the Slorc's record of trampling on elections, complicity with drug lords and continuing atrocities against civilians.

According to a just-released U.N. report, these include random shootings and summary executions, mass rape, torture, forced labor and the relocation of more than one million people. To maintain pressure for change, the U.S. curtailed diplomatic relations, suspended aid, blocked loans from international banks and repeatedly criticized the Slorc's crimes in international forums.

In early November, the Administration dispatched a top official to Myanmar with what it characterized as a tough message: If the Slorc continued on its course, the U.S. would intensify its efforts to isolate the regime internationally. But if it took clear and specific steps to ease repression and

establish democratic rule, relations could improve.

The Slorc listened politely, but yielded nothing beyond continuing symbolic talks with the country's most prominent imprisoned democrat, Daw Aung San Suu Kyi. Yet last week, Secretary of State Warren Christopher claimed to discern "somewhat promising" results from the mission and suggested that the Administration was now prepared to take a conciliatory approach to Myanmar.

Economic engagement can indirectly benefit human rights by raising living standards and strengthening a middle class, which often becomes a key pressure group for liberal reforms. But the connection is scarcely automatic, as rich but repressive Singapore demonstrates. It is particularly problematic in Myanmar, where key enterprises are run by the military and where the spread of forced labor suggests an economy headed toward feudalism, not capitalism.

Similarly, diplomatic engagement can bring progress when the government doing the engaging drives tough bargains and insists that its terms be met. But tough talk followed by the pretense that cosmetic changes are "somewhat promising" only encourages contemptuous abuse.

How sad to recall that Bill Clinton once denounced George Bush for "coddling dictators." His human rights performance in office begins to make Mr. Bush, who never pretended to be other than a hard-headed realist, look like a bleeding heart.

Schleppers

Several things distinguish New Yorkers from the rest of America's city dwellers, among them the way they walk. It is not so much that their pace is fast but that their dodges and feints (a dolly to the left of them, a dog walker with seven charges to the right) resemble broken-field running.

Another distinction is their inability to stand on a curb while waiting for the traffic to clear. Instead they wait in the gutter. Never mind if that gutter is streaming from a cloudburst. Standing in it puts them a step ahead of the crowd.

The third distinction is perhaps the most striking. New Yorkers are schleppers. In most American cities and suburbs, *stuff* is routinely tossed in the back of the car or stowed in the trunk. In New York, essentially a city of people without cars, *stuff* is toted. New Yorkers carry the groceries because paying for delivery can add at least five bucks to the cost of 10 tins of cat food, a 20-pound sack of Kitty Litter, three low-fat yogurts and four boxes of Mrs. Stouffer's frozen whatever.

If they are female they carry the shoes they will change into at work from their Reeboks, and if they are male they carry their sweats for the lunch-hour workout. Both sexes will, at day's end, be buckling under the weight of the shampoos, rinses, razors and acne preparations bought at their local discount drugstore.

On weekends, they cart carrots and free-range chickens from the city's greenmarkets — or kitchen tables (often on their heads), 1950's multi-headed lamps and Alvar Aalto knock-offs from the city's flea markets. Some will have further encumbered themselves with large bottles of mineral water. All but the most athletic will need a boost from behind on boarding a bus.

Once upon a time, in a musical called "Gypsy," a stripper recalled in song that "Once I was a schlepper / Now I'm Miss Mazeppa." There are no Miss Mazeppas in New York anymore, not unless being a lap dancer counts. But the schlepper is still schlepping, all over town.

THE NEW YORK TIMES, THURSDAY, NOVEMBER 24, 1994

25

THE PRESIDENT HAS SEEN 11/27

Tom

U.S. to Alter Status of Salvadorans

Under Clinton Plan, Thousands of Refugees Face Uncertain Future

By Roberto Suro
Washington Post Staff Writer

AT

The Clinton administration is preparing to end a program that offered temporary refugee status to tens of thousands of Salvadorans who fled their homeland during the bloody civil war, obliging them either to return home or to face a state of legal limbo.

Although a final decision will not be announced until early December, administration officials said it appears to them politically impossible to extend the program given popular demand for a tougher line on immigration issues created by the mid-term elections, especially the overwhelming approval of Proposition 187 in California.

In addition, however, some officials say they favor the move as a way of demonstrating that the government is capable of terminating temporary refugee programs that often seem to become permanent over time. They cite special provisions for Jews from the former Soviet Union and for Vietnamese boat people as other examples of programs that were designed to be temporary but remain intact.

Some 200,000 Salvadorans were first granted "Temporary Protected Status" in 1990 under legislation that allowed them to remain in the United States and work legally but did not advance them toward permanent residency as immigrants. In one form or other it was extended twice by the Bush administration and once more by President Clinton.

When the latest order expires Dec. 31, the Salvadorans will no longer need protection in the United States, administration officials argue, because the political situation in their country has stabilized since a truce in 1992 ended the 10-year civil war there.

That view has also been pressed by some powerful Republicans. Sen. Alan K. Simpson (R-Wyo.), who is due to become chairman of a Senate immigration subcommittee, complained about temporary refugee programs that seem to become per-

See IMMIGRATION, A26, Col. 1

■ Mexican warns of political dangers in Proposition 187. Page A27

IMMIGRATION, From A1

manent in a speech on the Senate floor in May.

"In El Salvador, they came here because five factions were going in and chopping each other to pieces," Simpson said then. "And now that is all over. You have democratic elections. Have one of them gone back? Not one."

A half million or more Salvadorans entered the United States, most of them illegally, in the face of widespread human rights abuses by the Salvadoran army, which was trained and equipped by the United States, and by leftist insurgents. The vast majority were denied political asylum at the time. Subsequent lawsuits revealed that the proceedings were biased against them because of U.S. policies that deliberately understated the terror wrought by the Salvadoran military.

No hard estimates exist of the number of Salvadorans who remain in the United States under temporary status, but they represent a last legacy of the bitterly disputed era of U.S. involvement in Central America.

Deciding their fate involves a series of diplomatic, humanitarian and legal issues still being resolved, U.S. officials said.

Previous extensions of temporary status were prompted in part by pleas from the Salvadoran government that the sudden return of thousands of citizens would have disastrous social and economic consequences for a nation still recovering from years of conflict. That view is still held by the Salvadoran government, opposition parties there and some U.S. officials.

A diplomatic cable sent from the U.S. Embassy in San Salvador to the State Department in June noted that the \$840 million in remittances sent home by Salvadorans in the United States is essential income, far surpassing the amount of sales of El Salvador's largest export, coffee. The cable, which was published in full by the authoritative immigration newsletter Interpreter Releases last month, argues that because most of the remittances go to regions devastated by the civil war, a significant reduction in this income "would be economically disastrous for these areas. In fact, it would probably lead to increased illegal immigration to the U.S."

A sudden end to the temporary status would also have wide impact on the estimated 1 million Salvadorans living in the United States, including about 100,000 in the Washington metropolitan area, immigration advocates say.

"The effects would be immediate and overwhelming if all these people are denied legal status just like that," said Saul Solorzano, director of the Washington office of Carecen, an as-

sistance and advocacy organization for Central American refugees.

Although only about 20,000 Salvadorans in the Washington area now live under the temporary status, Solorzano said, the entire Salvadoran community would be affected here and in other cities. Many of the Salvadorans have lived in the United States for a decade or more. Their families here often include legal residents and U.S.-born children, and almost all have established themselves in homes and jobs.

"This is not something that has just come up out of thin air," Solorzano said. "We struggled to get fair treatment from the U.S. government all through the 1980s and the justice of this cause was recognized when temporary status was created. Now, people are more rooted here after another four years and have a stronger claim for fair treatment."

Recognizing these concerns, administration officials are now considering measures that would allow the Salvadorans to live and work in the United States legally while they either prepare to go home or seek permanent legal status here. Proposals have offered transition periods ranging from 45 days to 18 months, and the administration is considering something on the order of six to nine months, officials said. During this period, most of the Salvadorans are expected to file for full legal status.

Administration officials and immigration advocates believe many will have claims under a provision of the law that allows people to avoid deportation if they have lived in the United States for seven years and can show that being forced home would cause severe hardship.

All of the Salvadorans who applied for temporary status are eligible to seek asylum under the settlement of a lawsuit that contended that Salvadoran and Guatemalan asylum applicants had been denied fair hearings. The settlement, reached in 1990, dictates special procedures to ensure them due process.

U.S. law allows people to seek asylum on the basis of past persecution without showing that the threat is ongoing.

Late yesterday a small group of refugee advocates held a protest on the front steps of the Supreme Court, demanding that the amnesty be extended or that the Salvadorans and Guatemalans affected be granted permanent residence.

The group said it plans to petition the federal Immigration and Naturalization Service to allow all 200,000 affected refugees to apply for permanent residence on the grounds that being forced to return to their countries would create "extreme hardship" for them and their families.

Staff writer Pamela Constable contributed to this report.

THE PRESIDENT HAS SEEN 11/27

Lesson
We need to
decide what to do
on this
—
JP

Bringing Politics Home

In claiming that in favor of a politics that "comes cascading down from the top," Bill Raspberry [op-ed, Oct. 24] badly misrepresents the remedies I suggest in my book "Shadows of Hope"—and I think I know why. I speak of politics, and to Bill politics has become so abstract that he cannot imagine it having any connection with community. With no other alternative seeming possible, he simply ascribes his dismal vision of politics to me.

I much prefer my own view, which Colman McCarthy [Style, July 27] has described as a "community-based, participatory politics that's neither left nor right wing but the whole bird." Nearly all my suggestions involve the decentralization of power or greater access to electoral politics—not just by one new party but by as many as people would like. At no time do I suggest trickling anything down to anyone. To the contrary, I argue, "We must learn and teach, and make a central part of our politics that while small is not always beautiful, it has—for our human ecology, our liberties, and our souls—become absolutely essential."

Raspberry and I agree on the importance of community and the outlines of what's troubling the country, but then he says, "I see

Taking Exception

what Smith sees, but for me it has the look of civic, not electoral distress."

Raspberry's distinction between a civic and political approach to community seems unfruitful. It is one of the great myths of the day that civic virtue is in short supply and must be replenished by the regular exhortations of presidents, writers, caliphs of communitarianism, former education secretaries and other tinhorn moralists. In fact, even our poorest neighborhoods are filled with those living with

extraordinary moral courage according to values that if exported, say, to Wall Street might allow the staff of the SEC to be cut quickly by a half. What they lack is not virtue or civic intent but the power to express these in a meaningful way.

Nowhere is this more clearly seen than in the matter of social order. We say that we want order in our communities, yet we refuse any role for these communities in maintaining order. What if instead we were to establish neighborhood judicial councils to deal with minor offenses? What if we had neighborhood constables the way every shopping mall—and an increasing number of downtown commercial districts—has security guards? What if we taught children from their first mischief that the offense was not against the geographical abstraction of their city but against their neighbors and their community? By doing so we would give form—political form—to our civic impulses and sense of community.

Raspberry says "we long for community, for safe families, for a life that makes sense," but such longings will remain only longings until we find shapes—political shapes—to give them reality, shapes like neighborhood councils with real powers including the power to contract with the city to carry out services and some budgetary authority over how city money gets spent within their confines.

Such power—political power—is what transforms our civic spirit from mere desire to real community life. The fact that most politics has become corrupt, abusive and far removed from such a generic purpose is no reason to shun it. It is rather all the more reason to demand its return to its proper place as a natural, integral and pleasurable part of our lives. It is all the more reason to bring politics home.

The writer is editor of the Progressive Review.

THE PRESIDENT HAS SEEN

11/27

Cynthia McClintock, Philip Brenner and Wayne Smith

No-Win Road to Cuba

Among other measures it took this past summer to "tighten the noose" on Fidel Castro, the Clinton administration rescinded the general license under which professional researchers could travel freely to the island. This means that professors and graduate students working on issues related to Cuba must now apply for a specific license if they wish to travel. They must do so at least six weeks in advance and have no assurance that the license will be granted; rather, they will be at the mercy of government bureaucrats who can scrub research projects without explanation at the stroke of a pen.

This is an egregious infringement of academic freedoms only one step up from book burning. Many academics, including members of the Latin American Studies Association (LASA), have already indicated their

"This is an egregious infringement of academic freedoms only one step up from book burning."

intention to travel to Cuba in defiance of the unjust law.

Controls on travel to Cuba have for years now clearly been unconstitutional. The Supreme Court upheld them in 1984 only because of the Cold War. National security needs, the court ruled by a narrow margin, overrode the rights of citizens to travel. We thought that decision wrong in 1984, but at that point its rationale was at least consistent with other Cold War national security-based opinions. Today, with the Soviet Union having collapsed, the Cold War

having ended and Cuba no longer representing even a potential threat to the United States or any other country, the national security argument has evaporated. Yet despite all this, the Clinton administration, shamefully, has continued to violate the constitutional right of American citizens to travel.

Now it goes even further by curtailing academic freedoms. This is not an "ivory tower" issue that affects only college professors. On the contrary, it concerns all Americans, for it goes to

the heart of our ability to learn the truth, unvarnished by would-be government censors and manipulators.

And why did the Clinton administration take these new measures? To deny the Castro regime the dollars academics spend during their travels to the island. This, it was said, would help force Castro to prevent Cuban citizens from departing the island by raft or small boat.

First, the dollar amounts are almost laughably small (academics being notoriously poor). And—more puzzling still—didn't the Clinton administration until recently criticize the Castro government precisely on grounds that it was preventing such departures? The Clinton administration said that was a violation of human rights. So did many human rights organizations. And indeed, international conventions state that citizens

of any country should be free to depart and return at will. Thus, in demanding that Castro stanch the flow of refugees, were we not directing him to resume the practices we once criticized and, in fact, to violate human rights?

Whatever the moral dilemmas embedded in our demands, Castro has complied. He has agreed to again prevent Cubans from setting out for the United States in small boats. The Clinton administration, however, has given no indication that it intends to rescind the measures it took supposedly to force him to do just that. First for an unjust cause, and now without any cause at all, the administration tramples the civil rights and academic freedoms of American citizens. Why? To placate a right-wing fringe within the Cuban-American community in

Florida. Indeed, these elements, led by the Cuban-American National Foundation, seem to have played the leading role in shaping our Cuba policy over the past few months. They wanted these measures imposed, and they want them left in place.

But if they are left in place, one result could be American jails (or at least courts) filled with university presidents and academics. Before it goes any further down this no-win road, the Clinton administration should begin to rethink its whole Cuba policy—and to seek advice elsewhere.

Cynthia McClintock is the president of the Latin American Studies Association. Philip Brenner and Wayne Smith are with the LASA Cuba Task Force.

Handwritten notes:
~~Don't~~
 Study
 should we
 modify
 this?
 B

E. J. Dionne Jr.

Phony Populism

It is popular these days to attack "victimology," the habit of every group to claim victim status and thereby to deny personal responsibility for anything. The attack on victimology is sometimes mean-spirited, an attempt to deny relief even to those who actually are victims of discrimination or injustice. But the impulse behind the anti-victimology movement is basically right: It's condescending to define anyone primarily as a victim. It's a way of denying people the ability to take responsibility for themselves.

The anti-victimology campaign crosses ideological lines, but it's especially popular on the right. So it may come as something of a surprise that in the 1994 elections, it is primarily Republicans of the right—with some exceptions I'll get to—who are practicing the politics of victimology.

And on an extraordinary scale. They are assigning victim status not to this group or that but to the entire American public. The American people are cast as the victims of big spending, big taxes, big government, President Clinton, bureaucrats, incumbents, "Washington," "social engineering" and out-of-control programs, among other things.

It's breathtaking. You'd imagine that the United States has not had a free election for half a century. You wouldn't know that the Republicans controlled the White House for 20 of the last 26 years. And you'd have no idea that the bulk of federal "big government" spending—on Medicare, Social Security and defense—is so popular that the Republicans are criticizing the Democrats for allegedly harboring secret plans to cut the first two and for not spending enough on the third.

Let's be fair here: There's nothing novel about the out-party holding the in-party responsible for everything that's wrong. Clinton and the Democrats were not the least bit reluctant about so blaming George Bush in 1992, and are still into blaming the 1980s and Ronald Reagan for a long list of unpardonable sins. And this year, Democrats are at least as inclined as Republicans to type cast their opponents as villainous supporters of the status quo.

But the anti-government screeds of 1994 are more far-reaching than the usual out-party campaign. The assertion is not just that the incumbents the voters elected the last time

have pursued the wrong policies. Rather, the voters are being told that government itself—the government they have been electing for a couple of hundred years—is an alien creature.

This isn't just Reagan-style anti-government rhetoric, either. His approach, after all, was optimistic. The new kind of anti-government campaign has a sinister implication: that "the government in Washington" has become an infernal machine that runs without any input whatsoever from voters. Voters therefore aren't responsible for anything. They don't need to make any choices about the kind of government they want. All that's required are a few quick fixes to "return government to the people."

Want a balanced budget? Voters don't have to think about how we got here. They don't have to sit down and decide whether they want to cut Social Security, Medicare and the weather service, or whether they'd prefer to raise taxes. All you need is an amendment to the Constitution requiring a balanced budget. Zap! That'll take care of things, no heavy lifting required.

Are voters mad because the same people keep winning elections? Let's not get into something complicated (and realistic) like changing a campaign financing system rigged in favor of incumbents. No, all we need is term limits. Then you don't have to decide which

incumbent is worth reelecting and which should be sent to retirement at some lobbying firm. Out with them all, and don't worry if you just end up replacing one generation of career politicians with another.

It's especially laughable that term limits are being pushed by members of Congress who've been here 16, 20, 30 years. Think of it: Many incumbents are trying to extend their tenure by promising term limits. And you wonder why voters are cynical? (A happy exception among Republicans is Rep. Henry Hyde. He is too honest to pretend that a 20-year House veteran seeking reelection believes in term limits.)

Are voters fed up with bureaucracies? No need to reorganize them, trim them down, establish new rules. That's boring. Al Gore kind of stuff. Nah, just junk the bureaucracy. For good measure, criticize "overregulation," and don't mention that a lot of those regulations are designed to keep the air and water clean, work places safe and the consumer protected from fraud.

It will be said that criticizing currently popular measures such as term limits and the balanced budget amendment is elitist and anti-populist. Exactly the opposite is true. What's elitist is to assume that the voters want to be told that they're not responsible and that they won't listen when a politician respects them enough to try to change their minds.

Sure, when voters are angry, they may cast ballots for panders and simplifiers. But the politicians people admire in the long haul are the ones who take them seriously. Look at FDR's Fireside Chats (now available from Penguin) for an example of a politician who did very well by not talking down to the voters. Look also at the voters' ability to have second thoughts about California's nasty, anti-immigrant Proposition 187. It's losing support because non-panders such as Jack Kemp and William Bennett were willing to stare the polls in the face and talk straight, in practical terms, about what the proposal would actually do.

For some years now, the voters have been in an angry mood. This year, they seem madder than ever. What they have most reason to be upset about is a phony populism that tells them that they are victims of forces beyond their control and not the masters of their own fate. Real populists don't tell the people they are powerless. They call upon them to take responsibility. They argue that the people themselves need to make hard choices. They don't pretend that those choices can be sloughed off or handled with gimmicks. The current voter fury will abate only when phony populism gives way to the genuine article.

Stanley

THE PRESIDENT HAS SEEN 11/27

THE WASHINGTON POST THURSDAY, NOVEMBER 24, 1994

Excerpt
Harris
This is the problem
by GATT
summits
approach
summer fair in
every

For Roosevelt Biographer, Clinton Role Is Unwritten

Historian Goodwin Has Ideas for First Lady

By Donnie Radcliffe
Washington Post Staff Writer

Lars-Erik Nelson

The Victims Of Free Trade

gress, however, regards such programs, especially those aimed at inner cities, as "pork-barrel spending." The Republicans would far sooner spend \$3 billion for prisons to hold the dislocated than \$3 billion for job training.

Resisting free trade is a tricky business. You find yourself on the same side as the paranoid yahoos who opposed fluoridation of water 40 years ago—and for the same reason: They saw the whole thing as an international conspiracy to deprive Americans of their freedom.

But for millions of Americans, free trade has not lived up to its promise. We are the freest-trading country in the world, and our incomes have stagnated for the past 20 years. Once-secure employees live in dread of being laid off in the name of "global competition."

And the argument that free trade creates even better jobs for those who educate themselves is belied by the unending stream of middle-management layoffs and the spectacle of college graduates managing all-night grocery stores.

Yet the economists keep foisting their theory on the Clinton administration. "No proposition enjoys greater unanimity among economists than the idea that free-trade will, on net, be a win-win situation," says Rob Shapiro, a non-dogmatic economist at the Progressive Policy Institute.

"At the same time, we are seeing something we have never seen before—relatively backward countries producing advanced products. Koreans and Mexicans producing automobiles. We have figured out how to export our high-tech factories to low-wage countries—and we have not figured out how to deal with the consequences."

This is why, Shapiro says, economists close their eyes to the social costs of free trade. "They don't know how to deal with the problem—but they can't give up the economics of free trade," he says. "The fact is, there are significant social costs."

With the economists—and politicians—ducking the question, it has been left to a maverick Anglo-French businessman, Sir James Goldsmith, to raise the alarm about free trade's downside. In a current book, "The Trap," he makes this simple argument:

"The real cost to consumers of cheaper goods will be that they will lose their jobs, get paid less for their work and have to face higher taxes to cover the social cost of increased unemployment. . . . As unemployment rises and poverty increases, towns and cities will grow even more unstable. So the benefits of cheap imported products will be heavily outweighed by the social and economic costs. . . ."

Yes, I like my VCR. But it wasn't worth losing Brooklyn.

© 1994, Newday Inc.

47

ing down and not being out front and fighting things," said Goodwin. "It may well be that the experience of having been an inside, officially named player will not necessarily be repeated, and that may be a good thing."

What is important, Goodwin said, is for both President Clinton and the First Lady "to feel the changing time, to sense where the country is at."

In Goodwin's view, the First Lady could be "a voice for those people outside pushing against the system rather than being a designated inside player," much as Eleanor Roosevelt was in her day with her newspaper column and radio show.

"We didn't get to talk about that much, but I did mention radio to her. I think if there were a way for her to have her voice out there the press would be responsive," Goodwin said.

Despite the criticism that surrounded her activities, Eleanor Roosevelt over time was able to establish herself even among people who didn't agree with her, Goodwin said. She had "a certain authenticity because she kept fighting for the same causes and they could see that she was sincere. I think Hillary Clinton has an authentic fight for causes and inevitably it's wrapped into politics because that's been their life for so long. It's hard to distinguish that."

Eleanor Roosevelt reinvented herself several times during her White House years, succeeding at times, failing miserably at others. Rather than emulating Mrs. Roosevelt, as some of Mrs. Clinton's critics have charged she has done, Goodwin believes the First Lady finds "solace and comfort" in her predecessor's determination to keep going.

Goodwin believes Mrs. Clinton must also continue fighting for those causes and not worry about her popularity. "You know these people are out there and there is no sense in fighting back. When they say something like 'You can't go to North Carolina,' just go to North Carolina! . . ."

"You can't not go out on the road, because if you can get yourself out there more," she said, "you can counter the images which really aren't what you think you are." Goodwin said the Clintons need to allow the public to see them in fuller form, as whole people.

A significant factor in how Eleanor Roosevelt was publicly perceived, she said, was that even though a segment of the population detested Franklin Roosevelt, the majority of Americans felt he was on their side.

"He had two of the major crises of the 20th century, the Depression and the war, and he won four elections. There is no question that none of our modern presidents has approached the kind of towering relationship that FDR had to the people. That meant the First Lady role inevitably benefited," said Goodwin. "It was like a lighthouse that was shining on Eleanor. I don't think people have focused on that."

Lars-Erik Nelson

The Victims Of Free Trade

For its next disaster, the Clinton administration is making another one of those blunders that make ordinary Americans wonder, "Whose side are these guys on?"

In blind devotion to a perpetually disappointing economic theory, President Clinton and his aides are fighting for swift passage of the GATT, the general agreement on tariffs and trade. Sure, free trade will cost us some jobs in the short run, its advocates admit. But Vice President Al Gore promises that the GATT will be the biggest tax cut in history and "will lower prices for consumers."

Has it not dawned on these folks that America's most burning problem is not that consumer prices are too high? It is that our cities—once the joy of human civilization—are ever more dangerous shums, filled with the unskilled and unemployable victims of what economists celebrate as "progress."

America has not yet solved the social upheaval of the Great Migration of southern farm workers to the North, yet it is ready to dislocate millions more of its workers in the name of economic efficiency.

"The economists never want to talk about the social costs of free trade," complains a Senate Democratic source. "Urban decay is by far the most important problem in the country."

It is particularly mindless for the Clinton administration to press for the GATT now. Its own welfare reform plan—and a far more draconian one being pushed by Republicans—would force welfare recipients into the job market at the same time that GATT would kill the kind of low-wage, industrial jobs—in the garment industry, for example—that traditionally are the first step up the job ladder.

To the economists, these are "bad jobs," better shipped to low-wage countries. But if you're trying to end welfare, there is no such thing as a bad job. Any job is better than perpetuating welfare handouts, generation after generation.

Second, previous trade agreements have come with the promise of aid to workers who lose out. The new Republican-controlled Con-

Historian and political biographer Doris Kearns Goodwin said yesterday here was no talk of her going to work or First Lady Hillary Rodham Clinton when she and her husband were overnight guests of the Clintons on Tuesday. "But I'd certainly be willing to talk about it," Goodwin said during an appearance on "The Diane Rehm Show," responding to a caller's comment that she hoped the White House would bring her on.

Goodwin, whose newest book, "No Ordinary Time," examines the remarkable partnership of Eleanor and Franklin Roosevelt during World War II, said that her immersion in the life of the former First Lady gave her a "perspective on what's possible" in that role. In the six years she spent writing the book, she met Hillary Clinton on several occasions.

"And now that the book is done, I can focus on the present day," she said. "I'm not sure how helpful I would have been before because my mind was back 50 years in time. Now the book is done, I'd be delighted."

"Was there any talk of that?" pressed Rehm as they sat before microphones in the WAMU studios of American University.

"Only to say we'd keep in touch," replied Goodwin. "Nothing more than that, but I'd be glad to if she needed it." Describing the moment later, Rehm said Goodwin's face "lit up with this big, broad smile."

In an earlier interview with The Washington Post, Goodwin said that the First Lady, like the president,

The First Lady could be "a voice for those people outside pushing against the system."

—Doris Kearns Goodwin

needs friends and advisers whose opinions she can respect. "I didn't tell her that," said Goodwin, who with husband Richard stayed in the Queen's Bedroom following Tuesday's state dinner for Ukrainian President Leonid Kuchma. "I didn't even think about that until this morning. But everybody needs that."

While "what we talked about mostly was the history of the place," with the Clintons giving the Goodwins a tour of the family quarters, Goodwin said they did discuss the Republican sweep "a little." She did not, however, get the impression that Hillary Clinton has any intention of retreating to a more traditional role as First Lady.

"I think the trouble with the notion of pulling back is that some people might think that means sort of hunker-

The Aristocracy of Intelligence

By RICHARD J. HERRNSTEIN
And CHARLES MURRAY

A perusal of the Harvard's Freshman Register for 1952 shows a class looking very much as Harvard freshman classes had always looked. Under the portraits of the well-scrubbed, mostly East Coast, overwhelmingly white and Christian young men were home addresses from places like Philadelphia's Main Line, the Upper East Side of New York, and Boston's Beacon Hill. And yet for all its apparent exclusivity, Harvard was not so hard to get into in the fall of 1952. An applicant's chances of being admitted were about two out of three, and close to 90% if his father had gone to Harvard.

Let us advance the scene to 1960. Unquestionably, suddenly, but for no obvious reason, Harvard had become a different kind of place. The proportion of incoming students from New England had dropped by a third. Public-school graduates outnumbered private-school graduates. The SAT scores at Harvard had skyrocketed. In the fall of 1960, the average verbal score was 678 and the average math score was 695, an increase of almost a hundred points for each test from 1952. The average Harvard freshman in 1952 would have placed in the bottom 10% of the incoming class of 1960. In eight years, Harvard had been transformed from a school primarily for the Northeastern socioeconomic elite into a school populated by the brightest of the bright, drawn from all over the country.

A Harvard dean of admissions Wilbur J. Bender, noticed the transformation and asked: "Would being part of a super-elite in a high prestige institution be good for the healthy development of the ablest 18-22 year-olds, or would it tend to be a warping and narrowing experience?"

The question is a very good one indeed, yet the experience of Harvard is a parable for the experience of the nation's university system. As higher education became more democratic, a new elite was developing within the system.

From the early 1950s into the mid-1960s, not only did the nation's university system become more efficient in bringing bright youngsters to college, it became radically more efficient at sorting the brightest of the bright into a handful of elite colleges.

The broader effect on society has been dramatic. the creation of a new cognitive elite. Our theory is that the 21st century will open on a world in which cognitive ability—what might loosely be termed intelligence—is the decisive dividing force in determining where an individual will end up in the social scale.

The isolation of the brightest from the rest of society is already extreme; the forces driving it are growing rather than shrinking. Perhaps a few examples will illustrate. Think of your 12 closest friends or colleagues. For most readers of this article, a large majority will be college graduates. Does it surprise you to learn that the odds of having even half of them be college graduates are only six in a thousand, if people were randomly paired off? Many of you will not think it odd that half or more of the dozen have advanced degrees. But the odds against finding such a result among a randomly chosen group of 12 Americans are actually more than a million to one. Are any of the dozen graduates of Harvard, Stanford, Yale, Princeton, Cal Tech, MIT, Duke, Dartmouth, Cornell, Columbia, the University of Chicago, or Brown? The chances that even one is a graduate of those 12 schools is one in a thousand. The chance of finding two among that group is

These essays are abstracted from "The Bell Curve: Intelligence and Class Structure in American Life," to be published Oct. 19. The authors are Richard J. Herrnstein, who held the Edgar Pierce Chair in Psychology at Harvard until his

one in 50,000. The chance of finding four or more is less than one in a billion.

Many readers of our book, and probably this excerpt, will be in preposterously unlikely groups, and this reflects the degree of partitioning that has already occurred.

The news about education is heartening and frightening, more or less in equal measure. Heartening, because we have come close to providing a college education for a high proportion of those who could profit from it. Heartening also because our elite colleges have opened their doors wide for youngsters of outstanding promise. But frightening too. When people live in encapsulated worlds, it becomes difficult for them, even with the best of intentions, to grasp the realities of worlds in which they have little experience but over which they have great influence, public and private. Many of those promising undergraduates are never going to live in a community where they will be disabused of their misperceptions, for after education comes another sorting mechanism, occupation.

IQ in the Workplace

At the beginning of this century, the great majority of people in the top 5% or 10% of the intelligence distribution were not college-educated, often not even high-school-educated, and they lived their lives scattered almost indistinguishably

among the rest of the population. That has changed. In the job market today, as in the university, IQ is the crucial determining factor. Intelligence has become increasingly valuable to employers and workplaces, and salaries have become increasingly stratified by cognitive ability. Throughout the 1930s and 19-

40s, the average engineer and the average manufacturing employee remained in roughly a constant economic relationship, even converging slightly. Then, from 1953 to 1961, the average engineer's salary nearly doubled while the manufacturing employee's salary followed its former trajectory, increasing by only 20%. By the end of the 1980s, the average manufacturing employee had to get by on about \$23,000 a year, while the engineer made an average of \$72,000. The difference in their purchasing power had tripled since the 1940s, which is enough to put them in separate economic categories.

The standard way of interpreting the figures for engineers and manufacturing employees is to talk about education. But as sophisticated statistical analyses of wage variation have accumulated, experts have come to agree that something beyond differences in education, gender and experience has been at work to increase income disparities in recent times. The spread in real wages, for example, grew between 1963 and 1987 even after taking those other factors into account. The economic term for this unexplained variation is "the residual."

What then is this residual, this X factor that increasingly commands a wage premium over and above education. It could be rooted in diligence, ambition or sociability. Conclusive evidence is hard to come by, but we believe that it includes cognitive ability.

We know from research addressed fully

death last month, and Charles Murray, a Bradley Fellow at the American Enterprise Institute and the author of "Losing Ground." These excerpts are reprinted by permission of The Free Press, a division of Simon & Schuster.

in our book that cognitive ability affects how well workers at all levels do their jobs (see nearby chart for a hint of the data). If smarter workers are, on average, better workers, there is reason to believe that income within job categories may be correlated with intelligence. Our own analysis of the National Longitudinal Survey of Youth data indicates that among people holding traditionally high-IQ occupations—such as college professors, mathematicians, engineers and attorneys—the 1989 weekly earnings (expressed in 1990 dollars) of those in the top 10% of IQ were \$977. The weekly earnings for those with IQs below the top 10% were \$697. That translates into an annual income difference of more than \$14,000. In other words, the occupation elite is prosperous. Within it, the cognitive elite is more prosperous still.

Physical Separation

The higher the level of cognitive ability, and the greater the degree of homogeneity among people involved in a particular line of work, the greater is the degree of separation of the cognitive elite from everyone else. First, consider a workplace with a comparatively low level of cognitive homogeneity—an industrial plant. In the physical confines of the plant, all kinds of abilities are being called upon: engineers and machinists, electricians and pipe fitters and sweepers. If the manufacturing company is prospering, it is likely that a fair amount of daily intermingling among cognitive classes goes on in the plant.

Let's move across town to a law firm. The mean IQ rises, and the range of IQs found in that workplace shrinks. Now there are only a few job categories—for practical purposes, three: secretaries, paralegals or other forms of legal assistants, and the attorneys. The lowest categories, secretarial and paralegal work, require at least average cognitive skills for basic competence, considerably more than that if these jobs are to be done as well as they could be. The attorneys themselves are likely to be, virtually without exception, much higher cognitively than the national mean, if only because of the selection procedures in the law schools that enabled them to become lawyers in the first place. The overall degree of cognitive stratification in a good law firm is extremely high. And now an important distinction: It is not only that stratification within the law firm is high; rather, the entire workplace represents a stratum highly atypical of cognitive ability in the population at large.

These rarefied environments are becoming more common because the jobs that most demand intelligence are increasing in number and economic importance. These are jobs that may be conducted in cloistered settings in the company of other smart workers. The brightest lawyers and bankers increasingly work away from the courtroom and bank floor, away from all except the most handpicked of corporate clients. The brightest engineers increasingly work on problems that never require them to visit a construction site or a shop floor. They can query their computer to get the answers they need. The brightest public-policy specialists shuttle among think tanks, bureaucracies and graduate schools of public policy, never having to encounter an angry voter.

In each example, a specialized profession within the profession is developing that looks more and more like academia in the way it recruits, insulates and isolates members of the cognitive elite.

Moreover, because the members of the

1/2

82

cognitive elite tend to live in the same neighborhoods, the children of lawyers, physicians, college professors, engineers and business executives tend to go to school with each other, and seldom with the children of cab drivers or assembly-line workers, let alone with the children of welfare recipients or the chronically unemployed. The children of the cognitive elite may never go to school with children representative of the whole range of cognitive ability. This tendency is exacerbated by another force working in the background, genes.

Genetic Partitioning

Twenty years ago, one of us wrote a book that created a stir because it discussed the heritability of IQ and the relationship of intelligence to success in life, and foresaw a future in which socioeconomic status would increasingly be inherited. The logic of the argument was couched in a syllogism:

If differences in mental abilities are inherited, and if success requires those abilities, and if earnings and prestige depend on success, then social standing (which reflects earnings and prestige) will be based to some extent on inherited differences among people.

In fact, IQ is substantially heritable. The state of knowledge does not permit a precise estimate, but half a century of work, now amounting to hundreds of empirical and theoretical studies, permits a broad conclusion that the genetic component of IQ is unlikely to be smaller than 40% or higher than 80%. The most unambiguous direct estimates, based on identical twins raised apart, produce some of the highest estimates of heritability.

Now it should be emphasized that heritability describes something about a population of people, not an individual. It makes no more sense to talk about the heritability of an individual's IQ than it does to talk about his birthrate. A given individual's IQ may have been greatly affected by his special circumstances even though IQ is substantially heritable in the population as a whole.

Nevertheless, across a population, certain observations can be made. The first is that when it comes to marriage and IQ, opposites do not attract—likes do. Of the many correlations involving husbands and wives, one of the highest is for IQ. People with high IQs marry one another. The young man newly graduated from his elite law school joins his elite New York firm,

thereupon encountering young women just as highly selected for cognitive ability as he was—in the adjacent offices at his own firm, at business lunches, across the negotiating table. As propinquity works its magic, the cognitive elite has a better chance of preserving its intellectual capital from generation to generation than the old elite had of preserving its money.

To summarize, then, society has become very efficient at funneling the cognitive elite, thereby promoting three interlocking phenomena:

1. The cognitive elite is getting richer, in an era when everybody else is having to struggle to stay even.
2. The cognitive elite is increasingly segregated physically from everyone else, in both the workplace and the neighborhood.
3. The cognitive elite is increasingly likely to intermarry.

Unchecked, these trends will lead the U.S. toward something resembling a caste society, with the underclass mired ever more firmly at the bottom and the cognitive elite ever more firmly anchored at the top, restructuring the rules of society so that it becomes harder and harder for them to lose. Among the other casualties of this process would be American civil society as we have known it. Like other apocalyptic visions, this one is pessimistic, perhaps too much so. On the other hand, there is much to be pessimistic about.

2/2

Who Will Work Well

The validity of different predictors of job performance

PREDICTOR	VALIDITY PREDICTING JOB PERFORMANCE RATINGS
Cognitive test score	.53
Biographical data	.37
Reference checks	.26
Education	.22
Interview	.14
College grades	.11
Interest	.10
Age	-.01

Source: Hunter and Hunter 1984

Race, Pathology and IQ

"But what about race?" we are asked whenever we try to talk about "The Bell Curve." Part of the correct answer is that there are many interesting questions involving race and intelligence. Racial differences in means and distributions on IQ tests are a reality. As far as anyone can tell, they are not artifacts of test bias. Some of them call for a rethinking of policy, especially affirmative action. All of these topics are discussed at length in the book.

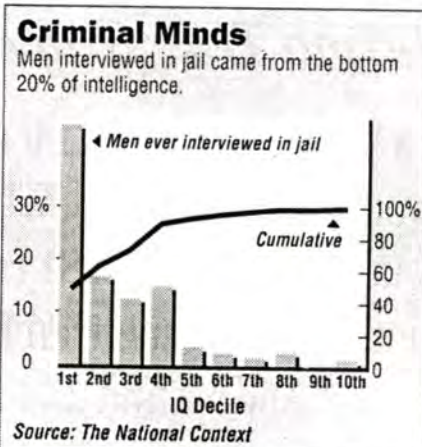
But another part of the correct answer to "What about race?" is that racial issues are secondary. People find it hard to accept this at face value. The topic of race and IQ, relegated to whispers for so many years, is in danger of becoming a test of one's intellectual machismo. If we try to talk about something else, many assume, it must be because we are afraid. So let us say it as loudly and clearly as the printed page permits: If tomorrow the U.S. consisted entirely of blue-eyed blonds, the crucial themes of "The Bell Curve" would remain unchanged. The increasing value of brains in the marketplace would remain. The driving role of cognitive stratification would remain. The prospects for a state in which high and moderate IQ taxpayers would become custodians of an underclass dominated by low IQ individuals would remain as grim—postponed for a few years, perhaps, if the nation consisted entirely of blue-eyed blonds, but no more than that.

Here is the reality: Approximately 75% of the American population still consists of whites of European origin. Within that non-Latino white population, here is what IQ means for the problems that are identified with the underclass:

The first lesson, drawn from a massive database known as the National Longitudinal Survey of Youth, is that low intelligence is a stronger precursor of poverty than low socioeconomic background. Or, to put it another way: If you have to choose, is it better to be born smart or rich? The answer is unequivocally "smart." A white youth who was reared in a home in which his parent or parents were chronically unemployed, worked at only menial jobs and had not gotten past the ninth grade, but who is himself of average intelligence—an IQ of 100—has nearly a 90% chance of being out of poverty by his early 30s. The high rates of poverty that afflict certain

segments of the white population are determined more by intelligence than by socioeconomic background.

The correlation between IQ and employment patterns is also strong, with white males in the bottom 5% of IQ having three times the chance of being out of the labor force as men in the top 5%—after taking socioeconomic and educational background into account. Why are young men out of the labor force? One obvious possibility is physical disability. Yet here too cognitive ability is a strong predictor: Of



the men who described themselves as being too disabled to work, more than nine out of 10 were in the bottom quarter of the IQ distribution.

Illegitimacy, one of the central social problems of the times, is also strongly related to intelligence. White women in the bottom 5% of the cognitive ability distribution are six times as likely to have an illegitimate first child as those in the top 5%. Is this really a hidden effect of poverty? On the contrary, the independent role of intelligence in predicting illegitimacy is higher among poor white women than among white women in general.

The odds that a white woman in the top 5% of IQ will go on welfare within a year of the birth of her first child is one in a hundred; for a white woman in the bottom 5%, it is better than one in two. White women who remain childless or have babies

This week, the Manager's Journal column, which normally appears in Monday's editions, will appear Tuesday.

within marriage have a mean IQ of 105. Those who have an illegitimate baby but never go on welfare have a mean IQ of 98. Those who go on welfare but do not become chronic recipients have a mean IQ of 94. Those who become chronic welfare recipients have a mean IQ of 92.

Not surprisingly, there are other tragic correlations. For example, low IQ among white mothers is related to low birthweight for their children, even after controlling for socioeconomic background, poverty and age of the mother. Evaluations of child well-being reveal that, while high IQ is by no means a prerequisite for being a good mother, the disquieting finding is that the worst environments for raising children, of the kind that not even the most resilient children can easily overcome, are concentrated in homes in which the mothers are at the low end of the intelligence distribution.

The list of social pathologies linked with intelligence goes on. Consistent with a large scientific literature, white males in the National Longitudinal Survey of Youth who had been sentenced to a correctional institution as juveniles had a mean IQ of 93, compared with 106 for those who had never been stopped by the police. Once IQ is held constant, the relationship of socioeconomic background to juvenile delinquency among whites was nearly zero.

The steep increases in such things as illegitimacy, welfare dependency and crime during the past 30 years are obviously not to be explained by intelligence, which did not plummet during the same period. But things did happen which put people at the low end of the intelligence scale—white and black alike—at much greater risk of those bad things happening to them.

In this story, then, race plays a minor role. The forbidden tends to be fascinating by virtue of being forbidden, and so it has been with race and IQ. As with most forbidden things, the reality is not nearly as exciting as imagination has made it. If one wants to understand the trajectory of American life, one must first inquire about the condition of and changes within white America. It is among whites at both extremes of the bell curve that the role of intelligence will play out decisively.

—Richard J. Herrnstein
and Charles Murray

Pin Galtan

Pls. see me within

B

THE PRESIDENT HAS SEEN

11/27

THE PRESIDENT HAS SEEN

REPORT DATE 11/21/94

REPORT TIME 05:59PM

Michigan Cocktail Party - Monday, November 21, 1994 - 05:30PM
Contact Social Office X2510

THE PRESIDENT AND MRS. CLINTON

A A Mr. Jay Alix & Mrs. Maryanne Hanson-Alix
East Lansing, MI

A A Mr. & Mrs. Eugene Applebaum (Marcia)
Bloomfield Hills, MI

A A Mr. Mandell ("Bill") Berman & Ms. Madeleine Berman
President, Council of Jewish Federations

A Ms. Debra Brunett

A Mr. Maurice Cohen

A Ms. Lois Pincus Cohn
Bloomfield Hills, MI

A Mr. William Davidson
Bloomfield Hills, MI

A A Mr. & Mrs. Milton Dresner
Franklin, MI

A A The Honorable John Foster & Mrs. Mary Keves-Foster
Mt. Clemens, MI

A A Mr. & Mrs. Samuel Frankel (Jean)
Bloomfield Hills, MI

A A Mr. & Mrs. Byron Gerson (Dorothy)
Franklin, MI

R A Mrs. Erica Ward

A A Mr. & Mrs. Irwin Green (Beathea)
Franklin, MI

A A Mr. & Mrs. James Grosfeld (Nancy)
Bloomfield Hills, MI

A A ~~Mr. & Mrs. David Hermelin~~ (Doreen)
Birmingham, MI

A A Mr. & Mrs. Irving Hermelin (Florence)
Southfield, MI

A A Mr. & Mrs. Yale Levin (Anna)
Southfield, MI

A A Mr. & Mrs. David Mondry (Miriam)
Bloomfield Hills, MI

A A Mr. & Mrs. Linden Nelson (Michelle)
Bloomfield Hills, MI

A A Mr. & Mrs. Richard Rogel (Susan)
West Bloomfield, MI

A A Mr. & Mrs. James Sharp (Tessie)
Detroit, MI

A A Dr. Irving Smokler & Dr. Carol Smokler
Ann Arbor, MI

A R Mrs. Shelley Tauber
West Bloomfield, MI

REPORT DATE 11/21/94
REPORT TIME 05:59PM

Michigan Cocktail Party - November 21, 1994

REGRETS

R Mr. Ralph Gerson
Bloomfield, MI
R Mr. Joel Tauber

THE PRESIDENT HAS SEEN 11/27

Erasmus / Jones
for name: Davis

BC

The Prosperous Community

Social Capital and Public Life

Robert D. Putnam

Your corn is ripe today; mine will be so tomorrow. 'Tis profitable for us both, that I should labour with you today, and that you should aid me tomorrow. I have no kindness for you, and know you have as little for me. I will not, therefore, take any pains upon your account; and should I labour with you upon my own account, in expectation of a return, I know I should be disappointed, and that I should in vain depend upon your gratitude. Here then I leave you to labour alone; You treat me in the same manner. The seasons change; and both of us lose our harvests for want of mutual confidence and security.

—David Hume

The predicament of the farmers in Hume's parable is all too familiar in communities and nations around the world:

- Parents in communities everywhere want better educational opportunities for their children, but collaborative efforts to improve public schools falter.
- Residents of American ghettos share an interest in safer streets, but collective action to control crime fails.
- Poor farmers in the Third World need more effective irrigation and marketing schemes, but cooperation to these ends proves fragile.
- Global warming threatens livelihoods from Manhattan to Mauritius, but joint action to forestall this shared risk founders.

Failure to cooperate for mutual benefit does not necessarily signal ignorance or irrationality or even malevolence, as philosophers since Hobbes have under-

scored. Hume's farmers were not dumb, or crazy or evil: they were trapped. Social scientists have lately analyzed this fundamental predicament in a variety of guises: the tragedy of the commons; the logic of collective action; public goods; the prisoners' dilemma. In all these situations, as in Hume's rustic anecdote, everyone would be better off if everyone could cooperate. In the absence of coordination and credible mutual commitment, however, everyone defects, ruefully but rationally, confirming one another's melancholy expectations.

How can such dilemmas of collective action be overcome, short of creating some Hobbesian Leviathan? Social scientists in several disciplines have recently suggested a novel diagnosis of this problem, a diagnosis resting on the concept of *social capital*. By analogy with notions of physical capital and human capital—tools and training that enhance individual productivity—"social capital" refers to features of social organization, such as networks, norms, and trust,

that facilitate coordination and cooperation for mutual benefit. Social capital enhances the benefits of investment in physical and human capital.

Working together is easier in a community blessed with a substantial stock of social capital. This insight turns out to have powerful practical implications for many issues on the American national agenda—for how we might overcome the poverty and violence of South Central Los Angeles, or revitalize industry in the Rust Belt, or nurture the fledgling democracies of the former Soviet empire and the erstwhile Third World. Before spelling out these implications, however, let me illustrate the importance of social capital by recounting an investigation that several colleagues and I have conducted over the last two decades on the seemingly arcane subject of regional government in Italy.

Lessons from an Italian Experiment

Beginning in 1970, Italians established a nationwide set of potentially powerful regional governments. These 20 new institutions were virtually identical in form, but the social, economic, political, and cultural contexts in which they were implanted differed dramatically, ranging from the preindustrial to the postindustrial, from the devoutly Catholic to the ardently Communist, from the inertly feudal to the frenetically modern. Just as a botanist might investigate plant development by measuring the growth of genetically identical seeds sown in different plots, we sought to understand government performance by studying how these new institutions evolved in their diverse settings.

As we expected, some of the new governments proved to be dismal failures—inefficient, lethargic, and corrupt. Others have been remarkably successful, however, creating innovative day care programs and job-training centers, promoting investment and economic development, pioneering environmental standards and family clinics—managing the public's business efficiently and satisfying their constituents.

What could account for these stark differences in quality of government? Some seemingly obvious answers turned out to be irrelevant. Government organization is too similar from region to region for that to explain the contrasts in performance. Party politics or ideology makes little difference. Affluence and prosperity have no direct effect. Social stability or political harmony or population movements are not the key. None of these factors is correlated with good government as we had anticipated. Instead, the best predictor is one that Alexis de Tocqueville might have expected. Strong traditions of civic engagement—voter turnout, newspaper readership, membership in choral societies and literary circles, Lions Clubs, and soccer clubs—are the hallmarks of a successful region.

Some regions of Italy, such as Emilia-Romagna and Tuscany, have many active community organizations. Citizens in these regions are engaged by public issues, not by patronage. They trust one another to act fairly and obey the law. Leaders in these communities are relatively honest and committed to equality. Social and political networks are organized horizontally, not hierarchically. These "civic communities" value solidarity, civic participation, and integrity. And here democracy works.

At the other pole are "uncivic" regions, like Calabria and Sicily, aptly characterized by the French term *incivisme*. The very concept of citizenship is stunted there. Engagement in social and cultural associations is meager. From the point of view of the inhabitants, public affairs is somebody else's business—*i notabili*, "the bosses," "the politicians"—but not theirs. Laws, almost everyone agrees, are made to be broken, but fearing others' lawlessness, everyone demands sterner discipline. Trapped in these interlocking vicious circles, nearly everyone feels powerless, exploited, and unhappy. It is hardly surprising that representative government here is less effective than in more civic communities.

The historical roots of the civic community are astonishingly deep. Enduring

traditions of civic involvement and social solidarity can be traced back nearly a millennium to the eleventh century, when communal republics were established in places like Florence, Bologna, and Genoa, exactly the communities that today enjoy civic engagement and successful government. At the core of this civic heritage are rich networks of organized reciprocity and civic solidarity—guilds, religious fraternities, and tower societies for self-defense in the medieval communes; cooperatives, mutual aid societies, neighborhood associations, and choral societies in the twentieth century.

These communities did not become civic simply because they were rich. The historical record strongly suggests precisely the opposite: They have become rich because they were civic. The social capital embodied in norms and networks of civic engagement seems to be a precondition for economic development, as well as for effective government. Development economists take note: Civics matters.

How does social capital undergird good government and economic progress? First, networks of civic engagement foster sturdy norms of generalized reciprocity: I'll do this for you now, in the expectation that down the road you or someone else will return the favor. "Social capital is akin to what Tom Wolfe called the 'favor bank' in his novel, *The Bonfire of the Vanities*," notes economist Robert Frank. A society that relies on generalized reciprocity is more efficient than a distrustful society, for the same reason that money is more efficient than barter. Trust lubricates social life.

Networks of civic engagement also facilitate coordination and communication and amplify information about the trustworthiness of other individuals. Students of prisoners' dilemmas and related games report that cooperation is most easily sustained through repeat play. When economic and political dealing is embedded in dense networks of social interaction, incentives for opportunism and malfeasance are reduced. This is why the

diamond trade, with its extreme possibilities for fraud, is concentrated within close-knit ethnic enclaves. Dense social ties facilitate gossip and other valuable ways of cultivating reputation—an essential foundation for trust in a complex society.

Finally, networks of civic engagement embody past success at collaboration, which can serve as a cultural template for future collaboration. The civic traditions of

Communities in north-central Italy did not become civic because they were rich. They became rich because they were civic.

north-central Italy provide a historical repertoire of forms of cooperation that, having proved their worth in the past, are available to citizens for addressing new problems of collective action.

Sociologist James Coleman concludes, "Like other forms of capital, social capital is productive, making possible the achievement of certain ends that would not be attainable in its absence. . . . In a farming community. . . where one farmer got his hay baled by another and where farm tools are extensively borrowed and lent, the social capital allows each farmer to get his work done with less physical capital in the form of tools and equipment." Social capital, in short, enables Hume's farmers to surmount their dilemma of collective action.

Stocks of social capital, such as trust, norms, and networks, tend to be self-reinforcing and cumulative. Successful collaboration in one endeavor builds connections and trust—social assets that facilitate future collaboration in other, unrelated tasks. As with conventional capital, those who have social capital tend to accumulate more—they as has, gets. Social capital is what the social philosopher Albert O. Hirschman calls a "moral resource," that is, a resource whose supply increases rather than decreases through use and which (un-

like physical capital) becomes depleted if not used.

Unlike conventional capital, social capital is a "public good," that is, it is not the private property of those who benefit from it. Like other public goods, from clean air to safe streets, social capital tends to be underprovided by private agents. This means that social capital must often be a by-product of other social activities. Social capital typically consists in ties, norms, and trust transferable from one social setting to another. Members of Florentine choral societies participate because they like to sing, not because their participation strengthens the Tuscan social fabric. But it does.

Social Capital and Economic Development

Social capital is coming to be seen as a vital ingredient in economic development around the world. Scores of studies of rural development have shown that a vigorous network of indigenous grassroots associations can be as essential to growth as physical investment, appropriate technology, or (that nostrum of neoclassical economists) "getting prices right." Political scientist Elinor Ostrom has explored why some cooperative efforts to manage common pool resources, like grazing grounds and water supplies, succeed, while others fail. Existing stocks of social capital are an important part of the story. Conversely, government interventions that neglect or undermine this social infrastructure can go seriously awry.

Studies of the rapidly growing economies of East Asia almost always emphasize the importance of dense social networks, so that these economies are sometimes said to represent a new brand of "network capitalism." These networks, often based on the extended family or on close-knit ethnic communities like the overseas Chinese, foster trust, lower transaction costs, and speed information and innovation. Social capital can be transmuted, so to speak, into financial capital: In novelist Amy Tan's *Joy Luck Club*, a group of mah-jong-playing friends evolves into a joint investment association.

China's extraordinary economic growth over the last decade has depended less on formal institutions than on *guanxi* (personal connections) to underpin contracts and to channel savings and investment.

Social capital, we are discovering, is also important in the development of advanced Western economies. Economic sociologist Mark Granovetter has pointed out that economic transactions like contracting or job searches are more efficient when they are embedded in social networks. It is no accident that one of the pervasive stratagems of ambitious yuppies is "networking." Studies of highly efficient, highly flexible "industrial districts" (a term coined by Alfred Marshall, one of the founders of modern economics) emphasize networks of collaboration among workers and small entrepreneurs. Such concentrations of social capital, far from being paleo-industrial anachronisms, fuel ultra-modern industries from the high tech of Silicon Valley to the high fashion of Benetton. Even in mainstream economics the so-called "new growth theory" pays more attention to social structure (the "externalities of human capital") than do conventional neoclassical models. Robert Lucas, a founder of "rational expectations" economics, acknowledges that "human capital accumulation is a fundamentally social activity, involving groups of people in a way that has no counterpart in the accumulation of physical capital."

The social capital approach can help us formulate new strategies for development. For example, current proposals for strengthening market economies and democratic institutions in the formerly Communist lands of Eurasia center almost exclusively on deficiencies in financial and human capital (thus calling for loans and technical assistance). However, the deficiencies in social capital in these countries are at least as alarming. Where are the efforts to encourage "social capital formation"? Exporting PTAs or Kiwanis clubs may seem a bit far-fetched, but how about patiently reconstructing those shards of indigenous civic associations that have survived decades of

totalitarian rule.

Historian S. Frederick Starr, for example, has drawn attention to important fragments of civil society—from philanthropic agencies to chess clubs—that persist from Russia's "usable past." (Such community associations provide especially valuable social capital when they cross ethnic or other cleavage lines.)

Closer to home, Bill Clinton's proposals for job-training schemes and industrial extension agencies invite attention to social capital. The objective should not be merely an assembly-line injection of booster shots of technical expertise and work-related skills into individual firms and workers. Rather, such programs could provide a matchless opportunity to create productive new linkages among community groups, schools, employers, and workers, without creating costly new bureaucracies. Why not experiment with modest subsidies for training programs that bring together firms, educational institutions, and community associations in innovative local partnerships? The latent effects of such programs on social capital accumulation could prove even more powerful than the direct effects on technical productivity.

Conversely, when considering the effects of economic reconversion on communities, we must weigh the risks of destroying social capital. Precisely because social capital is a public good, the costs of closing factories and destroying communities go beyond the personal trauma borne by individuals. Worse yet, some government programs themselves, such as urban renewal and public housing projects, have heedlessly ravaged existing social networks. The fact that these collective costs are not well measured by our current accounting schemes does not mean that they are not real. Shred enough of the social fabric and we all pay.

Social Capital and America's Ills

Fifty-one deaths and \$1 billion dollars in property damage in Los Angeles last year put urban decay back on the American

agenda. Yet if the ills are clear, the prescription is not. Even those most sympathetic to the plight of America's ghettos are not persuaded that simply reviving the social programs dismantled in the last decade or so will solve the problems. The erosion of social capital is an essential and underappreciated part of the diagnosis.

Although most poor Americans do not reside in the inner city, there is something qualitatively different about the social and economic isolation experienced by the chronically poor blacks and Latinos who do. Joblessness, inadequate education, and poor health clearly truncate the opportunities of ghetto residents. Yet so do profound deficiencies in social capital.

Part of the problem facing blacks and Latinos in the inner city is that they lack "connections" in the most literal sense. Job-seekers in the ghetto have little access, for example, to conventional job referral networks. Labor economists Anne Case and Lawrence Katz have shown that, regardless of race, inner-city youth living in neighborhoods blessed with high levels of civic engagement are more likely to finish school, have a job, and avoid drugs and crime, controlling for the individual characteristics of the youth. That is, of two identical youths, the one unfortunate enough to live in a neighborhood whose social capital has eroded is more likely to end up hooked, booked, or dead. Several researchers seem to have found similar neighborhood effects on the incidence of teen pregnancy, among both blacks and whites, again controlling for personal characteristics. Where you live and whom you know—the social capital you can draw on—helps to define who you are and thus to determine your fate.

Racial and class inequalities in access to social capital, if properly measured, may be as great as inequalities in financial and human capital, and no less portentous. Economist Glenn Loury has used the term "social capital" to capture the fundamental fact that racial segregation, coupled with socially inherited differences in community networks and norms, means that in-

dividually targeted "equal opportunity" policies may not eliminate racial inequality, even in the long run. Research suggests that the life chances of today's generation depend not only on their parents' social resources, but also on the social resources of their parents' ethnic group. Even workplace integration and upward mobility by successful members of minority groups cannot overcome these persistent effects of inequalities in social capital. William Julius Wilson has described in tragic detail how the exodus of middle-class and working-class families from the ghetto has eroded the social capital available to those left behind. The settlement houses that nurtured sewing clubs and civic activism a century ago, embodying community as much as charity, are now mostly derelict.

It would be a dreadful mistake, of course, to overlook the repositories of social capital within America's minority communities. The neighborhood restaurant eponymously portrayed in Mitchell Duneier's recent *Slim's Table*, for example, nurtures fellowship and intercourse that enable blacks (and whites) in Chicago's South Side to sustain a modicum of collective life. Historically, the black church has been the most bounteous treasure-house of social capital for African Americans. The church provided the organizational infrastructure for political mobilization in the civil rights movement. Recent work on American political participation by political scientist Sidney Verba and his colleagues shows that the church is a uniquely powerful resource for political engagement among blacks—an arena in which to learn about public affairs and hone political skills and make connections.

In tackling the ills of America's cities, investments in physical capital, financial capital, human capital, and social capital are complementary, not competing alternatives. Investments in jobs and education, for example, will be more effective if they are coupled with reinvigoration of

community associations.

Some churches provide job banks and serve as informal credit bureaus, for example, using their reputational capital to vouch for members who may be ex-convicts, former drug addicts, or high school dropouts. In such cases the church does not merely provide referral networks. More fundamentally, wary employers and financial institutions bank on the church's ability to identify parishioners whose formal credentials understate their reliability. At the same time, because these parishioners value their standing in the church, and because the church has put its own reputation on the line, they have an additional incentive to perform. Like conventional capital for conventional borrowers, social capital serves as a kind of collateral for men and women who are excluded from ordinary credit or labor markets. In effect, the participants pledge their social connections, leveraging social capital to improve the efficiency with which markets operate.

The importance of social capital for America's domestic agenda is not limited to minority communities. Take public education, for instance. The success of private schools is attributable, according to James Coleman's massive research, not so much to what happens in the classroom nor to the endowments of individual students, but rather to the greater engagement of parents and community members in private school activities. Educational reformers like child psychologist James Comer seek to improve schooling not merely by "treating" individual children but by deliberately involving parents and others in the educational process. Educational policymakers need to move beyond debates about curriculum and governance to consider the effects of social capital. Indeed, most commonly discussed proposals for "choice" are deeply flawed by their profoundly individualist conception of education. If states and localities are to experiment with voucher systems for education or child care, why not encourage vouchers to be

spent in ways that strengthen community organization, not weaken it? Once we recognize the importance of social capital, we ought to be able to design programs that creatively combine individual choice with collective engagement.

Many people today are concerned about revitalizing American democracy. Although discussion of political reform in the United States focuses nowadays on such procedural issues as term limits and campaign financing, some of the ills that afflict the American polity reflect deeper, largely unnoticed social changes.

"Some people say that you usually can trust people. Others say that you must be wary in relations with people. Which is your view?" Responses to this question, posed repeatedly in national surveys for several decades, suggest that social trust in the United States has declined for more than a quarter century. By contrast, American politics benefited from plentiful stocks of social capital in earlier times. Recent historical work on the Progressive Era, for example, has uncovered evidence of the powerful role played by nominally non-political associations (such as women's literary societies) precisely because they provided a dense social network. Is our current predicament the result of a long-term erosion of social capital, such as community engagement and social trust?

Economist Juliet Schorr's discovery of "the unexpected decline of leisure" in America suggests that our generation is less engaged with one another outside the marketplace and thus less prepared to cooperate for shared goals. Mobile, two-career (or one-parent) families often must use the market for child care and other services formerly provided through family and neighborhood networks. Even if market-based services, considered individually, are of high quality, this deeper social trend is eroding social capital. There are more empty seats at the PTA and in church pews these days. While celebrating

the productive, liberating effects of fuller equality in the workplace, we must replace the social capital that this movement has depleted.

Our political parties, once intimately coupled to the capillaries of community life, have become evanescent confections of pollsters and media consultants and independent political entrepreneurs—the very antithesis of social capital. We have too easily accepted a conception of democracy in which public policy is not the outcome of a collective deliberation about the public interest, but rather a residue of campaign strategy. The social capital approach, focusing on the indirect effects of civic norms and networks, is a much-needed corrective to an exclusive emphasis on the formal institutions of government as an explanation for our collective discontents. If we are to make our political system more responsive, especially to those who lack connections at the top, we must nourish grass-roots organization.

Classic liberal social policy is designed to enhance the opportunities of *individuals*, but if social capital is important, this emphasis is partially misplaced. Instead we must focus on community development, allowing space for religious organizations and choral societies and Little Leagues that may seem to have little to do with politics or economics. Government policies, whatever their intended effects, should be vetted for their indirect effects on social capital. If, as some suspect, social capital is fostered more by home ownership than by public or private tenancy, then we should design housing policy accordingly. Similarly, as Theda Skocpol has suggested, the direct benefits of national service programs might be dwarfed by the indirect benefits that could flow from the creation of social networks that cross class and racial lines. In any comprehensive strategy for improving the plight of America's communities, rebuilding social capital is as important as investing in human and physical capital.

Throughout the Bush administration, community self-reliance—"a thousand



points of light"—too often served as an ideological fig leaf for an administration that used the thinness of our public wallet as an alibi for a lack of political will. Conservatives are right to emphasize the value of intermediary associations, but they misunderstand the potential synergy between private organization and the government. *Social capital is not a substitute for effective public policy but rather a prerequisite for it and, in part, a consequence of it.* Social capital, as our Italian study suggests, works through and with states and markets, not in place of them. The social capital approach is neither an argument for cultural determinism nor an excuse to blame the victim.

Wise policy can encourage social capital formation, and social capital itself enhances the effectiveness of government action. From agricultural extension services in the last century to tax exemptions for community organizations in this one, American government has often promoted investments in social capital, and it must renew that effort now. A new administration that is, at long last, more willing to use public power and the public purse for public purpose should not overlook the importance of social connectedness as a vital backdrop for effective policy.

Students of social capital have only begun to address some of the most important questions that this approach to public affairs suggests. What are the actual trends in different forms of civic engagement? Why do communities differ in their stocks of social capital? What kinds of civic engagement seem most likely to foster economic growth or community effectiveness? Must specific types of social capital be matched to different public problems? Most important of all, how is social capital created and destroyed? What strategies for building (or rebuilding) social capital are most promising? How can we balance the twin strategies of exploiting existing social capital and creating it afresh? The suggestions scattered throughout this essay are intended to challenge others to

even more practical methods of encouraging new social capital formation and leveraging what we have already.

We also need to ask about the negative effects of social capital, for like human and physical capital, social capital can be put to bad purposes. Liberals have often sought to destroy some forms of social capital (from medieval guilds to neighborhood schools) in the name of individual opportunity. We have not always reckoned with the indirect social costs of our policies, but we were often right to be worried about the power of private associations. Social inequalities may be embedded in social capital. Norms and networks that serve some groups may obstruct others, particularly if the norms are discriminatory or the networks socially segregated. Recognizing the importance of social capital in sustaining community life does not exempt us from the need to worry about how that community is defined—who is inside and thus benefits from social capital, and who is outside and does not. Some forms of social capital can impair individual liberties, as critics of communitarianism warn. Many of the Founders' fears about the "mischiefs of faction" apply to social capital. Before toting up the balance sheet for social capital in its various forms, we need to weigh costs as well as benefits. This challenge still awaits.

Progress on the urgent issues facing our country and our world requires ideas that bridge outdated ideological divides. Both liberals and conservatives agree on the importance of social empowerment, as E. J. Dionne recently noted ("The Quest for Community (Again)," *TAP*, Summer 1992). The social capital approach provides a deeper conceptual underpinning for this nominal convergence. Real progress requires not facile verbal agreement, but hard thought and ideas with high fiber content. The social capital approach promises to uncover new ways of combining private social infrastructure with public policies that work, and, in turn, of using wise public policies to revitalize America's stocks of social capital. ♦

Independent Counsel Is Expected to Seek Indictments Soon in Whitewater Inquiry

By VIVECA NOVAK

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — Independent counsel Kenneth Starr is expected to seek indictments in the Whitewater inquiry before the end of the year, according to individuals familiar with his investigation.

The likeliest targets remain former Associate Attorney General Webster Hubbell, Arkansas Gov. Jim Guy Tucker, and James McDougal, who was Bill and Hillary Rodham Clinton's partner in the Whitewater Development Corp. real-estate investment and owned Madison Guaranty Savings & Loan, which failed in 1989. Several other Madison employees also are likely to be indicted.

Sam Heuer, Mr. McDougal's attorney in Little Rock, said that he was unaware whether an indictment was around the corner, but that he expected to hear from the independent counsel's office in the coming week. "They are going to outline some areas they'd like to discuss with us further," Mr. Heuer said.

Representatives of Gov. Tucker, who had some large loans from Madison, said they had no reason to expect an indictment was imminent.

Gov. Tucker, in a written statement released yesterday, said: "I have had absolutely no indication from the special prosecutor that an indictment is under consideration; have not received any notice that I am a target of any investigation; have not been interviewed by any representative of the special prosecutor; and have not been asked to testify before the grand jury. Finally, I have done nothing that would justify an indictment."

John Haley, Mr. Tucker's lawyer, added that he and his client were still in the process of turning over documents subpoenaed by the independent counsel.

Mr. Hubbell's attorney couldn't be reached. The independent counsel has been reviewing Mr. Hubbell's billings to the government for work by the Rose Law Firm in connection with federal savings and loan cleanup operations to determine if he included charges for personal expenses. The firm was hired by the Resolution Trust Corp. to do legal work related to the failure of Madison Guaranty. Mr. Hubbell's billings to other clients are being reviewed as well, according to individuals familiar with the inquiry.

Earlier this month, subpoenas were sent to stores in Little Rock asking for information about purchases made by the Hubbell family from 1988 until 1993, when Mr. Hubbell began working for the Justice Department.

"My sense is that things are coming to a head" in the investigation of Mr. Hubbell, said a lawyer familiar with the inquiry. "My sense is they're sort of polishing off their case and bringing it to a conclusion."

Mr. Starr took over the investigation in August from Robert Fiske when a three-judge panel named him as independent prosecutor. At that time, sources knowledgeable about the case have said, Mr. Fiske had been expecting to seek indictments in September. But only two of the attorneys from Mr. Fiske's team stayed on, and the new lawyers on the team as well as Mr. Starr needed to get up to speed on the details of the complicated probe. A grand jury has been meeting every other week.

So far, there are no indications that Mr. Starr will seek indictments against the Clintons. The president's attorney, David Kendall, said he had no comment on reports in the Los Angeles Times that other indictments were expected shortly.

The Clintons and Mr. McDougal and his wife were partners, beginning in the late 1970s, in a real-estate development in the Ozarks they called Whitewater. Among the subjects that Mr. Starr is investigating is whether funds from Madison were illegally funneled to Whitewater.

At Mr. Starr's request, a federal judge has agreed to delay the sentencing of David Hale, a Little Rock figure who alleges that he was pressured by Messrs. Clinton and McDougal to make a federally guaranteed \$300,000 loan to Mr. McDougal's wife, some of which was then used by Whitewater. Mr. Hale has pleaded guilty to an unrelated fraud charge and has cooperated with investigators. Mr. Starr told the judge that Mr. Hale's cooperation "touches directly on some of the most sensitive matters" in the Whitewater investigation.

One of the things Mr. Starr is said to be looking into is whether some appraisals were inflated for properties involved in Madison transactions being reviewed by the special counsel. According to people familiar with some of Mr. Starr's recent actions, the special counsel's staff has been interviewing Robert Palmer, who worked as an appraiser for Madison. An attorney for Mr. Palmer wouldn't confirm or deny the meetings.

—Ellen Joan Pollock in New York contributed to this article.

THE PRESIDENT HAS SEEN

Clinton to Seek More Court Supervision Of Formerly Segregated Public Schools

By PAUL M. BARRETT

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — The Clinton administration, reversing the policy of its Republican predecessors, said it will seek more aggressive court supervision of previously segregated public school systems.

Administration officials said Wednesday that they will argue in a case before the Supreme Court that the historically segregated Kansas City, Mo., school system should remain under federal district court supervision. During the Reagan and Bush administrations, the Justice Department repeatedly pressed the high court to curtail judicial oversight of schools that formerly separated students by race.

While not surprising, the Justice Department's position in the Kansas City case is significant because it is the first

time the Clinton administration has had a chance to take a stand in a Supreme Court desegregation case. Justice Department officials said they would ask the justices for permission to act as a "friend-of-the-court" and to participate in oral arguments in the case, which are scheduled for January. The high court is almost certain to grant such permission.

A senior Justice Department official, who spoke at a press briefing on the condition that he remain anonymous, took great pains to argue that the administration's position would merely extend Supreme Court precedents.

The official said the Clinton administration agreed with a lower-court ruling that said the federal trial judge in the Kansas City case should consider standardized test scores of minority students when deciding whether the school district has gone far enough in eradicating the effects of past segregation.

Some conservatives were quick to attack the administration's position as part of a larger "activist agenda" on race relations. "The Clinton administration wants to find a way to keep the courts in the desegregation business in perpetuity," charged Clint Bolick of the conservative-libertarian Institute for Justice, a Washington advocacy group.

Missouri Attorney General Jay Nixon, a Democrat, also attacked the administration. He said the Justice Department's position sought "a radical departure from where the jurisprudence was in the past." Specifically, Mr. Nixon said that the Supreme Court has previously required that formerly segregated schools provide "equality of opportunity, not [a] guarantee of equality of output," as measured by minority student achievement. Missouri and Kansas City together have spent \$1.3 billion to respond to court orders in the desegregation case, according to the state. The money has been used to create special programs and schools that focus on themes such as the classics.

Anticipating the criticism, the Justice Department official said it may turn out that enough has been done to remedy past segregation in Kansas City. But the official stressed that the state should be obliged to prove in court that any shortfall in minority student achievement is attributable to factors beyond the control of schools, such as poverty or health.

THE WALL STREET JOURNAL FRIDAY, NOVEMBER 25, 1994

THE PRESIDENT HAS SEEN 11/27

Leon
What's the deal on
this? it was never discussed
as far as Leon -

The Welfare Gap

Problem No. 1: The Children

By Myron Magnet

Surveying a political landscape utterly transformed by the Congressional elections, President Clinton and Newt Gingrich gave the same reply when asked what they could achieve in the next two years: welfare reform. Their words are the same, their meaning worlds apart.

The welfare envisioned by Mr. Clinton has no common ground with Mr. Gingrich's call to junk the welfare system, leaving its clients to orphanages and other private charities.

The welfare debate promises to reorient the fundamental direction of government. That's all to the good, for workfare won't solve the underclass problem that welfare helps perpetuate and that is America's chief urban ill.

The real problem isn't about the employment prospects of young women, which workfare addresses. It is about children. Listening to the talk about workfare, you can forget what an enormous price children on welfare end up paying for the income their mothers gain from them. From the child's point of view, an incompetent mother on crack is no better than a Dickensian orphanage.

Welfare contributes to passing a legacy of failure from generation to generation. Anyone who looks at underclass children — neglected, abused, unimmunized, deprived of the moral and cognitive nurturing that families provide — has to ask whose welfare is advanced by a system that consigns so many children to emotional and intellectual stunting and to likely failure in school and later life. If welfare produced children who grew up to lead useful, fulfilling lives, you could argue that a society could afford to have several million able-bodied mothers supported by their hard-working neighbors. But not when the mechanism designed to promote children's welfare produces so many doomed to fail.

So Mr. Gingrich is right to revolutionize the debate. But surely there is a middle ground between the current mess and a cold turkey withdrawal, which is not politically feasible anyway. The goal ought to be to create a welfare system dedicated solely to the welfare of children. The bedrock of such a system should be a network of community hostels for needy kids and their mothers. Such hostels would provide structured, caring environments that nurture citizens by developing consciences and the ability to learn.

By the time today's underclass children are in Head Start — certainly by the time they start school — it's very late to begin teaching the whole array of cognitive and moral categories that one is supposed to learn in early childhood, that families normally teach and that underclass children don't adequately acquire. Without mastering these categories — this has nothing to do with any notion of inherited intelligence — it is hard to think, to apply yourself and thus to learn. The hostels should have rules of conduct for mothers, partly to help them get control of their own lives but above all to insure the order and structure children need.

The hostels should require mothers to take daily workshops in child-rearing in order to learn basics that young underclass women often don't know — that babies cry because they are needy, not because they are "bad"; that children need to be talked to and responded to, not ignored and hit, if they are to grow up able to function as members of society.

Mothers who don't want to conform to this system would be free to take their children and leave. If they can support them, fine. If the children are neglected or endangered, then the state must take them away, as it does now. But such children should be cared for in group foster homes far removed from the influence of the neighborhoods where they were born.

No doubt such a system would discourage many unmarried women from having babies they are unable to support and nurture — a worthwhile result. No less important, the smaller number of such babies who will be born despite all of society's discouragement will get a fair chance to grow up happy.

However sweeping these changes may seem, they have to be weighed against the dreadful reality of the present system, which condemns millions of children to grow up with so many excellences unawakened, lost to themselves and to society.

Myron Magnet, editor of the Manhattan Institute's City Journal, is author of "The Dream and the Nightmare: The Sixties' Legacy to the Underclass."

Plenty of Jobs? Where?

By Philip Harvey

Shortly after his inauguration, Mayor Rudolph W. Giuliani responded to criticism of his plan to rid the streets of squeegee operators by suggesting that they get jobs washing dishes. "There are plenty of jobs available," he said, recalling his own youthful experience as a dishwasher.

The Mayor's new plan to make childless welfare recipients work for their benefits — like the enthusiasm of Republicans in Congress for a two-year limit on welfare even for single mothers — is based on the same assumption about job availability. By eliminating what they see as a free ride on welfare, these politicians hope to motivate recipients to take low-wage jobs in the private sector.

Unfortunately, the assumption that such jobs are readily available is at odds with the truth. There simply are not enough jobs — not even menial, low-wage jobs — to make this tough strategy work.

It's well known that unemployment statistics understate job needs, because they count only those actively looking for work. They do not include most able-bodied welfare recipients; the "discouraged," who have given up looking for work, and part-time workers who want full-time jobs but can't find them.

What isn't so well known is the other side of the ledger: job openings. No regular statistics are collected on vacancies that employers are seeking to fill. But there are techniques for estimating, and they cast grave doubt on the assertion that plenty of jobs are available.

Statisticians at the New York State Labor Department say about 20 percent of all job vacancies are listed with the State Employment Service. In October, the service listed 7,991 openings in New York City, though only 6,518 of those jobs were expected to last more

Philip Harvey, a visiting scholar at the Russell Sage Foundation, is author of "Securing the Right to Employment."

Create hostels for mothers and kids.



than three days. That would mean there were about 40,000 job vacancies. (Similar estimating techniques have been used elsewhere, with similar results; they square with scientific surveys of job availability that have been conducted from time to time.)

The city's official unemployment figure for October was 271,000. So the jobless outnumbered available jobs by about 7 to 1. If we count involuntary part-time workers, "discouraged" workers and welfare recipients, the ratio is higher; and if we compare job seekers to available jobs in depressed neighborhoods, or among teen-agers, or for unskilled workers, the odds are grimmer still.

These figures not only contradict what much of the public believes about job availability. They tell us something about the perceived failures of our social programs, particularly welfare. By suggesting that the success of these programs depends on reducing the number of people who need public assistance, we preordain their failure: neither liberal carrots nor conservative sticks can move people into nonexistent jobs.

The labor market is a giant, fast-moving game of musical chairs. People who are skillful, unencumbered and highly motivated are more likely to find a seat, but it's crazy to think that these differences explain why everyone isn't sitting. The only way to make that happen is to add more chairs.

Viewed in this light, Mayor Giuliani's welfare plan is grossly inadequate, since it would create part-time jobs at wages well below the poverty line. For work like painting park benches, recipients would receive relief benefits and food stamps worth about \$5,000 a year, in a city where the official poverty line for a single person (which understates real needs) is about \$8,000.

This is cruel not because childless welfare recipients will be required to work. They must already accept available jobs or lose their benefits. It is cruel because they'll be forced to work for starvation wages while being told it's their own fault they can't find real jobs.

Politicians who want to force welfare recipients to be self-supporting should be studying how to create enough decent jobs to make that possible. It is not enough to say that such an initiative would cost too much; the economic and social costs of joblessness are also very large. It is foolish to assume that we can't afford to close the job gap without even trying to figure out the net cost of such an initiative and how it might be financed. We might be in for a pleasant surprise.

Giuliani's solution is no solution.

Often-Cited Workfare Effort Provides Cautionary Lessons

By CELIA W. DUGGER
with RAYMOND HERNANDEZ
Special to The New York Times

MOUNT VERNON, N.Y., Nov. 23 — Sandy Pitt and Sajan Mathew pounded on the door of a shuttered house on Union Avenue. They were searching for a 37-year-old welfare recipient who had given the address as his own.

Ms. Pitt and Mr. Mathew, Westchester County welfare workers, peered through the window into a barren room littered with bottles and cigarette butts. They surveyed the heap of trash on the lawn. They agreed that no one lived there.

"His case will automatically be closed," Ms. Pitt said, scratching yet another name from the Home Relief rolls in Westchester County. With such procedures, the county has become a statewide model for tough enforcement of eligibility rules for the welfare program that serves single adults primarily.

In New York City, Mayor Rudolph W. Giuliani announced last month that as part of an effort to combat fraud and instill the work ethic, his city will follow the Westchester strategy. Governor-elect George E. Pataki pledged during the campaign that the entire state would adopt the Westchester model if he won, citing it as his foremost example of how he would reduce the state budget.

Such a model would include a stringent requirement that the able-bodied work for their benefits and an aggressive effort to

costs, or 1.3 percent of the state's general fund budget of \$34 billion. New York City has estimated that using a Westchester-style program would ultimately save \$80 million a year, less than one half of 1 percent of the \$21.6 billion in city-financed spending.

Nor is the public works program as sweeping as it sounds. Even with its aggressive effort, Westchester has succeeded in placing less than 15 percent of its Home Relief recipients in 20-hour-a-week jobs. Most of the rest are too ill, addicted or incapacitated to hold even part-time employment, or are exempted from having to work because they are over age 60 or homeless, since it would be hard to monitor them.

There are about 311,000 households on Home Relief statewide, more than three-quarters of them in New York City, mainly single, childless adults. Recipients receive an average of \$350 a month plus Medicaid, an amount that leaves them far below the Federal poverty level and sometimes homeless.

Participants in Westchester workfare have mixed reactions to the work requirement. Ron Capela, 38, said he would rather earn his benefits mopping floors for the county than take a handout. But Pamela Brown said the work requirement hampered her search for a job. "The rules are ridiculous," she said.

The cost-saving and workfare measures proposed by Mr. Giuliani and Mr. Pataki are aimed only at the Home Relief program. They would not affect the costliest welfare program, Aid to Families with Dependent Children, which serves single parents with children.

ani and Mr. Pataki, struggling to close budget deficits.

In an interview with The New York Times before his election, Mr. Pataki suggested that Home Relief costs could be reduced 20 to 30 percent by using Westchester's strategy. The state and localities split the cost of the program. Applying Mr. Pataki's assumptions, that would mean the state would save up to \$450 million in Home Relief and Medicaid costs, certainly not small change. It is among the largest cuts he enumerated during the campaign.

Home Relief represents less than half of total welfare costs for New York State residents. The major welfare program, Aid to Families with Dependent Children, which serves single parents and children, has continued to grow in Westchester in the last four years. That caseload has risen 23 percent since 1990.

Mary E. Glass, Commissioner of Social Services in his Republican-controlled county, said she has not hastened to move single mothers off welfare into low-paying jobs, because they would not earn enough to pay rent and would end up in homeless shelters, costing the county \$3,000 a month.

"It's pointless to get people jobs when they would become homeless," she said. "This is not a matter of philosophy, it's two plus two."

Mr. Pataki will have to cut much more than Home Relief to fill a projected \$4 billion budget deficit next year, on top of the \$5 billion to \$6 billion in revenues the state will lose if he succeeds in enacting the 25 percent reduction in income taxes rates he has proposed.

Westchester officials are much more cautious about estimating the savings than is Mr. Pataki. Miss Glass said she thinks the savings are substantial, but she simply does not know the overall impact of the county's get-tough policies on Home Relief costs.

Limiting Welfare

A special report.

shift the sick and addicted from Home Relief, which is financed by the state and local government, to Supplementary Security Income, a Federal program for the disabled. It would also mean strict enforcement of state rules that deny benefits to addicted and mentally ill recipients who do not accept treatment.

In Westchester, the savings are measurable. While Home Relief caseloads have soared 49 percent in New York City and 11 percent in the rest of the state since 1990, Westchester's caseload is the same as it was four years ago. During that time, the county has created a low-cost work force of Home Relief recipients. They clean cages at the Yonkers animal shelter, remove debris from the Sawmill Creek in Greenburgh, clean graffiti from alongside the Bronx River Parkway.

But a close look at Westchester's success in paring Home Relief costs also puts into perspective what a limited impact these savings might make in both the overall welfare budget and the larger state budget. Even Mr. Pataki's most optimistic estimates for New York State would mean a reduction of \$450 million in Home Relief and Medicaid

The Budget Question

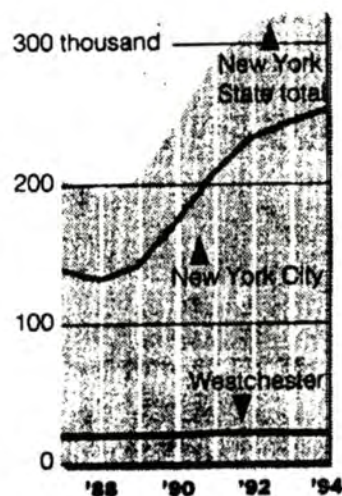
Obvious Target, Despite Limits

Westchester's strategy has provoked excitement with an electorate that wants to be sure no able-bodied person is getting something for nothing, and with leaders like Mr. Giuliani

SNAPSHOT

Home Relief

Average number of cases.



Source: Department of Social Services

The Unknowns

More Questions Than Answers

There are many unknowns in expanding on Westchester's program. Will the approach, effective in a suburban county, work in New York City, where the Home Relief caseload is 32 times larger, the bureaucracy infinitely more cumbersome and poverty perhaps more pernicious?

How much will the unknown costs of carrying out this approach statewide — hiring supervisors to oversee workfare participants and investigators to check every Home Relief applicant and recipient — eat away at Mr. Pataki's projected savings?

Are the large Medicaid savings he projects inflated? Mr. Pataki cited Westchester's estimate that each Home Relief recipient costs more than \$5,000 a year in Medicaid expenditures, potentially saving \$5,000 for every person dropped from the rolls.

But state officials say a \$1,000 saving per person might be closer. They point out that a recent study found that most Medicaid spending on Home Relief recipients goes to 10 percent of the caseload, typically those who are mentally ill or addicted. Medicaid benefits for everyone else average less than \$1,000 a year. Savings would be less if cuts fell

THE NEW YORK TIMES, FRIDAY, NOVEMBER 25, 1994

most heavily on the able-bodied, people whose Medicaid costs are closer to \$1,000 than \$5,000 annually.

Finally, would requiring all able-bodied poor people on Home Relief to work for their benefits improve their chances of making it in the job market? Would workfare be more effective than the expenditures in job training and education made during Gov. Mario M. Cuomo's years?

Consider Pamela Brown, the home relief recipient who said her workfare assignment as an aide in a community center interfered with her ability to go on job interviews.

"It wasn't that I wanted to sit home and collect checks for nothing," she said. "But they made it very hard for me to look for a job."

County officials said they excuse an absence from workfare for a job interview, as long as the participant brings a written note from the prospective employer. But Ms. Brown said that admitting she was on welfare stigmatized her, so she never mentioned it and never got a note. After going to an interview for a factory job in Elmsford, Ms. Brown said she was removed from the welfare rolls. She was lucky, she said, because she was able to stay with a friend for two months, and she eventually found a job in a department store.

The Recipients

Lack of Education, Lack of Skills

Westchester's workfare program does not generally attempt to lift Home Relief recipients from poverty by equipping them with marketable skills. Rather, it serves as a prod to get the predominantly unskilled people on Home Relief off the welfare rolls, at least for a while, and into low-wage jobs in the private sector.

Miss Glass, the Westchester Commissioner, acknowledged that many recipients are hobbled by lifetimes of poverty and poor education. "Can they get a job and work sporadically?" she said. "Yes. Will I expect to see them back? Yes."

National studies of workfare programs have found that they have little effect on the participants' later success in the job market.

The county has succeeded in getting only a minority of Home Relief recipients, 13 percent in September, working 20 hours a week for their benefits. That month, 9 percent had their cases closed for failure to comply with Home Relief rules. Only 3 percent were in training programs.

Even the minority who participated in workfare typically hold an assigned job less than two months. The county does not know what becomes of workfare participants after they leave Home Relief.

Still, county officials said they thought the job requirement fostered improved work habits and spurred recipients to look for employment. "The American people don't mind helping people in trouble," Miss Glass said. "But if they don't help themselves, that's what makes the American people crazy and resentful."

Westchester officials said they thought their program helped to weed out cheaters who did not show up for work assignments because they already had off-the-books jobs.

Workfare crews also perform many useful, thankless tasks. Since

1989, when the county expanded the program, recipients have put in more than 1.8 million hours of work for the county, officials said. Ron Capela last year lost his job as a maintenance worker at the World Trade Center. Each day, he leaves the apartment he shares with his parents to repair plumbing, mop hallways and replace light bulbs at a sprawling Yonkers housing project.

"I don't plan to make a career of this," Mr. Capela said. "But as long as I'm doing something, I don't feel so bad when I pick up my benefits."

Edward Zamborsky, who supervises recipients, said: "If they don't show up or come in late routinely, they're out. It doesn't take long to figure out who doesn't have the right attitude and isn't going to make it. The bad ones weed themselves out early."

The county's tough approach was inspired by an idea of Miss Glass in the late 1980's. After tiny dead fish washed up on the beaches of Long Island Sound, it occurred to her that Home Relief recipients could have cleaned up the mess.

Miss Glass also introduced the county's fraud-detection methods. She made Westchester the only county in the state to send investigators on unscheduled visits to the homes of all applicants for and recipients of Home Relief, state officials said.

Her approach goes far beyond what the state requires, which is home visits to a fraction of the applicants and a once-a-year interview in the office with each recipient. New York City and Nassau County, for example, send workers to the homes of fewer than 5 percent of the applicants and virtually none of the recipients.

Westchester employed 20 workers at a cost of \$900,000 to investigate recipients this year, and officials estimate the county saved \$3.4 million by dropping 15 percent of its caseload.

It saved even more by investigating all applicants, rather than just a quarter of them. That effort, requiring 32 workers at a cost of \$1.7 million, more than doubled the percentage of applicants found ineligible, to 25 percent, and saved \$7.5 million, county officials said.

Typically, investigators found that the recipients did not live where they said they did, had hidden income or had started receiving other benefits, like Supplemental Security Income, county officials said. Applicants were often disqualified for failure to appear at required office interviews.

The Doubters

More Pain Than Gain?

Advocates for the poor are skeptical about how much workfare really helps most Home Relief recipients. They note that few are in long-term training programs. They worry that recipients who lose their benefits for noncompliance may wind up homeless and seeking costly medical attention in emergency rooms.

These advocates argue that Westchester's own statistics reflect an uncaring reaction to poverty's complexities, pointing out that 40 percent of the recipients dropped from the rolls returned in about two months.

Home Relief recipients are highly transient and may not always notify the bureaucracy of each move from rooming house to rooming house, advocates said. Recipients collect their benefits through a device that is like an automated teller machine, so a correct address is not necessary to collect money.

Some recipients also have reason to disguise where they live, advocates say, because they illegally sublet cheap rooms and fear eviction.

"Most of these people are living underground," said Jerry Levy, a lawyer with Putnam-Westchester Legal Services, "and have to try to function in a bureaucratic system that requires strict documentation."

County officials said they are flexible about documentation.

The morning Ms. Pitt and Mr. Mathew were making home visits, they stopped at the basement apartment that a recipient, Ricky Riggins, 37, shared with his mother. He pays her \$270 a month in rent. While the inspectors methodically questioned him, his mother spoke up suddenly when Ms. Pitt asked whether he could provide a letter from the landlord.

"I don't want the landlord in the middle of this," said the woman, who declined to give her name. The investigators told her a letter from a neighbor would do.

The Giuliani Plan

Getting Ready For Expansion

Mr. Giuliani announced his plans to apply Westchester's approach to the city's Home Relief population in October, the day after prosecutors announced that a wealthy man who lived in Trump Tower had been collecting Home Relief.

The Mayor has dispatched dozens of city officials to Westchester. He named his senior adviser, Richard J. Schwartz, to coordinate the project. On Jan. 3, the city will begin phasing in the Westchester approach. Mr. Schwartz said the city would greatly expand its workfare program, which now requires about 15,000 recipients to work for their benefits.

The city would also add 270 workers to make unscheduled visits to applicants' homes. He refused to specify the cost of the added workers, what portion of applicants would be investigated or how many people the city expects to drop from the rolls.

The city would also require recipients who say they cannot work for medical reasons to take a medical examination that includes a drug test, and to sign up for treatment if they test positive. Westchester does not require drug testing.

Mr. Schwartz said the new approach was a matter of fairness. "It says to the people who need the assistance and are not trying to cheat the system, they'll get assistance, and if they're work eligible they'll have to reciprocate with public service," he said.

But Mr. Levy, the legal services lawyer, has different ideas about what is fair. "These are real poor souls," he said. "I think a large majority couldn't hold a job for more than a week or two. Should we support them? I think we should. They're human beings."

In Port-au-Prince Airport yesterday, Madeleine K. Albright, the American delegate to the United Nations, held a Haitian infant who was flown there for

treatment at a United States military hospital. She and Defense Secretary William J. Perry, right, spent Thanksgiving with American soldiers.

Japanese troops."

With peacekeeping as important as it is to the work of the United Nations, Ms. Albright has cultivated a working relationship with Gen. John M. Shalikashvili, Chairman of the Joint Chiefs of Staff, who invited her to see how Americans were trained at Fort Polk, La., for this newly expanded international role.

"You have to concentrate on the fact that your main goal is not territory but people," she said of the exercises she saw. "It is a totally different job for a military that is the best in the world."

As Council president this month, Ms. Albright has the difficult task of separating her American campaigns for lifting the arms embargo on Bosnia and keeping sanctions in place on Iraq — both opposed by Russia and one or more of her European allies — with her neutral role as presiding officer.

Vowing Not to Be So 'Domineering'

When Ms. Albright took the president's chair for the first time shortly after coming to the United Nations, some diplomats say, she sometimes seemed to get her tasks confused by pressing American issues hard when the moment called for disinterest. One colleague reported that this time she promised to keep the line clear, and not to be so "domineering."

Ms. Albright, 57, is fiercely, emotionally proud to be representing the United States here. At times her devotion seems more broadly patriotic, even moralistic, than partisan, a trait that some in Washington say has put her at odds on occasion with more cautious members of the Clinton team.

"Madeleine is a person of passionate temper," said a diplomat, one of three who used startlingly similar language to characterize her zeal. This is not always meant as a compliment in a world where the languid mien of diplomats, their jargon and understated style, masks strong opinion and straight talk. Ms. Albright is in the habit of being outspoken.

So far this fall, she has called a speech by the Iraqi Deputy Prime Minister "one of the most ridiculous" she had heard at the United Nations and told the French Defense Minister, François Léotard, to mind his own business, advice she once also gave to Yasushi Akashi, the Secretary General's representative in the former Yugoslavia. When the

Iraqi press called her a snake this week, she appeared in the Security Council wearing a serpent-shaped brooch. The broom someone sent her to suggest that she was a witch is displayed in her office.

United Nations officials say Ms. Albright bowled over the Secretary General with her forthrightness at first, and their relationship was not very warm. She says that they get along fine now, but that there are "several levels" to this partnership, only one of them personal.

"I really admire him," she said in an interview. "He is a very smart man and he has a world of knowledge that most of us would die to have. In terms of his job, I think that we have had and will probably continue to have some disagreements about how he and how we view his job."

Boutros-Ghali Wears Three Hats

She divides his role into three parts: "He can be a supernegotiator and diplomat. Then the second job would be to be the manager of the United Nations system, and the third an international policymaker. We think he ought to do more of the first two and less of the third. That is where there are distinctions."

"In terms of our personal relationships, I think they are excellent," she said, adding that they met for dinner before a recent trip the Secretary General made to several former Soviet republics and Europe, and had another long meeting when he came back. "We covered maybe 15, 20 subjects."

But the Secretary General returned with new ideas about Rwanda, the subject of an urgent meeting in Geneva, and raised exactly the kind of policy questions vexing the Clinton Administration. Mr. Boutros-Ghali wanted to know whether it would be cheaper to send a peacekeeping or protection force to the region now, to allow Rwandans to return home, rather than bear the long-term cost of supporting refugees.

Ms. Albright said the idea was perfectly rational; the problem would be getting necessary political support in countries asked to supply the force. Washington has been reluctant to commit troops anywhere; others have been reluctant to become involved in African conflicts. The United Nations is now preparing to pull out of Somalia with no political solution in sight and plenty of questions about what went wrong.

At the United Nations, Ms. Albright has broken with tradition in two areas: She has fostered closer links with caucuses of nonaligned and Islamic nations, and she has actively promoted a sense of community among the few women who serve as delegation heads and high officials in the organization.

When she arrived, Ms. Albright, who directed the Women in Foreign Service Program at Georgetown University's School of Foreign Service, found only 8 women among the 184 permanent representatives (and one of those was a chargé d'affaires). That number has since dropped, with the departure of representatives from the Philippines and Canada. In the Secretariat, the tally is lower. Only one woman ranks among the assistant secretaries general, Rosario Green of Mexico, for political affairs.

"I'm having lunch with women in the Secretariat because we are concerned with what is going on," she said. "I'm going to get a group together to see what we can do."

Opportunity Seen In G.O.P. Congress

The recent elections plunged Ms. Albright into Administration strategizing about how to deal with a Republican Congress — in her case with members openly hostile to the United Nations. She sees this moment as an opportunity to reopen a national dialogue on foreign policy, similar to one that took place during the Truman Presidency after World War II. Does that mean a shake-up of the Clinton team?

"I think the foreign policy team has done very well," she said, brushing aside suggestions that she may be — or had been before elections this month gave the White House other things to worry about — in line for another high position, perhaps Secretary of State.

At the United Nations, diplomats noted that she was making more public speeches, including one at the State Department while Mr. Christopher was on a trip abroad. In Washington, however, Congressional staff members argue that a new leadership with strong foreign-policy ideas can hold up appointments, a disincentive to make changes that require Senate approval.

Ms. Albright said a better job than the one she has would be hard to find.

"I truly think this is a phenomenal job," she said, "and I love every minute of it."

A Family Comes Back From a Slow Descent Into Poverty

By ABBY GOODNOUGH

Twice a day she leaves the half-light of her apartment and gingerly circles the block, savoring the sharp air and grasping at normalcy after months of illness and loss.

The Neediest Cases

Life as Mary Wolfe knew it ended last October, when the security-guard company she ran with her three sons failed for lack of business. As they searched fruitlessly for new jobs, hope turned to panic, and Mrs. Wolfe, 57, developed a heart condition.

By March, her family owed \$12,000 in rent on its home in Bayside, Queens. Mrs. Wolfe had lost 40 pounds, and her fine dark hair was streaked with white. One morn-

ing she had a seizure, ending up in the emergency room. It was the first of five hospital visits.

"All of the sudden, everything was coming to a end," she said. "Some people see these problems coming for years, but they hit us out of the blue."

Too sick to fight her impending eviction, Mrs. Wolfe called the Community Service Society of New York. It won her a two-week extension in housing court, then helped her negotiate the welfare bureaucracy. With the extra time, Mrs. Wolfe and her sons found a small apartment near their old home. Her former landlord forgave most of her debt, and the Community Service Society paid the arrears on her phone and electricity bills.

In this city of extremes, Mrs. Wolfe is among thousands of poor and sick people who received help this year from the Community Service Society and six other charities supported by The New York Times Neediest Cases Fund. The fund is to begin its 83d annual appeal on Sunday and, as in past years, thousands are expected to contribute. The Times pays for the overhead of the campaign, giving donations directly to the charities.

This year, as state and city budget cuts threaten social-service programs and the percentage of poor New Yorkers receiving public assistance is falling, charity officials say the need for private donations is urgent. Mayor Rudolph W. Giuliani's proposed budget cuts would phase out money for soup kitchens, cut 1,900 openings in day-care centers and reduce financing for substance-abuse programs, among other things.

"For the first time in our history, we will have to use private donations to supplement public funds," said Philip Colloff, executive director of The Children's Aid Society, which receives Neediest Cases money. "Individual contributions will be crucial to keep our programs functioning."

New York City is finally recovering

from a long recession, but the going has been painfully slow. Although jobs are gradually returning to the metropolitan region, many of them pay minimum wage, and increasing numbers of employed people have incomes below the poverty level. Most charities supported by Neediest Cases say donations have remained flat or decreased this year.

That points to another problem: many New Yorkers, charity officials say, are nonchalant about and even resentful of the ever-growing ranks of the poor.

"There's a lot of free-floating anger

toward people who can't defend themselves," said Megan E. McLaughlin, executive director of the Federation of Protestant Welfare Agencies, another of the seven organizations helped by Neediest Cases. "More than ever before, we have made the poor into pariahs."

The Neediest Cases Fund dates to 1911. Even then, poverty in New York City was as obvious as homeless families huddled on the sidewalk, and as hidden as elderly couples who survived for months on soup and bread. In 1912, 117 contributors gave \$3,630.88. Last year, nearly 13,500 people donated \$4,590,568.69, the second-highest amount in the campaign's history.

The campaign will have to be at least as successful this year to keep pace with charities' growing needs, said Arthur Gelb, president of The New York Times Foundation, which administers the fund.

"Field caseworkers trying to restore wasting lives, especially those of children, need our support more than ever," Mr. Gelb said. "Our goal is to make this a banner year so we can help fill the harsh void created by the cutbacks."

Neediest Cases money supports

A woman and her sons survive the pain of a city of extremes.

programs as various as day care for the elderly, job training for immigrants and pregnancy prevention. It has supplied shelter for victims of domestic violence and birthday parties for homeless children. And it has provided emergency money for people who, like Mrs. Wolfe, plummet unexpectedly into poverty.

Last week, Mrs. Wolfe sat in her sparsely furnished living room and wept as she recounted her recent good fortune. Her 27- and 24-year-old sons have found steady jobs, and her heart condition has improved thanks to medication and daily walks. When Mrs. Wolfe was hospitalized this summer, social workers at the Community Service Society offered emotional support and helped her apply for Medicaid and other benefits. When her 22-year-old son was injured in a car accident, the charity paid his portion of the rent for a month.

There are still obstacles to stability. Mrs. Wolfe's youngest son is still recovering from the accident, and the others work long hours to make the \$1,100 monthly rent. Food stamps don't provide enough groceries, so the family often turns to a local church for necessities. And an ungently reminder of bad luck — instructions for cardiopulmonary resuscitation — hangs on the refrigerator.

But hope has returned, and Mrs. Wolfe said she does not look back.

"They gave me my life back," she said, leaning over a vase of artificial flowers as if their smell had a sweetness only she could detect. "If you've got someone promising that you're going to get through, I tell you, it means a lot."

THE NEW YORK TIMES, THURSDAY, NOVEMBER 24, 1994

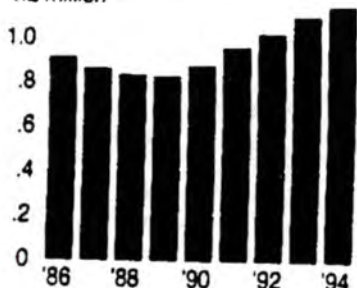
NEEDIEST CASES

The Persistence of Poverty

The number of individuals receiving public assistance and food stamps has continued to rise since 1990, but the number of New York families in homeless shelters seems to be leveling off — while at its highest level in at least the last eight years.

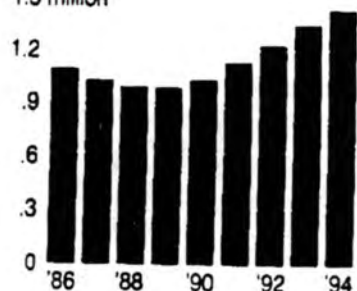
Public Assistance Recipients

1.2 million



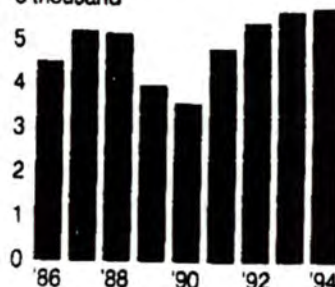
Food Stamp Recipients

1.5 million



Homeless Families in Shelters

6 thousand



Source: Population Studies Unit, Community Service Society of New York.

THE PRESIDENT HAS SEEN 4/27

CR
See exp.
Magnet column

Drug Trade Pulls Non-Citizens Into Federal Prisons

Rising Incarceration Rate Fuels Immigration Debate

By Pierre Thomas
Washington Post Staff Writer

A1

PETERSBURG, Va.—Calvin Brookes came to New York from St. Kitts in 1985 and liked it so much he overstayed his tourist visa and started his own business: He sold marijuana and crack cocaine, working shifts of 5 a.m. to 9 a.m., noon to 1 p.m., and 4 p.m. to midnight, first in Manhattan and later in Queens.

Today, Brookes, 30, is federal inmate No. 89283-071, serving an 84-month prison term at the Federal Correctional Institution here at a cost of about \$20,000 annually to U.S. taxpayers.

He is one of 20,171 non-citizens serving time in federal prisons or awaiting sentencing on federal charges. Nearly one out of every four federal inmates is not a U.S. citizen. Another 28,000 non-citizens are in state prisons—about 4 percent of the state total, Justice Department statistics show.

The incarceration of non-citizens cost the federal government more than \$400 million last year, straining budgets, overburdening existing prisons and intensifying pressures on governments to crack down on newcomers. The arrest of non-citizens has fueled public outrage about the flow of people into the United States and some believe has cast a negative shadow on legal immigrants. "People are trying to survive," said Brookes, during an interview at this minimum security facility. He said before he took up drug dealing his employers refused to pay him more than \$100 a week because he was illegal. "You have to do something to make ends meet," he said.

Federal law enforcement officials have responded to the non-citizen's role in the nation's burgeoning drug trade by locking them up and deporting them later.

"The crime requires punishment," said

See PRISONS, A18, Col. 3

Carl Stern, Justice Department spokesman. "If the only penalty for committing a crime in the United States was to risk deportation, that's almost a license to break the law."

But as the costs for incarceration rise at both the state and federal level in an era of fiscal austerity, the issue of non-citizen prisoners is becoming explosive. During the recent California gubernatorial race, Democratic candidate Kathleen Brown called for the deportation of non-citizens who commit felonies so they can serve their sentences in their native lands. The Republican "Contract With America" calls for the immediate deportation of non-citizen criminals after their sentences are served.

U.S. Bureau of Prisons officials say the growth in their non-citizen population can be attributed largely to pervasive drug trafficking, federal narcotics enforcement efforts and the adoption of new federal sentencing guidelines in the mid-to-late-1980s that established mandatory minimum sentences and lengthened prison terms.

From the late 1970s through the early 1980s, the federal prison population had hovered at 18,000 and 23,000. Since then, the population has more than tripled to 85,218, recently expanding by 200 inmates per week.

As the emphasis on curbing the drug trade grew, federal officials began to notice some new patterns in incarceration. Drug offenders grew from less than a quarter of the federal prisoner population in 1980 to about 61 percent currently. Increasingly, federal agents were locking up non-citizens, frequently low-level drug dealers or drug couriers. Altogether, 81 percent of the non-citizen federal inmates are serving time for drug and alcohol crimes.

Brookes described himself as a low-level independent dealer who made about \$36,000 per year peddling drugs. "I was just a small guy," he said. "I'm not in a gang business, it was just myself."

By Brookes's own count, he was arrested eight or nine times in New York City on various drug peddling charges, paying fines ranging from \$25 to \$250 and serving stints in jail, including 60 days for crack peddling. No one ever asked citizenship status, he said. That all changed after he sold drugs to two undercover Drug Enforcement Administration agents and was later arrested by South Carolina police officials on weapons charges. He has no chance

FRIDAY, NOVEMBER 25, 1994 THE WASHINGTON POST

112

DRUG TRAFFICKING AND NON-CITIZEN PRISONERS

Growth over 5 years

The number of non-citizens in U.S. prisons has nearly tripled in the past five years...



SOURCE: U.S. Bureau of Prisons

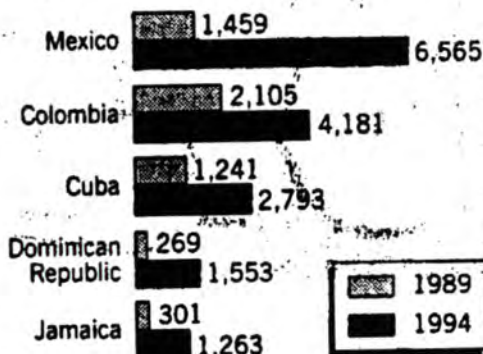
Types of offenses (1994)

... with drug and liquor violations accounting for six out of 10 imprisoned.



Nation of origin

Mexicans and Colombians lead the list of non-citizen inmates.



THE WASHINGTON POST

at parole, and he faces deportation upon discharge.

Carlos Chavarria, 40, who described himself as a permanent resi-

U.S. Bureau of Prisons officials say the growth in their non-citizen population can partly be attributed to pervasive drug trafficking.

dent from Costa Rica, is also serving time here in Petersburg on a cocaine trafficking charge. He said he was forced to truck cocaine up and down the Eastern seaboard by men who threatened to kill him if he did not cooperate. The mastermind behind the cocaine conspiracy was never caught, said Chavarria, who is serving a 78-month term.

The arrest of non-citizens "is usually linked to [drug] distribution," said Greg Bogdan, spokesman for the Bureau of Prisons. "There is literally no one serving time for simple possession. It can be large scale or small scale. Most are part of some type of larger operation."

A recent Justice Department study of the federal prison population highlighting the role of non-citizens found that while there was "little doubt of the culpability of these defendants... there were some cases when individuals had rather minimal roles in the drug offense." However, the report added, "the

drug amount [they were caught shipping] was often so high as to result in a long mandatory sentence."

Unlike Brookes and Chavarria, most non-citizen prisoners came specifically to the United States to transport drugs as opposed to attempting to immigrate, federal law enforcement officials and some experts say.

"Many of these people are mules," or low-level couriers, said justice spokesman Stern.

Such couriers smuggle drugs into the United States in a variety of ways, including on foot, by automobile and by air, with the top-level people in the drug industry utilizing the poverty in their nations to their advantage in recruitment, said James McGivney, DEA spokesman.

"A lot of these people [arrested smugglers] are poor and for them it's an opportunity to make money," McGivney said. "Our focus has always been to try to immobilize large organizations, but by virtue of evidentiary needs [to build cases], you are going to get a lot of low-level people."

John J. Miller, an immigration expert with the Manhattan Institute, said it is a disservice to call the non-citizens in the federal prisoner population immigrants: "They are drug smugglers, not people coming here to make a better life for themselves and their families."

With the exception of Mexico, the federal prisoners don't come from the same countries as most recent immigrants. During the last 12 years, most immigrants have come from Mexico, the Philippines, Vietnam, China and Korea. But the majority of the federal non-citizen prisoners are from Mexico, Colombia, Cuba, the Dominican Republic, Jamaica and Nigeria. The inmate population reflects "the influence that

these countries have on drug trafficking," McGivney said, noting that many non-citizens are also arrested by the U.S. Customs Service and the

More than 10,600 federal non-citizen inmates are from Mexico and Colombia alone.

Immigration and Naturalization Service.

More than 10,600 federal non-citizen inmates are from Mexico and Colombia alone.

Following incarceration, the inmates are placed in Immigration and Naturalization Service custody. Some choose not to fight deportation and are allowed to leave the country immediately. Others resist, triggering an appeals process that can last up to two years, INS officials said. On rare occasions, some are allowed to remain in the United States on bond. Efforts are underway to increase the number of deportation proceedings initiated before completion of incarceration time.

Chavarria, who says he has been in the United States since 1960, wants to remain once his term is up and plans to plead his case. "I believe in this country," he said. "I give my life for this country. I'd be scared to go to another country."

Brookes, on the other hand, won't fight deportation.

"I'll be going home," he said. "It's time to go home."

212

THE PRESIDENT HAS SEEN 11/27

Leon
Summit
B

Worst fears of free trade have cooled

The silencing of Perot's 'giant sucking sound'

► GATT gains backers, 1A

By Bill Montague
USA TODAY

MONTERREY, Mexico — From a cluttered desk that's surrounded by boxes filled with plastic parts for telephones, Sergio Villarreal could be hatching plans that confirm the worst fears of anyone who opposed the North American Free Trade Agreement.

But like many other Mexican factory owners, Villarreal doesn't appear to be doing that. A year after the bitter NAFTA debate, and 11 months after the free trade agreement took effect, he isn't stealing jobs from U.S. workers — as Ross Perot and other NAFTA foes predicted Mexican manufacturers would.

Instead, Villarreal is supporting U.S. jobs by buying U.S. goods. If he's stealing anything, it's work that would have gone to Asia. And he's expecting more of the same in '95. "For me, NAFTA has been a blessing," Villarreal says.

That's part of the story from Mexico a year after the NAFTA debate: The worst fears of NAFTA foes don't seem to be coming true.

Neither, however, are the wildest promises of NAFTA proponents coming true. A visit here confirms there are still many kinks in the evolving free-trade zone that stretches from Canada across the USA and south to Mexico. Here's a look at what is happening in Mexico a year after Congress approved the pact and 11 months after it took effect.

The record so far

A few numbers make clear that so far the USA is the clear NAFTA winner.

Exports of goods from the USA to Mexico surged 22% the first nine months this year, to \$37.5 billion. It won't be long before Mexico passes Japan to become the USA's second-largest export market, after Canada. And while U.S. imports from Mexico have risen 23% this year, Mexico still is expected to run a \$2.6 billion merchandise trade deficit with the USA this year — the fourth year in a row it has run a trade deficit.

Next year could be even better. After growing a bare 0.4% in 1993, and perhaps 2.6% this year, Mexico's economy is forecast to grow nearly 4% in 1995. That strong growth should mean even greater demand for U.S. goods.

The factory owner

A major reason for the growth in U.S. exports to Mexico: Demand from Mexican manufacturers for U.S.-made industrial equipment.

Villarreal owns Electronicos Animados, a plastics manufacturer in this gritty city — Mexico's industrial capital.

At first glance, Villarreal appears ready to contribute to that giant sucking sound Perot warned about during the NAFTA debate — the sound of millions of U.S. manufacturing jobs heading south of the border.

Electronicos Animados just moved into a \$10 million plant that will boost its production capacity 50%.

Next year, Villarreal expects revenue to double from 1994's \$4 million. Almost all of that increase will come from exports to the USA or maquiladora plants — Mexican factories along the U.S. border that ship virtually all their goods to the USA. Directly or indirectly, the USA accounts for 80% of the company's sales.

But while Villarreal's company is flourish-



By Richard Drew, AP
CHIEF: Mexican President Salinas

The story is the same at many other Mexican manufacturers, experts say. Many are buying U.S. goods to modernize their plants, and winning jobs that once might have gone to other nations. And in the long run, that should help make Mexico an even better market for U.S. goods: Job growth here will mean more money for consumers to spend on U.S. products.

Hungry consumers

Already, U.S. corporations are enjoying the benefits of a growing appetite for their products among Mexican consumers. Laura Elana Rojas Villalobos, a Mexico City lawyer, is a typical shopper. "I don't like to think of myself as a bad Mexican, but I do like U.S. products," she says. "The quality is usually much better."

Rojas was among a crowd that jammed Wal-Mart's Mexico City store one Saturday, creating a traffic jam in the parking lot. Inside, customers pushed carts piled high with merchandise, including U.S. foods, tools, kitchenware and other goods. Roughly 40% of the products sold in the store come from the USA, says Sam Dunn, administrative director for Wal-Mart of Mexico.

Wal-Mart's low prices give it an edge over Mexican competitors.

"When we first started (shopping for U.S. goods), we were afraid they would be too expensive," says Alonso Zeferin, an elementary school teacher. "But the prices are actually quite reasonable."

Thanks to falling tariffs, NAFTA has helped push prices even lower, especially for appliances and other big-ticket items imported from the USA. "I'd say we've seen a 6% to 7% reduction in our costs," Dunn says. Wal-Mart's expansion has been bad news for Super Americano, a Mexican chain of small stores that sells nothing but U.S. grocery products at premium prices. The chain has closed several stores since Wal-Mart arrived.

Border crossings

The rapid success of such ventures as Wal-Mart's has many U.S. corporations poised to follow or to expand their operations here.

Other retailers are jumping into the market. Saks Fifth Avenue, the swank department store chain, plans to open its first store in Mexico City in 1996. Kmart has opened two stores in the Mexican capital in partnership with El Puerto de Liverpool, the country's biggest department store chain.

U.S. fast-food franchisers, such as McDonald's and KFC, have been in Mexico for years. Now, sit-down chains are joining the rush. Sirloin Stockade, a Hutchinson, Kan.-based firm, opened its first steakhouse in Monterrey three years ago. The chain now has two franchises there and one in Guadalajara. It plans to expand into 10 other Mexican cities. Pizza Hut wants to build up to 100 restaurants in Mexico.

Financial services firms are coming. Earlier this month, Mexican officials gave an initial group of U.S. firms the go-ahead to open their doors in Mexico. On the list: American Express, Bank of America, Chemical Bank and Merrill Lynch.

Perhaps some of the biggest U.S. beneficiaries so far have been the Big Three auto companies — Chrysler, Ford and General Motors. Thanks to NAFTA provisions making it easier to export cars to Mexico, sales of

THE PRESIDENT HAS SEEN

ing, it's not clear he's stealing U.S. jobs. His biggest contract is to provide 1.5 million plastic telephone parts a year to AT&T. Those pieces were previously made in Singapore, not the USA. Meanwhile, he has filled his factory with equipment made by General Electric, York, and other U.S. manufacturers.

U.S. autos here have soared. Ford has already exported more than 18,000 U.S. vehicles to Mexico this year, vs. 1,300 in 1993. Overall, U.S. carmakers are expected to sell 78,000 vehicles in Mexico this year, up 77% from 1993, according to CIEMEX-WEFA, a consulting firm.

No Juggernaut

Along with strong demand for their goods, U.S. corporations are doing well here because much of the local competition is relatively weak. Most Mexican firms are small and chronically short of cash. Interest rates are painfully high: Rates on short-term business loans typically exceed 20%.

Nor is Mexico quite the low-wage sweatshop, ready to take advantage of dirt-cheap labor costs, described by NAFTA critics. True, the minimum wage is less than \$5 a day. Industrial wages usually run \$1 to \$2 an hour. But that doesn't include a host of expensive social benefits required by Mexican law. For example, by law, Mexican workers must get paid 365 days a year — though they normally work a standard five-day week. Christmas bonuses equal to 15 to 30 days' pay are standard. Hewitt Associates, a U.S. consulting firm, estimates average hourly factory pay, with benefits, runs closer to \$6 an hour in Mexico, vs. \$16.70 in the USA. That puts Mexico in a different league from the world's true cheap-labor countries, such as China and India.

Not all the news is good

Despite the advantages they enjoy, however, U.S. corporations know Mexico isn't yet a guaranteed money maker. For one thing, the nation's appetite for imported consumer products is limited by glaring social problems. Upper- and middle-class consumers account for no more than 12% of Mexico's 92 million people. At least 16% live in poverty. Malnutrition and even starvation still exist in rural areas, such as the southern state of Chiapas, scene of a January rebel uprising. And while the official unemployment rate is a low 4%, that estimate includes anyone who's worked at least an hour the week of the employment survey. In reality, unemployment is likely closer to 10%.

There's also evidence that boosting imports of U.S. consumer goods is not a major goal of Mexico's leaders. For them, NAFTA is a tool to spur foreign investment and to force Mexican companies to become leaner and meaner.

Mexican officials, some U.S. business executives say, are trying to protect companies here from competition. Bureaucrats have started enforcing trade rules largely ignored in the past. In June, officials closed the Mexico City Wal-Mart for a day, citing a rule requiring Spanish stickers on products with English labels.

Officials here say they're trying to protect consumers. Deliberately blocking U.S. exports, they say, would only give the U.S. and Canadian governments an excuse to delay or ignore NAFTA provisions that benefit Mexico. "We have no motive to cheat," says Herminio Blanco, the Mexican government's chief trade negotiator.

But even some Mexican business leaders suspect the government's real motive is to slow the tide of imports. "I can't prove it, but I think the government is trying to replace tariff barriers with non-tariff barriers," says Fernando Villarreal Palomo, director of the Monterrey branch of the Chamber of Manufacturing Industry, a business group.

U.S. officials say they're working with U.S. companies to clear away red tape. Overall, they give Mexico high marks for taking the painful steps towards free markets and free trade.

"I think Mexico's leaders are committed to making Mexico a respected first-world country, both economically and politically," says James Jones, U.S. ambassador to Mexico.

Villarreal, the Monterrey plastics maker hopes that is true. "There are all kinds of opportunities now for companies on both sides of the border," he says, "if they're prepared to take advantage of them."

THE PRESIDENT HAS SEEN 11/27

Make (S)peaking
This is good argument
for MTT expansion?
also for including Caribbean nations
in it — or should return
before my speech
B

Lader
sum
N: Tuh
B

94 NOV 28 A 8:05

L Lader

see me
re: this

B.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages > 7

To	From
Linda Lader	Fran Wessel
Dept./Agency	Phone
	456 2702
Fax #	Fax #
638 4141	

NSN 7540-01-317-7368

5099-101

GENERAL SERVICES ADMINISTRATION

THE WHITE HOUSE
WASHINGTON

November 23, 1994

Roy L. McLaughlin
6273 Miller Road
Swartz Creek, Michigan 48473

Dear Roy:

Thanks for your letter. I'm pleased you received the letter from me celebrating the 25th anniversary of your ministry.

I really appreciate your encouraging words of support. The American people are obviously frustrated with the pace of change and with the way Washington goes about its business. We have a lot of work to do in the next two years.

I'm sorry we missed seeing each other when I was recently in Flint, but I look forward to having another opportunity to see you. I hope you will continue to pray for me as I continue to pray for God's guidance.

Sincerely,

Bill Clinton



Cornerstone Baptist Church

Dr. Roy L. McLaughlin, *Senior Pastor*

November 11, 1994

Melinda Bates
Director Visitors Office
The White House
Washington, D. C. 20500

Dear Melinda Bates:

Thank you for the kindness in which you always offer your assistance. A little over two months ago you phoned me about a tour of the White House. At that time I mentioned to you that I had met President Clinton while he was Governor of Arkansas. You then told me of your meeting him first at the University. We discussed how more people should pray for him and not criticize him.

I agreed with you then and I certainly agree that he would be appreciative of all our prayers during these difficult days. That is why I am both writing and faxing a personal letter to him. If you can help route my letter, I would greatly appreciate your assistance.

Thanks for being so kind and for being a faithful assistant to our President.

With regards,

Dr. Roy L. McLaughlin



Cornerstone Baptist Church

November 11, 1994

Dr. Roy L. McLaughlin, *Senior Pastor*

President Bill Clinton
The White House
1600 Pennsylvania Ave., N.W.
Washington, D. C. 20500

fax #

[Handwritten signature]

Dear President Clinton:

Thank you for the congratulatory note. You were so kind to honor the twenty-fifth anniversary of my call into the ministry. I am deeply thankful.

Mr. President, my heart has been deeply burdened for you these past several days. I cannot begin to know the weight of your great responsibility, but I can sense in my spirit your pain.

I deeply regret that I was unable to see you while you were in Flint the day before the elections. My church is within 3 miles of Bishop Airport, and I would have been glad to have the joy of praying with you again.

Yesterday, I heard Chief of Staff Leon Panetta say something that made me know I had to write you. He mentioned how you had faced political struggles in Arkansas and you survived them, and you would survive the loss of both houses of Congress.

I can remember meeting with you during some of those struggles. Please know I would be honored to meet and pray with you again. I think I have a perspective on the conservative movement that may be helpful in your administration.

The landscape of history is strewn with the remains of nations, once great, who let moral decay from within bring them to ruin. As was true in the 1980 election, the American public has expressed its outrage over the growing problems of our society. The pain our nation now feels does not have to be the agonizing pain of death. Rather, it can be - it must be - the rejoicing pain of birth - the rebirth of our nation.

Mr. President, God has allowed you to be President at a very crucial and critical time. The sovereign ruler of this universe stands eager to manifest Himself. All the resources of Almighty God are at your disposal. Daily I will pray that you will seek and find His strength.

I await any opportunity to serve you.

Sincerely,

[Handwritten signature of Roy L. McLaughlin]

Roy L. McLaughlin

*Fax copy to
Linda Linder
for comment*

6273 Miller Road • Swartz Creek, Michigan 48473 • (810) 635-4845

*Nancy -
he faxed this a few
days ago, and I
sent it to you. This
is just the original.*

MB



Cornerstone Baptist Church

November 11, 1994

Dr. Roy L. McLaughlin, *Senior Pastor*

President Bill Clinton
The White House
1600 Pennsylvania Ave., N.W..
Washington, D. C. 20500

Dear President Clinton:

Thank you for the congratulatory note. You were so kind to honor the twenty-fifth anniversary of my call into the ministry. I am deeply thankful.

Mr. President, my heart has been deeply burdened for you these past several days. I cannot begin to know the weight of your great responsibility, but I can sense in my spirit your pain.

I deeply regret that I was unable to see you while you were in Flint the day before the elections. My church is within 3 miles of Bishop Airport, and I would have been glad to have the joy of praying with you again.

Yesterday, I heard Chief of Staff Leon Panetta say something that made me know I had to write you. He mentioned how you had faced political struggles in Arkansas and you survived them, and you would survive the loss of both houses of Congress.

I can remember meeting with you during some of those struggles. Please know I would be honored to meet and pray with you again. I think I have a perspective on the conservative movement that may be helpful in your administration.

The landscape of history is strewn with the remains of nations, once great, who let moral decay from within bring them to ruin. As was true in the 1980 election, the American public has expressed its outrage over the growing problems of our society. The pain our nation now feels does not have to be the agonizing pain of death. Rather, it can be - it must be - the rejoicing pain of birth - the rebirth of our nation.

Mr. President, God has allowed you to be President at a very crucial and critical time. The sovereign ruler of this universe stands eager to manifest Himself. All the resources of Almighty God are at your disposal. Daily I will pray that you will seek and find His strength.

I await any opportunity to serve you.

Sincerely,

Roy L. McLaughlin

6273 Miller Road • Swartz Creek, Michigan 48473 • (810) 635-4845

THE WHITE HOUSE

WASHINGTON

June 20, 1994

The Reverend Roy L. McLaughlin
Cornerstone Baptist Church
Swartz Creek, Michigan

Dear Dr. McLaughlin:

I am pleased to congratulate you as you mark twenty-five years of dedicated religious leadership.

This anniversary is a testament to the devotion you have shown to the well-being of your fellow citizens. The valuable spiritual leadership you provide helps strengthen the faith of your community. As you celebrate your many years of caring and commitment, you can be proud of the impact you have had on the lives of those around you and of the many ways that you have used God's gifts to help others.

Best wishes for every future success.

Sincerely,

Bill Clinton



STATE OF ARKANSAS
OFFICE OF THE GOVERNOR
State Capitol
Little Rock 72201

Bill Clinton
Governor

June 13, 1991

Roy McLaughlin
Heritage Baptist Church
1000 Butcher Road-F.M. #87
Waxahachie, TX 75165

Dear Roy:

Thanks for taking the time to think of me and send me the article and photo. I guess we all have to age. We miss you here in the State of Arkansas, but as I have traveled the country and run into people who used to live in the state but have moved away, they say they always keep a part of Arkansas.

Keep in touch. It was good to hear from you.

Sincerely,

A handwritten signature of Bill Clinton, written in dark ink, with a long horizontal line extending to the right.

Bill Clinton

BC:cts:dm

I'll treasure the
picture and the
memories - Thank

Pastor Roy McLaughlin



Welcome! We're glad you're here!
Yes, we are glad you are here. It is our desire that at the conclusion of this service, that you will be a better Christian and a proud American.
Look around you! Isn't it a joy to see so many gathered together for the purpose of fellowship and spiritual enrichment? Join in the singing of the songs, shake hands and meet your neighbors. Rejoice in the fact that we serve a living God who cares for us in such a wonderful way. Let us always be thankful that, as Americans, we can exercise our freedom of speech and assembly and come together for such an experience as this.
It is our privilege to have the Governor of our fine State with us today. We need to do as the Bible commands us. Pray, "...for all that are in authority; that we may lead a quiet and peaceable life in all Godliness and honesty."
Thank you again for joining us for today's celebration of the 110th Anniversary of the First Baptist Church of Vilonia.
Roy McLaughlin

Governor Bill Clinton



OUR 110th ANNIVERSARY



2 Flowers Evening This Day with you —
Ben Clinton

FIRST BAPTIST CHURCH OF VILONIA
BOX 23
ROUTE 2
VILONIA, ARKANSAS 72173



Did You Know?

THAT GOD LOVES YOU AND HAS A WONDERFUL PLAN FOR YOUR LIFE

For God so loved the world...John 3:16a.
I am come that they might have life, and that they might have it more abundantly. John 10:10b.

THAT SIN BRINGS DEATH — Spiritual Death (separation from God now), Physical Death, and Eternal Death (Hell)

For all have sinned, and come short of the glory of God...Romans 3:23.
For the wages of sin is death; but the gift of God is eternal life through Jesus Christ our Lord...Romans 6:23.

THAT JESUS PAID FOR YOUR SINS BY DYING ON THE CROSS

But God commendeth his love toward us, in that while we were yet sinners, Christ died for us...Romans 5:8.

For Christ also hath once suffered for sins, the just for the unjust, that he might bring us to God...I Peter 3:18a.

THAT YOU CAN BE SAVED TODAY BY RECEIVING CHRIST

But as many as received him, to them gave he power to become the sons of God, even to them that believe on his name...John 1:12.

That if thou shalt confess with thy mouth the Lord Jesus, and shalt believe in thine heart that God hath raised him from the dead, thou shalt be saved...For whosoever shall call upon the name of the Lord shall be saved. Romans 10:9, 13.

not to
sent
Linda

WASHINGTON
OFFICE OF THE PRESIDENT

FACSIMILE TRANSMITTAL SHEET

Please deliver to: Linda Lader

Fax number: 638-4141

From: Nancy Hernkech

Date: 11/16/94

Number of pages, including this cover sheet: 3

Message: _____

If all pages are not received, please call sender at (202) 456-6610.

The document accompanying this Facsimile Transmittal Sheet is intended only for the use of the individual or entity to whom it is addressed. This message contains information which may be privileged, confidential, or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any disclosure, dissemination, copying, or distribution, or the taking of any action in reliance on the contents of this communications is strictly prohibited.
