

THE WHITE HOUSE
WASHINGTON

July 24, 1997

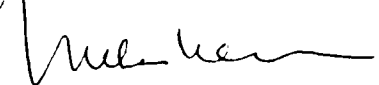
Dr. Mark Ottenweller
Director, Soweto AIDS Project
HOPE Worldwide, P.O. Box 3393
Northcliff 2115, SOUTH AFRICA

Dear Dr. Ottenweller:

On behalf of the First Lady, thank you very much for your letter regarding the AIDS crisis in Africa. During the First Lady's trip to Africa, she was able to visit several clinics and health centers in Zimbabwe and Uganda where AIDS tests are performed and patients receive counseling and treatment. Though the AIDS epidemic has devastated Africa and is growing at alarming rates in countries such as Zimbabwe, Uganda has shown that the tide can be stemmed through aggressive education, widespread testing and partnerships with donor countries and organizations like yours.

We appreciate your ideas for calling attention to Africa's battle with AIDS and will take them into consideration. We wish you and your organization the best of luck as you continue to wage this important struggle. Mrs. Clinton will remember the faces of the courageous Africans she met during her trip who are fighting with you against this terrible disease.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

4810

July 14, 1997

Hummer

MEMORANDUM FOR MELANNE VERVEER

FROM:

GLYN T. DAVIES *G*

SUBJECT:

Response from First Lady to Dr. Mark Ottenweller
re AIDS

Attached at Tab A is a proposed response from the First Lady to Dr. Mark Ottenweller's letter concerning the AIDS crisis in Africa.

Attachments

Tab A Proposed Response

Tab B Letter from Dr. Mark Ottenweller

PROPOSED RESPONSE

Dear Mr. Ottenweller:

Thank you for your April 2 letter on the AIDS crisis in Africa. During my trip to Africa I was able to visit several clinics and health centers in Zimbabwe and Uganda where AIDS tests were performed and patients received counseling and treatment. Though the AIDS epidemic has devastated Africa and is growing at alarming rates in countries such as Zimbabwe, Uganda has shown that the tide can be stemmed through aggressive education, widespread testing and partnerships with donor countries and organizations like yours.

I appreciate your ideas for calling attention to Africa's battle with AIDS and will take them into consideration. I wish you and your organization the best of luck as you continue to wage this important struggle, and I will remember the faces of the courageous Africans I met during my trip who are fighting with you against this terrible disease.

Sincerely,

Dr. Mark Ottenweller,
Director, Soweto AIDS Project
HOPE Worldwide
P.O. Box 3393
Northcliff 2115
South Africa



South Africa

HOPE for the Poor

Association incorporated under s21

2 April 1997

To: First Lady Hillary Clinton
White House
Washington, D.C.

From: Dr. Mark Ottenweller
Director - Soweto AIDS Project
HOPE Worldwide

Dear Mrs. Clinton,

I would like to thank you for your trip to Africa and especially for your concern for the women and children of Africa. I hope that you were able to grasp the extent of the HIV/AIDS crisis in Africa. Millions of women and children are dying of AIDS in Africa and all over the developing world. So few Americans have any concern for the greatest human crisis of our generation. Perhaps we can help them.

Presently, there are:

1. 14,000,000 HIV+ Africans
2. 1,000,000 AIDS related orphans
3. In Zimbabwe 500 people die every day
4. Famine, drought, civil war, poverty, and lack of education daily fuel this fire
5. South Africa has 2,000,000 HIV+ people with 800 new cases daily

I would like to discuss several options for helping these millions of young people with you at your convenience. Perhaps we could organize a high impact conference or concert for "AIDS in Africa". Perhaps I could bring several patients from Africa to the White House for a brief visit. I know that God has brought you to us and the people of Africa to save millions of lives.

The AIDS patients of Soweto and those all over Africa certainly appreciate your help and concern. I know that more Americans would help if they understood the desperate situation that so many Africans now face.

James Joseph, the U.S. Ambassador to South Africa, and William Jeffers, the Director of USAID for Southern Africa, are familiar with our project if you need further information. Lawton Chiles, III, is our regional representative in the New York area. The White House could also contact him at the following address if you wish to request a video of our work.

Lawton Chiles, III
12-55 River Road
Fairlawn, New Jersey 07410
Tel. - 201-796-7040
Fax. - 201-796-4492

I hope that you and your daughter had a wonderful trip to Africa. We have three children (Matthew - 18, Leslie - 15, Jennifer - 11), and we have lived and travelled extensively in Africa since 1989. It has been an incredible experience for all of us. Thank you again for your interest in the people of Africa.

Sincerely,



Dr. Mark Ottenweller

THE WHITE HOUSE
WASHINGTON

December 10, 1997

Dr. Bohdan A. Oryshkevich
29 East 7th Street, 4W
New York, NY 10003-8021

Dear Dr. Oryshkevich:

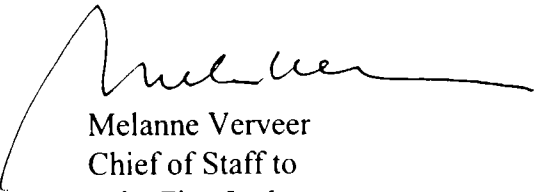
Thank you very much for your letter and for expressing your concerns about U.S. tobacco export activities. Officials at the U.S. Department of Agriculture have informed me that there are no U.S. government-funded export development activities of the U.S. tobacco and tobacco products, nor are there U.S. Government policies or programs to sell cigarettes abroad, including U.S. tobacco products to children in foreign countries.

Tobacco is a commodity that is traded worldwide. The U.S. Trade Representative does work to ensure that U.S. tobacco is treated fairly on the world market. The purpose of this effort is to level the playing field for international trade and eliminate unfair competition.

We understand and share your concern for the welfare of our world's children. The Administration has adopted aggressive policies to limit children's exposure to tobacco in the U.S. We assure you that the U.S. government does not encourage the promotion of tobacco products abroad to anyone, adult or child.

Thanks for writing and best wishes.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

*Handma -
p's type up.*

Dear Dr. Oryshkevich:

My colleagues at the U.S. Department of Agriculture have informed me that there are no U.S. government-funded export development activities of U.S. tobacco and tobacco products, nor are there U.S. government policies or programs to sell cigarettes abroad, including U.S. tobacco products to children in foreign countries.

Tobacco is a commodity that is traded worldwide. The U.S. Trade Representative does work to ensure that U.S. tobacco is treated fairly on the world market so that U.S. tobacco has the same access to every market as other countries' tobacco. The purpose of this effort is to level the playing field for international trade and eliminate unfair competition.

I understand and share your concern for the welfare of our world's children. I can assure you that the U.S. government does not encourage the promotion of tobacco products abroad to anyone, adult or child.

Sincerely,

Bohdan A. Oryshkevich
29 East 7th Street, 4W
New York, New York 10003-8021
[Address - Initial Caps]

*Bohdan A. Oryshkevich, MD, MPH
29 East 7th Street, 4W
New York, New York 10003-8021
212-475-5326*

November 2, 1997

Melanne Verveer
2125 Leroy Place, NW
Washington, DC 20008-1848

Dear Ms. Verveer:

Say it ain't so. Please, say it ain't so.

The official policy of my government is to promote cigarettes abroad, to addict children to our American cigarettes, and to reap the profits from this illicit trade indefinitely.

Say it ain't so. Please, say it ain't so.

In fact, the United States Federal Government resurrected the tobacco industry in eastern Europe and in Ukraine by paying American "idealists" in business suits to privatize the tobacco industry throughout eastern Europe.

Say it ain't so. Please, say it ain't so.

The United States Government forces countries to open their markets to American marketing of cigarettes in return for foreign aid.

Say it ain't so. Please, say it ain't so.

The United States Federal Government is planning to sign an agreement with American tobacco companies that will seek to reduce the marketing of cigarettes to youths here in the United States and to compensate for the resulting tax losses by increasing the promotion of American cigarettes to children abroad.

Say it ain't so. Please, say it ain't so.

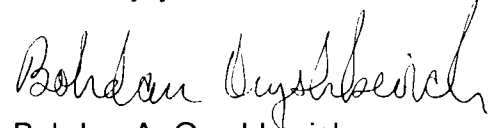
Dr. Richard Hurt of the Mayo Clinic states that American and western tobacco companies will kill more people in the CIS in the next generation than all the purges and gulags of Stalin did during the tragic seventy years of the USSR.

Say it ain't so. Please, say it ain't so.

Mrs. Hillary Clinton, a former advocate of health care reform and of values promoting the welfare of children will be silent on this issue during her upcoming humanitarian trip to the countries of the CIS.

Say it ain't so. Please, say it ain't so.

Sincerely yours,

A handwritten signature in black ink, reading "Bohdan Oryshkevich". The signature is written in a cursive style with a large, stylized initial 'B'.

Bohdan A. Oryshkevich,
MD, MPH

cc: Ukrainian Weekly
Ukrainian Medical Association of North America
Ukrainian American Bar Association
The Washington Group

September 10, 1997, The New York Times: Editorial

Selling Cigarettes in Asia

In Hong Kong, hip clothing stores pass out American cigarettes free to their customers.

Salem sponsors a "virtual reality" dome, where teen-agers attack each other with laser guns. Empty packs of American cigarettes can be redeemed for tickets to movies, discos and concerts.

Hong Kong is one of the battlefronts of the modern-day Opium War.

While Britain went to war last century ago to keep its Indian-grown opium streaming into Chinese ports, today American tobacco companies win profits and build addiction throughout Asia, where tobacco consumption is growing at the fastest rate in the world. Indeed, American cigarette companies have agreed to the proposed domestic tobacco settlement in part because it does not touch them overseas, where profits are soaring and they can boldly target teen-agers without fear of lawsuits or powerful critics.

American cigarette exports have tripled since the 1970's, when domestic smoking rates began to fall.

Since 1990, sales of Philip Morris cigarettes have risen by 4.7 percent in the United States, but 80 percent overseas. Cigarette manufacturers find the Asian market particularly inviting because of its size and the Asian love for tobacco. In Vietnam, for example, 73 percent of men smoke.

In much of Asia, governments hold monopolies or near-monopolies on cigarette production. The largest manufacturer in the world, in fact, is the Chinese Government.

But American companies are moving into Asian markets, and have had substantial help from Washington.

The White House's Trade Representative and American embassies abroad have pressured countries to open their markets to American cigarettes, often threatening trade restrictions if they do not.

Such practices have diminished under the Clinton Administration.

Tobacco companies say they are not promoting smoking, just gaining access to an existing market. But the entry of American companies often transforms the cigarette industry in ways that increase consumption.

Unlike government tobacco monopolies, American companies lobby hard against anti-smoking laws. They also advertise, whereas government monopolies advertised little. Before the American cigarette invasion of Korea in the mid-1980's, Korea had banned virtually all tobacco ads.

But the Trade Representative's office demanded and won the right for American companies to advertise in Korean publications. The same thing happened in Taiwan.

Since the vast majority of smokers start before age 20, advertising is largely directed at young people, who are more affluent and rebellious than ever before.

Smoking by teen-agers and children is soaring all over Asia, especially among girls.

In Hong Kong, where American tobacco blends make up 94 percent of the market, Salem sponsors tennis tournaments featuring the American player Michael Chang, an idol of Hong Kong girls.

A Madonna concert from Spain was rebroadcast into Hong Kong as a Salem Madonna concert.

Stores sell Camel and Marlboro caps, watches and binoculars.

While the manufacturers deny they are targeting young people, the merchandise and events they offer appeals mainly to teen-agers.

Cigarette advertising is banned from television and radio, but billboards and print ads showing young people having sophisticated fun are practically identical to those in the United States. These ads piggyback on the lure of American pop culture, which represents freedom and excitement for many Asian youth.

It is probably unrealistic to expect that overseas considerations will be added to the proposed domestic tobacco settlement. But Washington can surely remove tobacco from the category of products that get aggressive support for opening foreign markets. It can also finance anti-smoking programs in health organizations overseas and put the Agency for International Development to work discouraging smoking.

American companies and the American Government unleashed sophisticated marketing campaigns that increased smoking in many countries where people do not fully understand its danger. That gives Washington a responsibility to undo the damage.

[Home](#) | [Sections](#) | [Contents](#) | [Search](#) | [Forums](#) | [Help](#)

Copyright 1997 The New York Times Company

Commentary

Smoking in Russia: What Do Stalin and Western Tobacco Companies Have in Common?

RICHARD D. HURT, M.D.

In January 1994, while participating in a week-long humanitarian aid mission to St. Petersburg, Russia, I was discouraged to see the presence of Western tobacco companies on almost every street. This situation is at a time when Russia is struggling economically and politically, and unmet needs for basic services are obvious everywhere. Because few cars are available and most of the people rely on public transportation, bus stops are prime advertising spots, most of which display Western tobacco company advertisements (Fig. 1). Billboards are in many places throughout the city, but the kiosks are the most prevalent (Fig. 2); they seem to be on almost every street and at the entrance of every subway station. The most prominent product being sold in the kiosks is cigarettes, and Western tobacco company brands predominate. Western tobacco companies are taking advantage of the unstable political and economic situation in Russia to promote their products, despite the efforts by the Russian government to prohibit mass media tobacco advertising. Instead of a decrease in the mass media promotional efforts, an increase has actually occurred in such cities as Moscow, despite the law passed by the Supreme Soviet of the Russian Federation in 1993 that prohibits such advertising.¹ In addition, neither the advertisements nor the Western cigarette packages have health warnings. The cigarettes exported from the United States have messages such as "U. S. tax exempt, for use outside U. S." or "Tax exempt, for export use." In addition to observing firsthand the invasion of Western tobacco products into Russia, I also learned about Russian history and, in particular, about the effects that the reign of Joseph Stalin had on Russia. Unfortunately, the effects that Western tobacco companies will have on the Russian people are similar.

Propaganda Versus Marketing.—Stalin was a ruthless dictator who caused the death of millions of Russians.^{2,4} Although his reign of power lasted for more than 25 years, it had a finite duration and was confined to the 20th century.

The death and disability that will be caused by the use of Western tobacco products in Russia are just beginning and will continue for many decades. Stalin may have intentionally ordered many of his victims to be killed, but most died as a result of his policies, which were intended to accomplish strategic and political goals.⁵ For Western tobacco companies, death is simply the most pronounced by-product of the use of their tobacco products. The potential suffering and death that will be inflicted on the Russian people who smoke Western cigarettes goes well beyond that perpetrated by Stalin. From 1965 to 1989, the number of cigarettes imported into Russia doubled to more than 73 billion per year. Russia is now the largest importer of tobacco products in the world.⁶ As they expand their market share among current smokers and establish new markets among youth and females, Western tobacco companies will most likely further increase the number of cigarettes exported to Russia while they build factories to increase the number of cigarettes that they will produce in Russia.

Although Stalin had a sophisticated propaganda machine for its time, the tobacco industry is using the most advanced technology available to produce a 21st-century propaganda effort. Stalin's methods were perceived as cold and calculating, but those of the tobacco industry are smooth and subtle. The marketing plans are prospective, with the result of pervasively infiltrating all facets of Russian life.¹ Although Western tobacco companies are not dictators in the governmental sense, they will likely influence the destiny of millions of Russians. The latest marketing and advertising technology is being used to cause Russians to become addicted to nicotine and to continue the spread of America's 20th-century plague.

Invasion of Western Tobacco Companies Into Russia.—Ironically, during the 1980s and early 1990s, the US government was instrumental in opening the Asian markets for American tobacco companies, despite pleas from health officials within the administrations.⁷ One such official said, "Cigarettes become a health problem only when you combine addiction with greed—greed on the part of the tobacco industry and the advertising industry, who are willing to exchange dollars for the lives of others."⁸ Such policies are from the United States, a country that prides itself on its

From the Division of Community Internal Medicine, Mayo Clinic Rochester, Rochester, Minnesota.

Address reprint requests to Dr. R. D. Hurt, Division of Community Internal Medicine, Mayo Clinic Rochester, 200 First Street SW, Rochester, MN 55905.

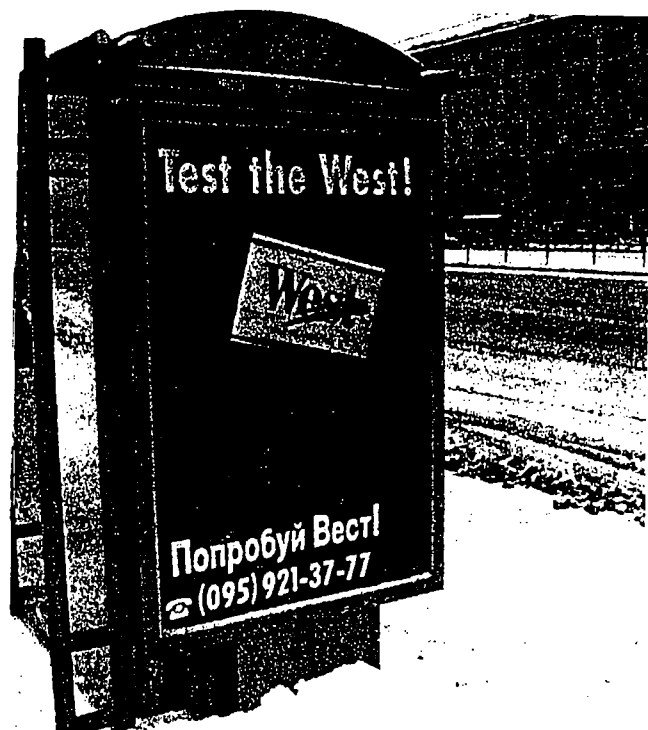


Fig. 1. Bus stop advertisement in St. Petersburg.

worldwide humanitarian and health-related projects. Unfortunately, the number of lives that will be lost as the smoking epidemic spreads "totally outweighs and overwhelms what we have accomplished in the humanitarian field."⁸ The major difference in the opening of the Russian market in comparison with the Asian situation is that effective resistance from the Russian government has been minimal. Thus, the tobacco companies have not needed the assistance of the US government.

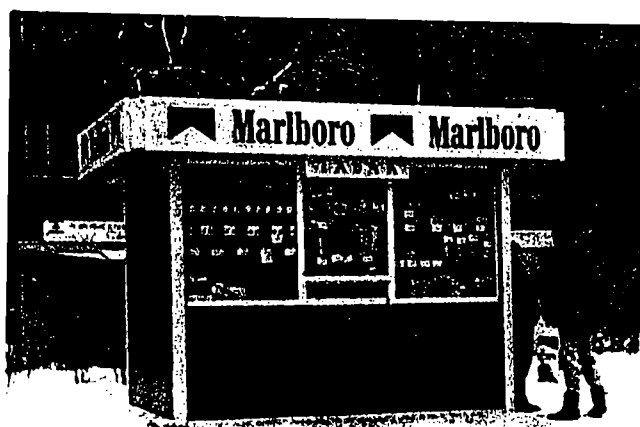


Fig. 2. Tobacco kiosk in St. Petersburg.

The invasion of the Russian market by traditional American brands of cigarettes, such as Marlboro, L & M, Camels, More, and Lucky Strike (among many others), has been enhanced by new brands that glamorize the Western way of life. These brands include Hollywood, advertised with the slogan "Go for It," and West, advertised by the slogan "Test the West." Even the joint ventures between the American and Russian space programs are depicted in the brand Apollo Soyuz (Fig. 3), a partnership between Philip Morris and the Moscow Yava Tobacco Factory. As in Asia, the sophisticated Western marketing techniques depict Western models and lifestyles that create glamorous standards to emulate.⁸ The smoking rate among Russian women (as among Asian women) is extremely low in comparison with that in men.^{9,10} This discrepancy presents a new market opportunity that is more easily exploited than is convincing existing smokers to change brands. The entrance of Western tobacco companies into Russia has dramatically changed the dynamics of cigarette marketing and will likely change the demographics of the smoking population, especially among youth and females. This situation occurs at a time when the Russian people need enormous amounts of assistance to bring order and a better quality to their daily life, not more sophisticated tools to increase the smoking rate among the citizens.

The invasion of Western tobacco companies and their advertising partners is unfolding throughout eastern Europe and the former Soviet Union. This expansion prompted the World Health Organization to develop a Tobacco-Free Europe Action Plan,¹¹ and the hope is that, with active intervention, the tide can be tempered. Because of the enormous financial stake, however, the Western tobacco companies have been extremely aggressive in the promotion of their products.¹ This approach was best exemplified during the Russian economic crisis of 1990 when cigarette production from Russian tobacco factories plummeted. In order to miss no opportunity to penetrate the market, R. J. Reynolds (RJR), Philip Morris, and the British American Tobacco Company made "emergency" shipments of an estimated 38 billion cigarettes to Russia.¹²

Prevalence of Smoking in Russia.—For the adult population of the Russian Federation, the prevalence of smoking has increased from 53% in 1985 to 67% in 1992.¹⁰ Overall, the prevalence among Russian females is much lower than among Russian males; however, the smoking rate among the Russian population varies from region to region. In industrial areas, the smoking rate in 1986 was 78.6% for men and 13.7% for women; in Moscow, 49% of men were smokers in comparison with 9.2% of women, and in Siberia in 1992, the smoking rate was 69.4% for men and 7.9% for women.¹² Among women, an unusually high prevalence of smoking (24.9%) was reported from St. Petersburg in 1991. Of concern for the Russian National Research Center for Pre-

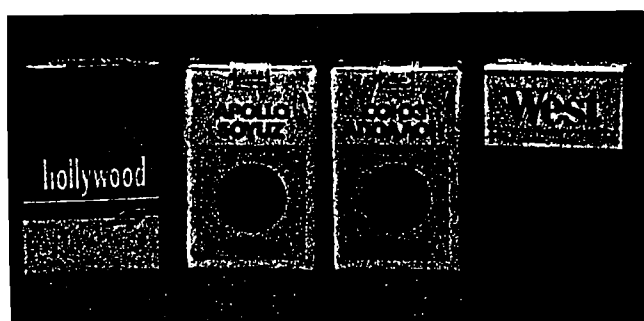


Fig. 3. Three cigarette brands available in Russia. Apollo Soyuz packages (two middle packages) are printed in Russian on one side and in English on other side.

ventive Medicine is the upward trend from 1986 to 1991 of smoking among adolescents; daily smoking among males 11 to 16 years of age has increased from 12.4 to 21.6% and among females, from 2.7 to 6.6%.¹² Most recently, a study showed that in Moscow 42% of boys and 24% of girls 15 to 17 years old were smokers in 1993.¹⁰

Tobacco-Related Diseases.—Since the disintegration of the Soviet Union, determining the extent of tobacco-related diseases in Russia has been difficult. Statistics through the early 1980s, however, indicate a substantial increase in the incidence of lung cancer and other tobacco-related cancers, especially among male Russians.¹³ The number of newly diagnosed lung cancer cases increased from 40,200 (31,400 in men and 8,800 in women) in 1965 to 91,700 (75,000 in men and 16,700 in women) in 1984 and is expected to exceed 100,000 by the end of the century. For most developed countries, large nationally representative studies of smoking and mortality are not yet available to provide tobacco-attributable proportions for main causes of deaths. Therefore, these proportions are estimated indirectly on the basis of a large recent study by the American Cancer Society of smoking and mortality among more than 1 million US adults.¹⁴ Its results, combined with US smoking patterns, have been used by the US surgeon general to estimate that tobacco was responsible for about one-fifth of all deaths in the United States in 1985.¹⁵ This method and the absolute lung cancer rate of a particular population have been used to provide a conservative estimate of tobacco-related mortality in other countries.¹⁶ In 1995, an estimated 45% of the deaths of middle-aged Russian men will be tobacco related, whereas the rate for Russian women will be 7%, a difference that reflects the lower smoking rates among women.¹⁶ On the basis of current rates, approximately 5 million tobacco-related deaths will occur in Russia from 1990 to 1999, a number that is likely to grow because the annual smoking rates are projected to increase. With the current smoking patterns, 20% of the current 150 million Russians will even-

tually die of tobacco-related diseases.¹⁶ If Russia is to emerge from the scourges of the 20th century, when millions of people died as a result of civil war, revolution, Stalin's policies, and World War II, it can ill afford the burden of an increase in tobacco-related diseases. In fact, every effort should be made to reverse this trend.

The Belomorkanal.—Another interesting connection exists between the devastating consequences of the Stalin regime and the breakthrough of Western tobacco companies into the Russian tobacco market. As part of the First Five-Year Plan, Stalin ordered the building of a series of canals to connect the Baltic and White Seas to enable the Russian Navy to reach the White Sea and not be trapped if outlets from the Baltic Sea were closed by hostile forces.¹⁷ The overall project was known as the Belomorkanal. The project was undertaken with great vigor by the State Political Administration (OGPU), which was the secret police arm of Stalin's government and a predecessor of what would later be called the KGB.¹⁸ In addition to domestic espionage, the OGPU was responsible for overseeing the large network of forced labor camps in the Soviet Union.¹⁷ The forced labor camp system was used to punish and control those who opposed Stalin's policies, as well as to incarcerate ordinary criminals. The system also provided a huge and relatively inexpensive workforce that could be used to complete major projects at little cost to the government. The administration of the camps was ruthless, and it is estimated that millions of Russians died in the camps because of disease, starvation, and brutal physical punishment. Construction of the canal was begun in 1931 and was completed less than 2 years later. No heavy equipment was provided for the workers because of the lack of hard currency. Thus, the canal was built with picks, shovels, and human muscle (Fig. 4). Researchers



Fig. 4. Part of finished Belomorkanal and thousands of workers. Caption: "The excavation is ready, but the work has not yet been joined." (From Gorky and associates.¹⁹)

have estimated that, at any one time, more than 300,000 men and women worked on the canal and that between 100,000 and 250,000 workers died building the canal.^{2,17}

Stalin and his subordinates were concerned that the enormous toll in human life sacrificed to build the canal might seriously detract from what they perceived to be the importance of this work. Therefore, they undertook a propaganda campaign to promote the Belomorkanal as a "great social triumph." The Russian literary giant Maksim Gorky was chosen to help publicize the social attributes of this work. He and 120 other writers, artists, and musicians were taken on a carefully orchestrated tour of the Belomorkanal, during which time the human suffering and deplorable conditions were concealed by the OGPU. The actual picture of the working and living conditions was hidden, much as Prince Potemkin hid the true plight of the peasants' lives by erecting fake villages along the route during the visit of Catherine the Great to the Ukraine and Crimea in 1787.²⁰ The concept of "Potemkin villages" was used by the czars and is still used in modern Russia, although now it is termed "pokazukha" (that is, "for show"). Gorky, along with 34 other authors, wrote a beautifully illustrated book with many photographs (Fig. 4) that presented the grim enterprise as a triumph for progressive penology.^{19,21} In essence, they created a Potemkin village behind which the horrors of the Belomorkanal were hidden. In their book, the authors heaped praise on Stalin and the OGPU administrator Genrikh Yagoda. Within a few years, the book was withdrawn from the public because many of the leaders glorified in the text and pictures were declared enemies of the state.⁵

The Belomorkanal Cigarette.—Shortly after the canal was completed, a new Russian cigarette, Belomorkanal, was introduced and became one of the most popular brands in Russia. Belomorkanals are a traditional Russian papirossi cigarette constructed with about 3 to 4 cm of tobacco and a long paper cylinder holder. Papirossi cigarettes have no filter and have a high tar content. Before World War II, papirossi cigarettes were practically all that was available to Russian smokers. Since the mid-1970s, traditional Western-type cigarettes have been consumed at a higher rate than papirossi cigarettes, and this trend is increasing in the 1990s.⁹ During the difficult economic times of the 1990s, however, Belomorkanal and other papirossi cigarettes are affordable for most Russians.

In July 1992, the American tobacco company R. J. Reynolds bought controlling interest in the Uritsky Tobacco Factory in St. Petersburg and formed the RJR-Petro Tobacco Factory. Other Western tobacco companies have also recently invested heavily in St. Petersburg tobacco factories—Rothmans, \$80 million, and Philip Morris, \$100 million. The RJR venture has special importance, however, because the Uritsky Tobacco Factory produced the Belomorkanal

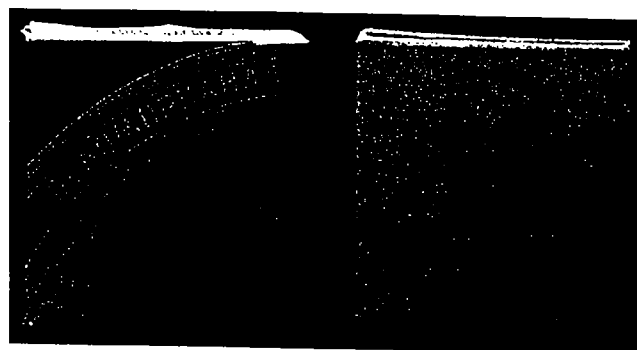


Fig. 5. Front and back of Belomorkanal cigarette package. RJR insignia on back.

cigarette brand. The cigarette that evokes images of the hundreds of thousands of Russians who died carrying out Stalin's edicts now proudly has the insignia RJR stamped on the back of each package (Fig. 5). This legacy of Stalin will be brought into the 21st century by the American tobacco company RJR. Thus, for the Russian people, the Potemkin village of the 1990s will be the Madison Avenue advertising technology that shows smokers as healthy, beautiful, and youthful, a facade behind which is hidden the death and disability caused by the product being advertised and promoted.

The Connection.—What, then, do Stalin and Western tobacco companies have in common? Both have central roles in the death and suffering of countless numbers of Russians—Stalin in the past, Western tobacco companies in the future.

Acknowledgment.—I appreciate the assistance of Dr. Tapani Piha, World Health Organization Regional Office for Europe, Copenhagen, Denmark; Sergei Albert, St. Petersburg, Russia; Dr. John Slade, University of New Jersey, Robert Wood Johnson School of Medicine and Dentistry; Dr. R. Jeffrey Goldsmith, University of Cincinnati; Dr. Thomas P. Houston, American Medical Association; and Dr. Alexander V. Prokhorov, University of Rhode Island.

REFERENCES

1. Kholmogorova GT, Prokhorov AV. West goes east: the new tobacco situation in Russia. *Tobacco Control* 1994; 3:145-147
2. Kort M. *The Soviet Colossus: A History of the USSR*. New York: Scribner, 1985
3. Lewis J, Whitehead P. *Stalin: A Time for Judgement*. New York: Pantheon Books, 1990
4. Hingley R. *Russia: A Concise History*. New York: Thames & Hudson, 1991
5. Solzhenitsyn AI. *The Gulag Archipelago, 1918-1956: An Experiment in Literary Investigation*. New York: Harper & Row, 1974: III

6. European Bureau for Action on Smoking Prevention. Test the East: The Tobacco Industry and Eastern Europe; The BASP Report. Publiset and Associates, 1991 Feb: 1-16
7. Mackay J. Battlefield for the tobacco war. *JAMA* 1989; 261:28-29
8. Sesser S. Opium war redux. *The New Yorker* 1993 Sep 13; 69:78-89
9. Zaridze DG, Dvoirin VV, Kobljakov VA, Pisklov VR. Smoking patterns in the USSR. In: Zaridze D, Peto R, editors. Tobacco: A Major International Health Hazard. Lyon (France): International Agency for Research on Cancer, 1986: 75 (IARC Scientific Publication No. 74)
10. Tchachenko GB, Riazantsev VK. Description of the Situation in the Russian Federation. Copenhagen: WHO Regional Office for Europe, 1993 Nov
11. Tobacco-Free Europe Action Plan. Copenhagen: WHO Regional Office for Europe, 1993
12. Prokhorov AV. Smoking in Russia. Copenhagen: WHO Regional Office for Europe, 1993 Jul
13. Zaridze DG, Gurevicius R. Lung cancer in the USSR: patterns and trends. In: Zaridze D, Peto R, editors. Tobacco: A Major International Health Hazard. Lyon (France): International Agency for Research on Cancer, 1986: 87-101 (IARC Scientific Publication No. 74)
14. Garfinkel L. Selection, follow-up, and analysis in the American Cancer Society prospective studies. *Natl Cancer Inst Monogr* 1985; 67:49-52
15. Centers for Disease Control. Reducing the Health Consequences of Smoking: 25 Years of Progress; A Report of the Surgeon General. Washington (DC): US Government Printing Office, 1989 (Publication No. CDC 89-8411)
16. Peto R, Lopez AD, Boreham J, Thun M, Heath C Jr. Mortality from tobacco in developed countries: indirect estimation from national vital statistics. *Lancet* 1992; 339:1268-1278
17. Dallin DJ, Nikolaevskii BI. Forced Labor in Soviet Russia. New Haven (CT): Yale University Press, 1948
18. Riasanovsky NV. A History of Russia. 5th ed. New York: Oxford University Press, 1993
19. Gorky M, Auerbach L, Firin SG, editors. Baltisko-Belomorski Kanal imeni Stalina. The State Publishing House, 1934
20. Smith H. The Russians. New York: Ballantine Books, 1977
21. Gorky M, Auerbach L, Firin SG, editors. Belomor: An Account of the Construction of the New Canal Between the White Sea and the Baltic Sea. New York: Harrison Smith & Robert Haas Inc., 1935



Copyright (c) 1995 by UMI Company. All rights reserved.

Access No: 9200049903 ProQuest - The New York Times (R) Ondisc
Title: CZECHOSLOVAKIA'S WALL STREET BRIGADE
Authors: ROGER COHEN
Source: The New York Times, Late Edition - Final
Date: Sunday Jun 21, 1992 Sec: 3 Financial Desk p: 1
Length: Long (2934 words) Illus: Photo, Table
Subjects: ECONOMIC CONDITIONS & TRENDS; REFORM & REORGANIZATION;
PRIVATIZATION; MERGERS, ACQUISITIONS & DIVESTITURES;
CORPORATIONS; CZECHOSLOVAKIA-INTERNATIONAL RELATIONS-US;
UNITED STATES INTERNATIONAL RELATIONS; CZECHOSLOVAKIA
Companies: CRIMSON CAPITAL CORP

Abstract: Crimson Capital Corp, a group of American bankers and financiers who have left Wall Street to help transform Czechoslovakia into a market economy, is featured. Crimson Capital is being paid by the US government to find private buyers for thousands of state-owned companies.

Copyright 1992 The New York Times Company. Data supplied by NEXIS (R) Service.

Article Text:

PRAGUE -- 'Okay, you ex-Commies, let's rock and roll!' The voice of Axl Rose of the Guns 'n' Roses rock band boomed across Prague's vast Spartakiadni stadium, built to display the prowess of Communist athletes but now hosting a hirsute mass of newly capitalistic youths apparently intent on recreating Woodstock. Strobos flashed, fireworks flared, videos rolled. The jeans-clad Czechoslovak crowd seemed suitably wowed.

But a small group of neatly coiffed gentlemen in the audience displayed a certain ennui. Ex-Wall Streeters rather than ex-Communists, they were plainly finding it awkward to rock 'n' roll.

What else to do, however, on a spring night in Prague when you have left your wife and children behind in Manhattan or Connecticut, abandoned the likes of Dean Witter and First Boston in mid-career, and given yourself to a lonely existence devoted to the transformation of a Communist state into a market economy?

'We play tennis and we've started a basketball group, but mainly it's work, work, work,' said Thomas S. Douglas, a former director at Prudential Bache. 'This is a deal junkie's heaven.'

Mr. Douglas, 43 years old, is one of a 15-member group of American bankers and financiers who have formed the Crimson Capital Corporation. (Yes, echoes of Harvard.) Spurred by a mixture of midlife crises, vague idealism and simple curiosity, the 15 have dumped Wall Street and the

idealism and simple curiosity, the 15 have dumped Wall Street and the Hamptons for Prague and one-room homes at the Forum Hotel here.

Paid by the United States Government, they have since September been Czechoslovakia's deal makers. Their goal: to find buyers for the thousands of companies the nation is selling as it hurries toward capitalism, to expedite deals while insuring that the state gets a fair price.

'Having worked 20 years on Wall Street, I asked myself whether I could go to my grave having done just one thing or, having hit 40, should I try something else?' said Alistair Keith, a 45-year-old former partner at Brown Brothers Harriman. 'And the thing that decided me when I came here was that, amid a total shambles, there was this incredible enthusiasm coming from actually helping to transform a country.'

Americans in the Lead

The relationship between the Czechoslovak Government and Crimson is unique in Eastern Europe; nowhere else have Americans managed to reach a position of such decisive influence in the conversion of an economy. Whether there will eventually be a backlash against what a populist politician might portray as an invasion by Uncle Sam remains an open question.

For now, however, the team's results have been dramatic, and the group is popular. Total foreign investment committed to Czechoslovakia over the past year reached \$5 billion, including almost \$1.4 billion from United States companies that had previously shied away. The pace of privatization overall raced ahead faster than elsewhere in the former Soviet bloc.

A report this month from the Privatization Minister, Tomas Jezek, underscored the warm relationship. It estimated that the team's Wall Street-honed negotiating skills had achieved improvements averaging 353 percent on the value placed by the Government on assets to be sold.

Among the companies with which the United States group has negotiated deals on behalf of the Czechoslovak Privatization Ministry are Philip Morris, which has agreed to pay \$413 million for control of the Tabak cigarette maker; American Standard, which is paying \$25 million for the Keramicke zavody Teplice toilet maker; K Mart, which has acquired the Prior & Maj department store chain for \$118 million, and Coca-Cola's Australian bottler, which bought the Prazske soft drink concern for \$89 million.

'Our culture is closing deals,' said Mart Bakal, a former Drexel Burnham director who leads the Crimson team. 'We reckon if we we can't get things done, why be here?'

But the very pace of these and other transactions raises questions of central importance to all former Soviet bloc countries as they seek to switch to market economies.

Will the disposal of large swaths of an economy to foreign corporations inevitably provoke a political backlash? What alternative is there when domestic capital is scarce? Will the Czechoslovak method of pushing for rapid privatization, ardently preached by Finance Minister Vaclav Klaus, be vindicated? Or do the more cautious methods of Hungary and Poland provide a better model for Russia as it too confronts the core issue of disposing of state property?

A recent United Nations Economic Commission report on Eastern Europe pinpointed these problems. 'Where the balance lies between the advantages of foreign direct investment and the potential for an erosion of economic sovereignty which it entails . . . is something that still needs to be worked out,' it said.

Is Faster Better?

Already, within Czechoslovakia, sharp differences have emerged. Vladimir Meciar, the populist leader who was the big winner in Slovakia in the nation's elections this month, opposes Mr. Klaus's rapid economic reforms. These reforms include a mass sale of shares in 1,446 state companies to the public through a complex voucher system, as well as the sales to foreigners. Indeed, differences between Mr. Klaus and Mr. Meciar on various issues are so great that a break-up of the 74-year-old

Czechoslovak reeducation has been suggested.

Even in the wealthier, more populous, Czech lands, there is opposition to Mr. Klaus. 'The privatization process speeded by these U.S. financiers must be slowed or the whole country will be dominated by international conglomerates,' said Zbynek Kozel, deputy international secretary of the center-left Social Democratic Party. 'It's a dangerous sellout.'

Despite such uncertainties, the United States has adopted a firm position: the faster privatization goes in Eastern Europe, the better.

'Czechoslovakia stands out because it is the place where large-scale privatization has reached take-off stage,' said Robert Barry, the coordinator for United States assistance to Central and Eastern Europe at the State Department. 'The problem with proceeding case-by-case as in Hungary, or in stop-go fashion as in Poland, is that you end up wasting a lot of time and money. Our assistance is going to flow to the places where most privatization is taking place.'

In fact, of the \$35 million that Mr. Barry said had been committed to the region this year by the United States Agency for International Development (A.I.D.), close to half has gone to Czechoslovakia.

Some of that money has in turn gone to pay for the services of the team of American financial experts. 'I can't tell you what exactly we're making,' said Mr. Bakal, 'but it's less than a fifth of what we could earn in the real world.' One estimate in Prague is that they are each paid \$500 to \$950 a day, although that must cover all their expenses, including hotel, food and travel. Also, unlike the Wall Street experience, they make no commissions on their deals, or bonuses for their work.

It was the initiative of Mr. Bakal, a 41-year-old Harvard-trained lawyer, that brought the group to Prague. After the collapse of Drexel -- from which he emerged unscathed -- and a spell as president of a computer company called Tigera, he was casting around last year for something new.

The uncharted economic territory of Eastern Europe lured him, and in Czechoslovakia he found unbridled chaos in the embryonic Privatization Ministry. There were just 27 employees, including drivers and secretaries, and all deals were being hammered out around a huge, typewriter-littered U-shaped table.

Two major deals -- the \$6.4 billion sale of the Skoda automobile works to Volkswagen and the \$44 million sale of Rakona detergents to Procter & Gamble -- had already closed. But they had left Czechoslovak officials with an uneasy feeling that they were out of their depth.

'We realized we needed financial know-how and that foreign experts could pass on something of tremendous importance,' said Miroslaw Zamecnik, economic adviser to President Vaclav Havel.

But, as John Rogers, an A.I.D. official in Prague, put it, 'How many Czechs can sit down with a tough U.S. or German corporate lawyer without getting taken to the cleaners?'

A deal, initially for three months, was struck between Mr. Bakal and Deloitte & Touche, the accounting firm that held an A.I.D. contract to provide financial expertise in Czechoslovakia. In effect, Deloitte subcontracted part of its work to Mr. Bakal. He proceeded to set up Crimson Capital (after his alma mater, Harvard), and gather a team to work for it.

'I felt it was a once-in-a-lifetime opportunity to transform an economy and write the textbook as one went along,' said Mr. Bakal. 'I figured the chance of success was probably about 5 percent. But if we succeeded, we'd be big heroes; and if we failed, nobody would blame us.'

On a personal level, however, it was not an easy decision. The move to Prague divided Mr. Bakal's family, leaving his wife and son in a newly acquired house on the Upper East Side of Manhattan, while he and his daughter searched out the dubious comforts of the Forum Hotel.

In similar fashion, Mr. Keith left his wife and two children in Manhattan, and Mr. Douglas, his family in Connecticut. Michael Gold, a management consultant, left his wife and two children even further way -- in Los Angeles. As a result, they all tend to work three or four weeks nonstop and then return to the United States for a five-day break.

Why embark on such a crazed life? 'The big change from Wall Street is that you feel good about yourself,' said Mr. Bakal.

And it does seem clear that their frenetic activity is making a difference. Conditions in the Privatization Ministry were initially terrible. Indeed, Mr. Keith was obliged to negotiate a deal with the

difference. Conditions in the Privatization Ministry were initially terrible. Indeed, Mr. Keith was obliged to negotiate Coca-Cola's \$89 million investment on a bench in a corridor. But as trust grew, the ministry provided a series of rooms with personal computers for the team to use. Mr. Bakal even attends weekly cabinet meetings where he advises ministers on the privatization process.

The Privatization Minister, Mr. Jezek, has been generous in his praise of Mr. Bakal's team. In his recent report, he said, 'They have both greatly facilitated the privatization process and substantially improved the terms of the transactions.'

The report added that the bankers had been successful in insuring that technical and marketing know-how was transferred to the Czechoslovakian companies, that as many jobs as possible were safeguarded, and that in a highly polluted country the new owners would move factories to sounder environmental policies.

Charles Jelinek-Francis, the Privatization Ministry's director of foreign investment, said Crimson is 'taking us on the fastest road from here to there, which we believe is the only way to instill a capitalist culture.'

A Need to Say No

At first, the tough negotiating stance of Mr. Bakal's group caused alarm. 'We'd spend all day saying no to offers from foreign companies that had expected a walkover, and the ministry officials would get very agitated because they did not want to lose the deal,' recalled Mr. Douglas. 'But in the end they saw it worked.'

Stewart A. Halpern, who worked eight years in investment banking at the First Boston Corporation before coming to Prague this year to work with Mr. Bakal, recalled how he lured competition into one deal in order to substantially improve an offer that had already been approved by the Czechoslovak Government.

The initial offer, from Lekyam Murtaler, an Austrian paper maker, valued Czechoslovakia's largest paper distributor, Ospap, at \$24.2 million. It also said staff at the company would be cut to 570 from 700 by 1994. But by luring a much larger West European paper maker into the bidding, Mr. Halpern said, he persuaded Murtaler to raise its bid to \$34.4 million and to continue to use Czechoslovak mills as suppliers of 90 percent of raw materials for three years.

Such successes have gained recognition. What is happening in Prague, said Mr. Barry of the State Department, 'is a model for the kind of thing we would like to do throughout the region.' Mr. Jezek, he said, had recently asked for assistance to be continued for another year and money had been found for this purpose.

But he acknowledged that political problems had emerged. 'Clearly attitudes differ between Mr. Klaus and Mr. Meciar over the pace of privatization, and it is hard to evaluate how this will evolve,' he said. 'Our own view is that a slowdown will create stresses and strains.'

As for Crimson Capital, it is settling in for the long haul. Mr. Bakal does not think the current political tensions will slow investment because he is convinced any change in the status of Czechoslovakia would be peacefully negotiated. And he argues that any violent backlash against the rapid push to private enterprise, much of it foreign-owned, 'is at least a generation away.'

NEXT: ALL OF EUROPE

For the men of the Crimson Capital Corporation, moving to Czechoslovakia amounted to an escape from Wall Street and an opportunity to do something more worthwhile than merely make money. 'It was a chance to make a difference,' said Bruce P. Bybee, who quit a job at Prudential Bache to join Crimson.

Which is not at all to say they have lost their instinct for business opportunities and profit. After close to a year in Prague, they say that their long-term plan is to turn their operation into a private investment

their long-term plan is to turn their operation into a private investment bank working throughout Eastern Europe.

'We've developed a commanding position in international banking in this area of the world and the greatest knowledge base of businesses in Czechoslovakia,' said Mart Bakal, head of the group. 'Our intellectual assets are unique and the opportunities enormous, so sure I'd like to develop this into a private bank.' He suggested this could happen within two years.

Up to now, Mr. Bakal and his colleagues have scarcely lived like private bankers. Every time they visit the United States, they must vacate their rooms at the Forum Hotel and stash their things in a basement. On return, there is a new room.

'There are some real sacrifices,' said Alistair Keith, a Crimson man from Brown Brothers Harriman. These sacrifices, including long hours, amount to what the Crimson group calls its 'sweat equity.' The sweat has produced a reputation. Mr. Bakal has had inquiries from Croatia to Hungary about helping in the privatization processes there.

Of course, this reputation has been built at the expense of the United States taxpayer. The people at Crimson are being paid by the United States Agency for International Development. Is it right, then, that they should go private with the expertise they have gained?

'When advisers in a foreign country want to stay there and go into private business, I don't know if there's a clear answer as to whether that is a good thing,' said John Rogers, an A.I.D. official. He declined to comment further.

For Mr. Bakal, however, there is no doubt that the opportunities will eventually require independence. 'There's an enormous amount to do in other countries,' he said, 'and as investment bankers, our instinct is to take charge.'

THE MAKING OF A DEAL IN CIGARETTES

The Crimson Capital Corporation's essential contribution to Czechoslovakia has been to provide financial and negotiating know-how that has enabled the state to make far more money off its asset sales than it might have otherwise. Nowhere has this been more evident than in the sale of the Tabak cigarette manufacturer to Philip Morris.

Tabak is not a very profitable company. It made about \$2 million in 1990. But it is large -- annual sales total about \$176 million -- and it has a 55.7 percent share of the 30 billion-cigarette Czechoslovak market.

With cigarette consumption stagnant or falling in Western Europe and the United States, such a big share in a growing market carries a premium. Moreover, many Western cigarette manufacturers saw Tabak as an ideal base from which to export to Russia and central Asia.

An initial public tender was organized last October by Nomura International P.L.C. It attracted bids from Philip Morris, R.J. Reynolds and the French cigarette group Seita, among a total of seven offers for the whole of the company and four for a portion. The highest bid, from Philip Morris, valued Tabak's equity at \$250 million, according to the Czechoslovak Privatization Ministry.

Intense lobbying of the Czechoslovak Government by several Western cigarette manufacturers now began. Sell all of Tabak? Only part with a minority stake? By March of this year, the government, sensing the potential in such intense interest, decided to bring in Crimson Capital to help oversee the sale.

A revised tender was then organized by Crimson Capital with Nomura making clear that the state wished to cede control of Tabak and inviting higher bids. Philip Morris raised its valuation of Tabak's equity to \$348 million and agreed to put a total of \$413 million into the company, including modernization and a capital increase. The closest rival offer was from R.J. Reynolds at \$291 million.

'We got an extraordinary price,' said Mr. Bakal. 'These kinds of multiples don't exist in the West.'

Louis Camilleri, Philip Morris International's vice president for Eastern and Central Europe, would say only that 'The bidding process was very open and transparent,' adding that the company saw phenomenal growth

Eastern and Central Europe, would say only that 'The bidding process was very open and transparent,' adding that the company saw phenomenal growth potential in the East European and Russian markets.

Caption:

Photos: Crimson Capital, mixing American midlife crises with deal-junkie appetites in a post-Soviet world. Standing, from left: Thomas Douglas, Mart Bakal, Charles Jelinek-Francis, Privatization Minister Tomas Jezek, Peter Tischler, Charles Stamm and Robert Chawning. Seated, from left: Trevor Lewis 2d, Edmond Franco, Ted Heisler, Bruce Bybee, Michael Gold, Glenn Hanus and Jason Shore (Tono Stano for The New York Times) (pg; 1); Finance chief Vaclav Klaus. (Agence France-Presse); Slovakia's Vladimir Meciar. (Associated Press) (pg. 6)

Table: 'On the Other Side,' lists U.S. investments in Czechoslovakia negotiated by Crimson Capital Corporation from last September through April (Source: Czechoslovakia Privatization Ministry) (pg. 6)

The Global Tobacco Epidemic

*Cigarette smoking has stopped declining in the U.S.
and is rising in other parts of the world. Aggressive marketing
and permissive regulations are largely to blame*

by Carl E. Bartecchi, Thomas D. MacKenzie and Robert W. Schrier

Since the early 1960s, medical research, public information campaigns and government assessments have exposed the dangers of tobacco smoke. The result has been a substantial drop in the number of smokers in the U.S.—from a peak of 41 percent to its current level of about 25 percent. Yet despite considerable scientific evidence and continuing exhortations from the medical community, the trend has now mostly ceased: the number of adult smokers has remained static since 1990. Similarly, the proportion of adolescents who smoke has changed little in the past 10 years. Perhaps even more disconcerting is that in the global picture, cigarette production during the past two decades has increased an average of 2.2 percent each year, outpacing the annual world population growth of 1.7 percent. Because of growing cigarette consumption in developing nations, worldwide cigarette production is projected to escalate by 2.9 percent a year in the 1990s, with China leading the

way with jumps near 11 percent a year.

To understand the driving forces behind modern directions in tobacco consumption and to formulate strategies to combat its pervasiveness, the medical community has had to extend observations beyond the individual smoker and the addictive power of nicotine. The focus of some recent work has been on the tobacco industry itself. In this context, changes in smoking behavior depend in large part on cigarette pricing, advertising, promotion and exportation. Researchers in preventive medicine and public health agree that education campaigns must be supplemented. The new strategies should aim to regulate the marketing of cigarettes, to raise taxes on tobacco and to rethink current trade practices.

A 1,000-Year-Old Habit

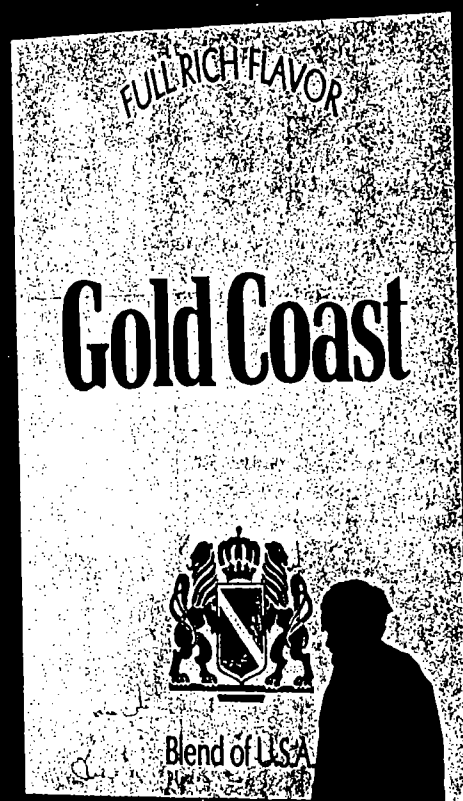
Although humans probably began sampling tobacco during the first millennium, based on Mayan stone carvings dated at about A.D. 600 to 900, physicians did not begin to suspect in earnest that the plant could produce ill effects until around the 19th century. The renowned colonial physician Benjamin Rush condemned tobacco in his writings as early as 1798. By the mid- to late 1800s, many prominent physicians were expressing concern about the development of certain medical problems connected with tobacco. They suggested a relation between smoking and coronary artery disease, even recognizing the potential association between passive smoking (inhaling smoke from the air) and heart problems. They also noted a correlation with lip and nasal cancer.

Although tobacco use was relatively common in that century, it did not produce the widespread illnesses it does today. Individuals of the time consumed only small amounts, mostly in the form of pipe tobacco, cigars, chewing tobacco or snuff. Cigarette smoking was rare. Then, in 1881, came the invention of the cigarette-rolling machine, followed by the development of safety matches. Both significantly encouraged smoking, and by 1945 cigarettes had largely replaced other forms of tobacco consumption. Smokers increased their average of 40 cigarettes a year in 1880 to an average of 12,854 cigarettes in 1977, the peak of American consumption per individual smoker.

The rise in tobacco use made the adverse effects of smoking more apparent. Medical reports in the 1920s strengthened the suspected links between tobacco and cancers. The connection to life span was first noted in 1938, when an article in the journal *Science* suggested that heavy smokers had a shorter life expectancy than did nonsmokers.

In 1964 U.S. Surgeon General Luther Terry released a truly landmark public health document. The work of an independent body of scientists, it was the country's first widely publicized official recognition that smoking causes cancer and other diseases. In many subsequent reports by the surgeon general's office, cigarette smoking has been identified as the leading source of preventable morbidity and premature mortality in the U.S. These statements enumerate many experimental studies in which animals have been exposed to tars, gases and other constituents in tobacco and tobacco smoke.

CARL E. BARTECCHI, THOMAS D. MACKENZIE and ROBERT W. SCHRIER collaborate at the University of Colorado School of Medicine. Bartecchi, who helped to found the Southern Colorado Clinic in Pueblo, is a clinical professor in the department of medicine at the school. MacKenzie is a general internist with the Denver Department of Health and Hospitals and an assistant professor of medicine at the University of Colorado Health Sciences Center. Schrier is professor and chairman of the department of medicine at the University of Colorado School of Medicine.



EXPORTATION OF CIGARETTES, such as the Gold Coast brand marketed by R. J. Reynolds in San'aa, Yemen, is one strategy

tobacco companies are adopting in order to offset lowered consumption in the U.S.

A review of mortality statistics underscores the tobacco epidemic. Of the more than two million U.S. deaths in 1990, smoking-related illnesses accounted for about 400,000 of them and for more than one quarter of all deaths among those 35 to 64 years of age. When deaths from passive smoking are included, estimates near 500,000. A recent British study suggests that one half of all regular smokers will die from their habit. Statistically, each cigarette robs a regular smoker of 5.5 minutes of life.

Tobacco also drains society economically. The University of California and the Centers for Disease Control and Prevention (CDC) have calculated that the total health care cost to society of smoking-related diseases in 1993 was at least \$50 billion, or \$2.06 per pack of cigarettes—about the actual price of a pack in the U.S. That price figure greatly exceeds the average total tax on a pack of cigarettes in the U.S., now currently about 56 cents. Although a 1989 study suggested that smokers “pay their own way” at the current level of excise taxes (because they live long enough to contribute to their pensions and to Social Security but die before they enjoy the benefits), more recent estimates show otherwise. These newer calculations, which incorporate the effects of passive smoking, indicate that smokers take from society much more than they pay in tobacco taxes.

Moreover, because tobacco kills so many people between the ages of 35 and 64, the cost of lost productivity must be accounted for in the analysis. With this factor in mind, the average annual expense to an employer for a worker who smokes has been pegged at \$960 a year. The total toll of tobacco consumption for the country may exceed \$100 billion annually.

Staying Addicted

Expanding public awareness of tobacco's dangers is probably the reason for the decline of smoking in the U.S. Based on a 1993 count, an estimated 46 million adults (25 percent) in the U.S. smoke—24 million men and 22 million women. Smoking prevalence is highest among some minority groups—in particular, black males, Native Americans and Alaskan natives—and among those with the least education and those living below the poverty level. Perhaps most disheartening, an estimated six million teenagers and another 100,000 children younger than 13 years smoke.

Of greatest concern, however, are the most recent data from the CDC. They suggest that overall smoking prevalence among adults, at approximately 25 per-

cent, was unchanged from 1990 to 1993. Moreover, smoking prevalence among adolescents has remained static since 1985.

On a global scale, the patterns are even more alarming. Although the smoking habit in most developed countries is being kicked, the rate of decline has been slower than it has been in the U.S. In developing countries, data suggest that cigarette smoking is up by 3 percent a year. Richard Peto of the University of Oxford has estimated that the total number of deaths attributable to smoking worldwide will increase from 2.5 million today to 12 million by the year 2050.

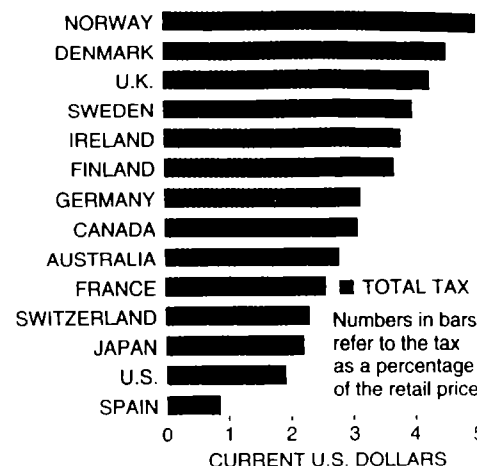
There are several reasons for the current pattern of cigarette consumption. In the U.S. the flattened decline since 1990 may have resulted from recent price wars between premium and discount brands. For years, tobacco companies have maintained a high profit margin despite dwindling consumption because smokers are willing to pay a stiff price to satisfy their craving. The addiction of their customers has allowed tobacco companies to boost the price of cigarettes with minimal fear of losing sales. Throughout the 1980s, for instance, the price of cigarettes outpaced inflation.

But the rapidly rising popularity of discount brands has made cigarettes cheaper and more accessible. The market share of these brands rose from 10 percent in 1987 to 36 percent in 1993. They earn about five cents per pack in profit, compared with 55 cents for a brand-name pack. This trend forced a series of price cuts by the major brands in 1993. If the cuts are sustained, smoking prevalence in the U.S., especially among young and poor populations (for whom price is often important), may actually increase.

Despite the recent price deductions, cigarette companies are likely to remain financially and politically potent entities. The two biggest corporations—Philip Morris and R.J. Reynolds—expanded their presence appreciably in the consumer market during the 1980s by acquiring many big, nontobacco-related firms. For instance, Philip Morris bought Kraft and General Foods, among others, and now sells more than 3,000 different products. In 1992 it ranked as the seventh largest industrial corporation in the U.S., with \$50 billion in sales, and made more money that year than any other U.S. business. Almost half of its \$4.9 billion in profits came from cigarette sales. The major tobacco companies will undoubtedly be able to afford a price war with discount competitors as well as establish their own discount

Socioeconomics of Smoking

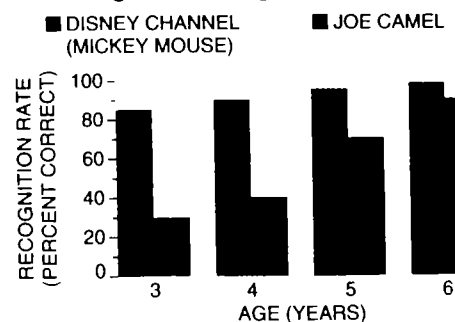
Average Price of 20 Cigarettes



Deaths from Preventable Causes in the U.S. in 1990

CAUSE	ESTIMATED NUMBER OF DEATHS	PERCENT OF TOTAL DEATHS
Tobacco	400,000	19
Diet/activity patterns	300,000	14
Alcohol	100,000	5
Microbial agents	90,000	4
Toxic agents	60,000	3
Firearms	35,000	2
Sexual behavior	30,000	1
Motor vehicles	25,000	1
Illicit use of drugs	20,000	<1
TOTAL	1,060,000	50

Recognition of Logos by Children

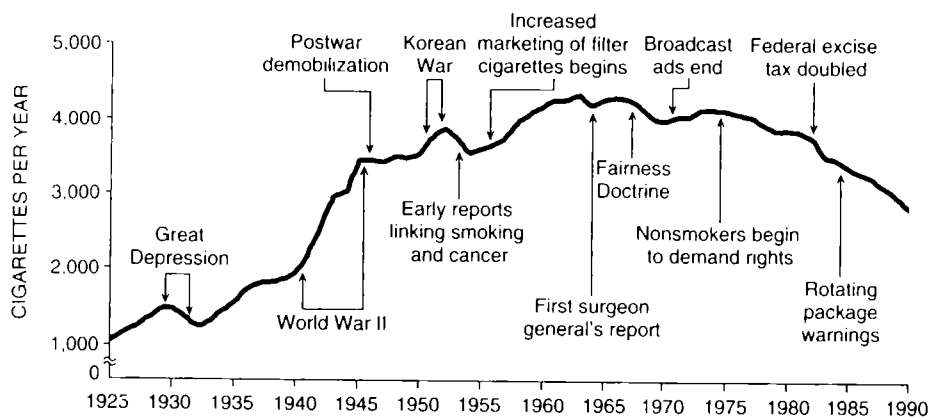


brands. And unlike the discounters, the larger companies can market their products aggressively, both at home and abroad.

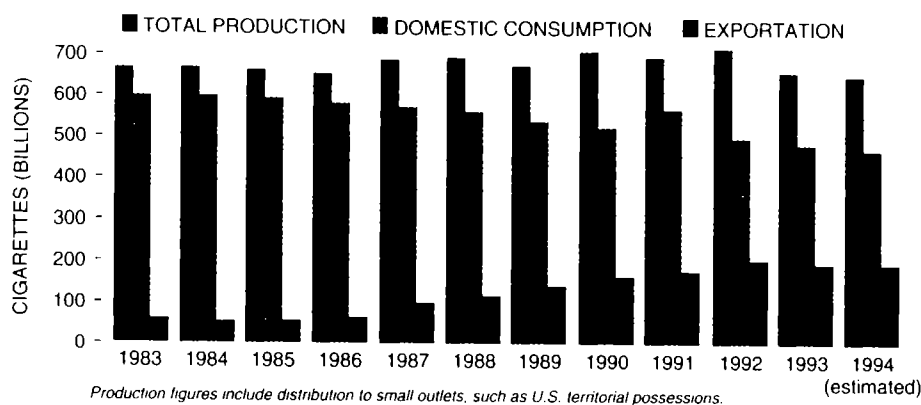
There has been little government restriction on the marketing of cigarettes in recent decades. The bulk of today's regulations stems from actions taken shortly after the 1964 surgeon general's report. In 1966 the Federal Trade Commission required that all cigarette packages carry warning labels and that tobacco advertising not be directed at

1g
s
TAX
bars
tax
age
price.
5
S
ENT
OTAL
THS
1
EL
6

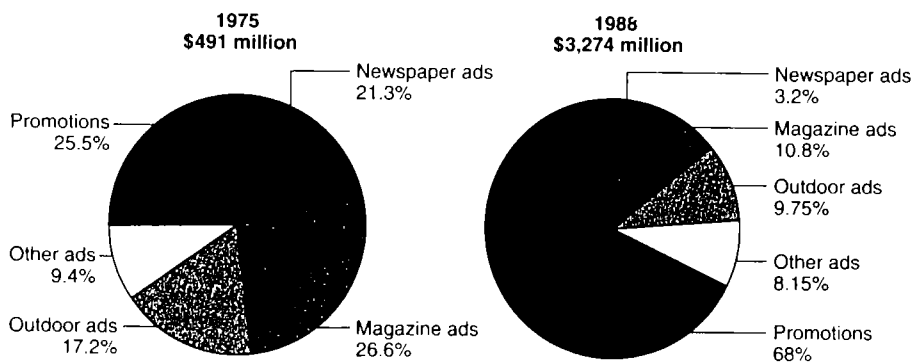
Cigarette Consumption per U.S. Adult



U.S. Cigarette Distribution



Cigarette Marketing Expenditures



people younger than 25 years. In 1967 the Federal Communications Commission mandated that local television and radio stations that ran cigarette advertisements had to compensate by airing public service announcements about the product's bad effects. Cigarette advertising shifted completely from television and radio in 1971, when Congress banned all such advertising on electronic media. As a result, magazines, newspapers and billboards took over.

Magazines benefited substantially

from the shift. For some, revenues from the tobacco industry increased by \$5.5 million per magazine a year (figured in 1983 dollars). Moreover, coverage of smoking-related health issues decreased by 65 percent in magazines that carried cigarette advertisements, as compared with a 29 percent drop in similar stories in periodicals that did not carry them. During the three years following the electronic media ban, per capita cigarette consumption actually rose slightly before resuming its drop. Many ana-

lysts attribute the brief surge to the cessation of public service announcements that coincided with the electronic ban.

Several major health organizations, including the American Medical Association, have recommended barring tobacco advertising completely. In other developed countries, such antitobacco legislation is common. By mid-1986, 55 countries had enacted legislation to control advertising: 20 with total bans, 15 with strong partial bans and 20 with moderate ones.

In comparison, the U.S. has been lax. Since 1971 it has passed nothing to restrict cigarette advertising, despite many attempts to do so by several members of Congress. Instead tobacco has become the most displayed product on billboards and the second most marketed product in magazines. In 1989 Philip Morris spent \$2 billion on advertisements—more than any other U.S. company. The industry as a whole increased expenditures on advertising from \$500 million in 1975 to more than \$5 billion in 1992, which represents a fourfold increase in constant 1975 dollars.

The tobacco industry has also concentrated on promotion. Sponsorship of sporting events, the distribution of free cigarettes and other strategies have increased from one quarter of the marketing budget in 1975 to two thirds in 1988. Of particular note are widely televised competitions such as the Camel motocross and the Virginia Slims tennis tournament (Philip Morris, however, voluntarily pulled out of sponsorship last year). Despite the advertising ban on electronic media, sponsorship of such tournaments has granted substantial airtime. For example, during the 93-minute broadcast of the 1989 Marlboro Grand Prix, the Marlboro name flashed on the screen or was mentioned by the announcers 5,933 times, for a total of 46 minutes. For 18 of those minutes, the Marlboro name was clear and in focus, which represents an estimated \$1 million of commercial airtime.

Appealing to the Young

These marketing efforts have begun to focus on minorities, women and children, an approach that the medical community has strongly criticized. Recent work has found a link between the start of smoking and targeted advertising [see box on pages 50 and 51]. Children are probably the most vulnerable segment. The average age that habitual smoking begins has been dropping for decades and is currently 14.5 years. Approximately 90 percent of regular smokers start before the age of 21.

Data suggest that the tobacco indus-

try recognizes these figures and develops advertisements to appeal to children and teenagers. For example, in 1988 R. J. Reynolds fashioned "Old Joe Camel," a cartoon character who shoots pool, rides motorcycles and associates with attractive women as he smokes cigarettes. Three years after the campaign began, several studies clearly demonstrated that children and teenagers easily recognized Joe Camel. One study showed that six-year-olds knew the character as often as they picked out Mickey Mouse. Teenagers were likewise influenced. Surveys done in 1988 and 1990 show that the proportion of teenage smokers who bought the Camel brand increased from 0.5 to 32 percent. In this same period, it is estimated that Camel cigarette sales to minors soared from \$6 million to \$476 million.

How can minors purchase cigarettes so easily? Although 46 states have laws prohibiting the sale of cigarettes to minors, compliance has been consistently poor in many communities. Furthermore, only nine states have stopped the sale of cigarettes in vending machines, and just 22 states prohibit the free distribution of cigarettes to underage individuals. Many legislators and health officials have suggested that the sale of cigarettes should require licensing similar to that for the sale of alcohol.

The tobacco industry may be relying on a more insidious strategy to gain new customers—that is, through smokeless tobacco. It is estimated that 7.5 million people in the U.S. use tobacco in this way, with snuff (shredded tobacco that is sucked but not chewed) being the most popular. A 1994 *Wall Street Journal* article reported that tobacco companies doctor their snuff products to increase the nicotine that the mouth can absorb—an alarming assertion, given that the average age of first-time snuff users is nine years. The article argued that these companies try to appeal to young people with pleasant-tasting, milder forms that are lower in free nicotine (that is, in a form immediately available for absorption) and then to graduate these consumers to very potent, very addictive brands high in free nicotine. Although the tobacco companies admit they can control the amount

of nicotine in the product, they deny that they do so to addict individuals.

Despite the toxic effects of tobacco, the agencies primarily responsible for protecting the consumer—the Food and Drug Administration and the Consumer Product Safety Commission—have never subjected tobacco products to health and safety regulations commonly used for hazardous compounds. Their permissiveness very likely stems from the lobbying efforts by the tobacco industry, which is considered one of the most powerful at all levels of government today. In 1992 the tobacco industry donated more than \$4.7 million to the leading political parties, representing three times the amount given in 1988. Few government representatives refuse these contributions. In 1989 it was reported that over a two-year period, 420 of 535 congressional representatives and 87 of 100 senators accepted tobacco campaign contributions, making the tobacco lobby one of the most influential forces in government.

Tobacco companies have also formed

industry organizations to channel contributions and to give them a central voice. One such group, the Tobacco Institute, has consistently created a public smoke screen by questioning the association between smoking and human disease. As late as 1986, a Tobacco Institute publication stated that "eminent scientists believe that questions relating to smoking and health are unresolved."

The regulation of tobacco products may change because of allegations that the industry has knowingly manipulated the nicotine content of cigarettes to maximize addiction and has suppressed evidence pointing out the hazards. To many, the congressional testimony of tobacco executives last year—who stated their belief that nicotine was not addictive and that cigarettes were not proved to cause cancer—was designed to avoid any potential liability. The FDA is now considering regulating cigarettes as drug-delivery systems for nicotine (which can act as a stimulant or as a tranquilizer, depending on the amount used). Although the new Congress is

much less enthusiastic about such regulations, the health care community regards the FDA's case to be strong enough to force passage of some kind of legislation. How new laws will alter the control of tobacco is unclear. But given current standards of consumer product safety, the introduction and sale of a similar product today would assuredly be denied.

Taxing Tobacco

The political might of the tobacco industry has prevented significant rises in cigarette excise taxes, thus keeping the cost of the habit affordable. The federal tax has risen from eight cents a pack of 20 cigarettes in 1951 to only 24 cents today, a climb far less than inflation. (Adjusted for inflation, the 1951 tax would be approximately 40 cents today, meaning that the tax has actually declined.) With the addition of state and local taxes, the average total tax on a pack of cigarettes in the U.S. is 56 cents, or 30 percent of the average retail price. This amount is substantially lower than those in many other industrial nations.

The tobacco companies have employed a strategy of



MICHELE McDONALD



JOHN DURICKA AP Photos

ADDICTION TO NICOTINE can turn youngsters such as this Albanian boy in Kosovo into regular smokers (top). After having been sworn in before a congressional hearing in April 1994 (bottom), executives from major U.S. tobacco firms later testified that they believed nicotine was not addictive.

The Medical Effects of Tobacco Consumption

Discovered in the early 1800s and named nicotianine, the oily essence now called nicotine is the main active ingredient of tobacco. Indeed, researchers recognized in 1942 that smoking dried tobacco leaves was basically a means of administering nicotine, just as smoking opium was a means of obtaining morphine. Nicotine, however, is but a small component of cigarette smoke, which contains more than 4,700 chemical compounds, including 43 cancer-causing substances. Condensates of tobacco smoke suspended in acetone and applied to the skin of mice for long periods cause papillomas or carcinomas at the site. Toxins in cigarette smoke cause breaks in the DNA of cultured human lung cells. In some cases, these carcinogens greatly accelerate the mutation rate in dividing cells, which in turn can lead to tumor formation.

Unfortunately for the smoker, no threshold level of exposure to the toxins has been found. What is clear is that years of cigarette smoking vastly increase the risk of developing several fatal conditions. In addition to being responsible for more than 85 percent of lung cancers, smoking is associated with cancers of the mouth, pharynx, larynx, esophagus, stomach, pancreas, uterine cervix, kidney, ureter, bladder and colon. Cigarette smoking is thought to cause about 14 percent of all leukemias and 30 percent of new cases of cervical cancer in women. All told, cigarette smoking is responsible for 30 percent of all deaths from cancer and clearly represents the most important preventable cause of cancer in the U.S. today.

Smoking also increases the risk of cardiovascular disease, including stroke, sudden death, heart attack, peripheral vascular disease and aortic aneurysm. Cigarettes caused almost 180,000 deaths from cardiovascular disease in the U.S. in 1990. Components of cigarette smoke damage the inner lining of blood vessels, which can lead to the development of atherosclerosis. The toxins can also stimulate occlusive elements in coronary arteries, thus promoting clots to form and triggering spasms that close off the vessels. In this regard, the smoking of a single cigarette can profoundly disturb blood flow to the heart in patients with existing coronary artery disease.

Furthermore, cigarette smoking is the leading cause of pulmonary illness and death in the U.S. In 1990 smoking caused more than 84,000 deaths from pulmonary disease, mainly resulting from such problems as pneumonia, emphysema, bronchitis and influenza.

Passive smoking—the breathing of sidestream smoke (emitted from the burning tobacco between puffs) or of smoke exhaled by the smoker—poses a similar health risk. A 1992 Environmental Protection Agency report emphasized the dangers, especially of sidestream smoke. This type of smoke contains more particles of smaller diameter and is therefore more likely to be deposited deep in the lungs. On the basis of this report, the EPA has classified environmental tobacco smoke as a “group A” carcinogen, to which radon, asbestos, arsenic and benzene belong.

Of the estimated 53,000 annual deaths in the U.S. caused by passive smoking, 37,000 come from associated heart

disease. A nonsmoker living with a smoker has a 30 percent higher risk of death from ischemic heart disease or myocardial infarction. Lung cancer risk also skyrockets. Any exposure from a spouse who smokes is associated with at least a 30 percent excess risk of lung cancer. Increasing daily amounts and the number of years of smoking significantly heighten the risk. The figure jumps to 80 percent if the spouse has been smoking four packs a day for 20 years. Another recent study points out that 17 percent of the cases of lung cancer among nonsmokers can be attributed to exposure to high levels of tobacco smoke during childhood and adolescence.

The health consequences of smoking among women are of special concern because of the deleterious effect on reproduction. Unfortunately, the fastest-growing segment of smokers in the U.S. is women younger than 23 years. Smoking reduces fertility, spurs the rate of spontaneous abortions and stillbirths, can cause excessive bleeding during pregnancy and results in

lower birth weights in infants. Moreover, children of smokers do not grow as large or attain the same level of educational achievement as unexposed children.

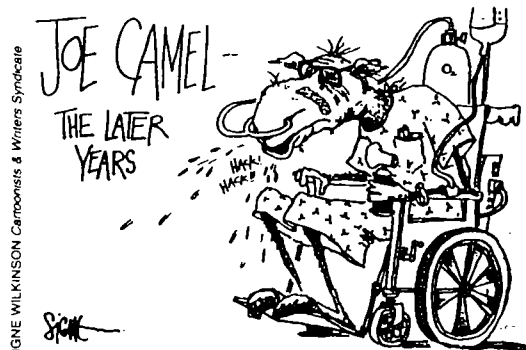
Smoking is a significant cause of cardiovascular diseases and strokes in women, especially if they also use oral contraceptives. Lung cancer has now surpassed breast cancer as the primary cause of death from cancer among women. In 1993 lung cancer claimed an estimated 56,000 deaths, whereas breast cancer took 46,000 lives.

The elderly also face special harm from smoking. Among those older than 65, the rates of total mortality among current smokers are twice those among people who have never smoked. A 1992 *Time* magazine article noted that three life insurers owned by tobacco companies charge smokers nearly double for term insurance.

Smoking is associated with a variety of other ailments: cataracts, delayed healing of broken bones, periodontal maladies, predisposition to ulcer disease, hypertension, brain hemorrhages and skin wrinkles, to name just a few.

Recently some studies have suggested that cigarette smoking ameliorates symptoms of Alzheimer's disease. It is not surprising that with its powerful effect on the central nervous system, nicotine may influence the condition. Yet methodological flaws plague many of these studies. Moreover, other researchers suggest that smoking may increase the risk of Alzheimer's, in that it accelerates the natural consequences of aging. With its many and potent toxins, cigarettes would in any case be an inappropriate vehicle for delivering nicotine should the compound ever prove valuable in treating Alzheimer's.

There is much to be gained by those who kick the habit. After a year, mortality from heart disease drops halfway back to that of a nonsmoker; by five years, it drops to the rate of nonsmokers. A person's risk of lung cancer is cut in half in five years; by 10 years, it drops almost to the rate of nonsmokers. Such gains make sense, however, only if smokers quit in time, before they show any signs of tobacco's lethal effects.



SIGNE WILKINSON Cartoonists & Writers Syndicate

Looking for a Market among Adolescents

In 1992, the most recent year for which data are available, the tobacco industry spent \$5 billion on domestic marketing. That figure represents a huge increase from the approximate \$250-million budget in 1971, when tobacco advertising was banned from television and radio. The current expenditure translates to about \$75 for every adult smoker, or to \$4,500 for every adolescent who became a smoker that year. This apparently high cost to attract a new smoker is very likely recouped over the average 25 years that this teen will smoke.

In the first half of this century, leaders of the tobacco companies boasted that innovative mass-marketing strategies built the industry. Recently, however, the tobacco business has maintained that its advertising is geared to draw established smokers to particular brands. But public health advocates insist that such advertising plays a role in generating new demand, with adolescents being the primary target. To explore the issue, we examined several marketing campaigns undertaken over the years and correlated them with the ages smokers say they began their habit. We find that, historically, there is considerable evidence that such campaigns led to an increase in cigarette smoking among adolescents of the targeted group.

National surveys collected the ages at which people started smoking. The 1955 Current Population Survey (CPS) was the first to query respondents for this information, although only summary data survive. Beginning in 1970, however, the National Health Interview Surveys (NHIS) included this question in some polls. Answers from all the surveys were combined to produce a sample of more than 165,000 individuals. Using a respondent's age at the time of the survey and the reported age of initiation, the year the person began smoking could be determined. Dividing the number of adolescents (defined as

those 12 to 17 years old) who started smoking during a particular interval by the number who were "eligible" to begin at the start of the interval set the initiation rate for that group.

Mass-marketing campaigns began as early as the 1880s which boosted tobacco consumption sixfold by 1900. Much of the rise was attributed to a greater number of people smoking cigarettes, as opposed to using cigars, pipes, snuff or chewing tobacco. Marketing strategies included painted billboards and an extensive distribution of coupons, which a recipient could redeem for free cigarettes and a variety of other premiums. Some brands included soft-porn pictures of women in the packages. Such tactics inspired outcry from educational leaders concerned about their corrupting influence on teenage boys. Thirteen percent of the males surveyed in 1955 who reached adolescence between 1890 and 1910 commenced smoking by 18 years of age, compared with almost no females.

The power of targeted advertising is more apparent if one considers the men born between 1890 and 1899. In 1912, when many of these men were teenagers, the R. J. Reynolds company launched the Camel brand of cigarettes with a revolutionary approach. In the months before the Camel debut, every city and hamlet in the country was bombarded with print advertising. According to the 1955 CPS, initiation by age 18 for males in the group jumped to 21.6 percent, a two thirds increase over those born before 1890. The NHIS initiation rate also reflected the change. For adolescent males, it went up from 2.9 percent between 1910 and 1912 to 4.9 percent between 1918 and 1921.

It was not until the mid-1920s that social mores permitted cigarette advertising to focus on women (public clamor forced a 1919 ad aimed at women by Lorillard Company to be withdrawn).

identifying themselves as "citizens against tax abuse" and spend millions of dollars to fight against tax increases. The industry probably feels that such large expenditures are necessary to fend off the perceived threat to profits. A 10 percent increase in cigarette prices reduces consumption by 4 percent, mostly by keeping new smokers away. The drop would probably be much larger in populations that are highly sensitive to price hikes, such as teenagers. Because the vast majority of smokers begin in their teens, a major drop in teenage smoking would seriously threaten the future of the tobacco industry.

The American Heart Association, the American Cancer Society and the American Lung Association have recommended a \$2 increase in federal tax per pack of cigarettes. Their counsel is based in part on data from Canada and California, where cigarette tax hikes have significantly reduced consumption. The potential benefits of high tobacco taxes are many. Several states have earmarked the revenue for public health education campaigns, antitobacco advertising and health care for the poor. With the recent fall in average cigarette prices, tax increases have become particularly im-

portant to counteract a possible acceleration in consumption among teenagers. Many bills were introduced in Congress during the past two years to up the federal tax by \$1 or less, both as independent proposals and as part of health care reform packages. None received sufficient support to pass.

Exports to Hook New Customers

Even if tighter marketing restrictions and higher excise taxes prove successful in decreasing tobacco smoking in the U.S., the industry has a means to counteract loss of revenue: exportation. Indeed, although total cigarette consumption in the U.S. has been declining for over a decade, domestic production has been buoyed by steadily increasing shipments overseas. Cigarette exportation climbed from 8 percent of production in 1984 to 30 percent in 1994. Unmanufactured tobacco leaf exportation now exceeds 34 percent of production. The U.S. currently leads the world in tobacco exports and has capitalized on the markets in underdeveloped countries, which have few if any restrictions on advertising or product labeling.

The six major transnational tobacco

companies (three are based in the U.S., and the others in the U.K.) have experienced little resistance to gaining footholds in these developing countries. Often the only competition comes from government-run production companies, for which there is marginal advertising. Many have argued that the introduction of Western advertising in developing countries has done much more than shift the existing market share to the transnational companies. In Hong Kong, for instance, only 1 percent of the women now smoke, but the advertising by transnational companies has heavily targeted women—clearly indicating that the companies are making an effort to carve out a new market. This kind of exploitation equates with the disgraceful export of opium from England to China in the 1830s.

As assistant secretary of health under President George Bush, James Mason stated in 1990 at the Seventh World Conference on Tobacco and Health in Perth, Australia: "It is unconscionable for the mighty transnational tobacco companies to be peddling their poison abroad, particularly because their main targets are less developed countries. They play our free trade laws and ex-

drawn). In 1926 a poster depicted women imploring smokers of Chesterfield cigarettes to "Blow Some My Way." The most successful crusade, however, was for Lucky Strikes, which urged women to "Reach for a Lucky Instead of a Sweet." The 1955 CPS data showed that 7 percent of the women who were adolescents during the mid-1920s had started smoking by age 18, compared with only 2 percent in the preceding generation of female adolescents. Initiation rates from the NHIS data for adolescent girls were observed to increase three-fold, from 0.6 percent between 1922 and 1925 to 1.8 percent between 1930 and 1933. In contrast, rates for males rose only slightly.

The next major boost in smoking initiation in adolescent females occurred in the late 1960s. In 1967 the tobacco industry launched "niche" brands aimed exclusively at women. The most popular was Virginia Slims. The visuals of this campaign emphasized a woman who was strong, independent and very thin. Consequently, and ironically in conjunction with the rise of the women's movement, initiation in female adolescents nearly doubled, from 3.7 percent between 1964 and 1967 to 6.2 percent between 1972 and 1975 (NHIS data). During the same period, rates for adolescent males remained stable.

Thus, in four distinct instances over the past 100 years, in-

novative and directed tobacco marketing campaigns were associated with marked surges in primary demand from adolescents only in the target group. The first two were directed at males and the second two at females. Of course, other factors helped to entrench smoking in society, such as the provision of free cigarettes during wartime and the romanticization of actors smoking in the movies.

Yet it is clear from the data that advertising has been an overwhelming force in attracting new users.

Despite subsequent regulations barring advertisement geared to minors, the tobacco industry nonetheless has retained its targeted approach. In 1988 R. J. Reynolds introduced another novel campaign featuring the ultracool cartoon character "Joe Camel." Recent data from California indicate a rising market share for Camels in youths and a turnaround in adolescent smoking prevalence, which had been declining during the 1980s. Future surveys of adults will most likely show a jump in adolescent smoking initiation rates coincident with the rolling out of this campaign.

—John P. Pierce and Elizabeth A. Gilpin



OLD JOE CAMEL coolly surveys Times Square.

The authors are researchers at the Cancer Prevention and Control Program at the University of California, San Diego.

port policies like a Stradivarius violin, pressuring our trade promotion agencies to keep open—and force open in some cases—other nations' markets for their products."

The U.S. government has remained remarkably unresponsive to such claims. One reason for this inaction may be that in 1990 the U.S. realized a \$4.2-billion trade surplus from tobacco exports, accounting for 35 percent of the entire agricultural trade surplus. In that same year Vice President Dan Quayle stated during a North Carolina news conference: "I don't think it's news to North Carolina tobacco farmers that the American public as a whole is smoking less. We ought to think about the exports. We ought to think about opening up markets, breaking down the barriers rather than erecting new tariffs, new quotas and things of that sort."

Much of the aggressive trade behavior by the tobacco industry is sanctioned under section 301 of the 1974 Trade Act. Public health officials have repeatedly asked that Congress reevaluate this act and current tobacco trade practices, but the representatives have failed to take action. Moreover, many have questioned the difference in health stan-

dards applied to domestically consumed and exported tobacco. For example, there are no U.S.-imposed regulations on the labeling, tar content or advertisement of tobacco products exported to developing nations. It is truly ironic that the U.S. freely exports cigarettes to countries such as Colombia in the face of huge expenditures on both sides to restrict the trade of cocaine, which accounts for many fewer deaths.

The magnitude of tobacco-related diseases and deaths around the world cannot be overstated. Cigarette smoking is the number-one preventable cause of premature death in the U.S. Yet it enjoys remarkable tolerance among Americans. On an international level, trends in smoking prevalence suggest an even more profound rejection or ignorance of the health risks of tobacco use.

For these reasons, the obstacles facing the antitobacco campaign are formidable. From the standpoint of public health, it is clear that a battle plan must emphasize intervention programs that specifically target children and adolescents. These plans include increased government regulation of tobacco advertisements, restrictions on access to cigarettes by minors and higher tobacco

taxes. Other possibilities are support for personal-injury litigation against the tobacco industry, government subsidies for the conversion of tobacco crops to other plants and comprehensive restrictions on workplace and public smoking. Concerned citizens, public health officials, government representatives and health care providers must join forces to adopt a multidisciplinary strategy to control this global epidemic.

FURTHER READING

- SMOKING AND HEALTH: REPORT OF THE ADVISORY COMMITTEE TO THE SURGEON GENERAL OF THE PUBLIC HEALTH SERVICE. PHS Publication No. 1103, 1964.
- THE WORLDWIDE SMOKING EPIDEMIC: TOBACCO TRADE, USE AND CONTROL. William C. Scott et al. in *Journal of the American Medical Association*, Vol. 263, No. 24, pages 3312-3318; June 27, 1990.
- TOBACCO, BIOLOGY AND POLITICS. Stanton A. Glantz. Health Edco, Waco, Tex., 1992.
- THE HUMAN COSTS OF TOBACCO USE. C. E. Bartecchi, T. D. MacKenzie and R. W. Schrier in *New England Journal of Medicine*, Vol. 330, No. 13, pages 907-912; March 31, 1994, and Vol. 330, No. 14, pages 975-980; April 7, 1994.

THE WHITE HOUSE
WASHINGTON

October 21, 1997

Ms. Jan Onder
Generations for Children
337 S. Main
Ann Arbor, MI 48104

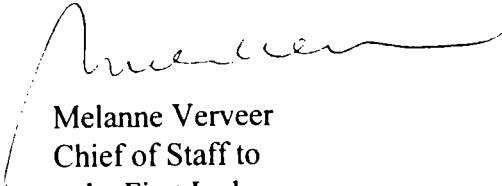
Dear Ms. Onder:

On behalf of the First Lady, thank you very much for your letter and for the information on LaRon Williams.

I have forwarded your letter to Capricia Marshall, Social Secretary, and she should be in touch if an opportunity presents itself.

Thanks for writing and best wishes.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

generations for children

Get
Send to
Clinton

October 14, 1997

Mulan Verveer
Office of the First Lady
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear Ms. Clinton:

Paul Dimond suggested that I write to you.

I am enclosing a copy of a newspaper article about an incredible storyteller/actor/artist. He should entertain at the White House. Children and adults love him. His stories are lively plays about communities and people--and he's gorgeous.

He has performed at my store many times. We never get tired of him.

It occurred to me that you might enjoy his unique talent. I hope you will be able to let his unique, vibrant personality shine on Pennsylvania Avenue.

Sincerely,



Jan Onder

enc.

November 24, 1997

Ms. Angela Maria Pellerano
Investigative Associate Producer
WFOR-TV
8900 Northwest 18 Terrace
Miami, FL 33172

Dear Ms. Pellerano:

Thank you very much for your letter and for the videotape, which I have shared with Mrs. Clinton and others here. It is a most compelling issue.

Thanks and best wishes.

Sincerely,

Melanne Verveer
Chief of Staff to
the First Lady



November 18, 1997

Ms. Melanne Verveer
White House Building
Washington, DC 20500

Dear Ms. Verveer,

Please find enclosed a videotape of a WFOR NEWS- 4 CBS investigation on foreign produce.

The series looks at- among other things- unsanitary conditions in the rural farmlands of Mexico where more than 60% of all winter fruits and vegetables consumed in America are grown, and violation of international child labor laws.

We believe this story will be of great interest to Mrs. Clinton. Should you need to get a hold of me, please call me at 639-4513. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Angela Maria Pellerano'.

Angela Maria Pellerano
Investigative Associate Producer

Encl.

THE WHITE HOUSE
WASHINGTON

December 8, 1997

Mr. Marc James Pearce
311 Marvin Road
Silver Spring, MD 20901

Dear Marc:

Thank you for your kind comments about The Washington Post Magazine article. I'm relieved to have survived the experience!

Wishing you all the best.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Melanne', with a long, sweeping horizontal line extending to the right.

Melanne Verveer
Chief of Staff to
the First Lady

MARC JAMES PEARCE

Metanne

I thoroughly enjoyed reading
the Washington Post Magazine
article on you and your family.
I was fascinated to learn how
you and Phil met as well as
appear the sweetest yet you
are doing at the White House.
It is gratifying to know that
great things happen to good
people.

Love,

Marc

THE WHITE HOUSE
WASHINGTON

December 2, 1997

Ms. Sylvia Panetta
P.O. Box 42
Carmel Valley, CA 93924

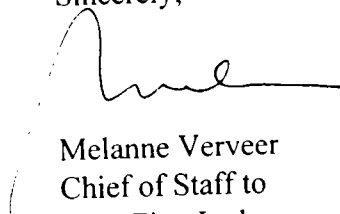
Dear Sylvia:

Thank you for your letter and for the invitation to the First Lady from the California Environmental Health Association. Our receipt of the invitation has been acknowledged directly.

I don't know at this time whether Hillary will be able to accept, but the request will receive full consideration.

Our love to you and Leon.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

THE WHITE HOUSE
WASHINGTON

December 2, 1997

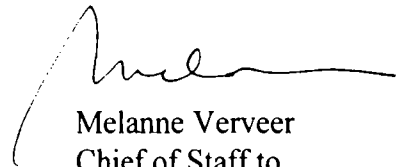
Mr. Philip W. Pillsbury, Jr.
5036 Sedgwick Street, NW
Washington, DC 20018

Dear Mr. Pillsbury: *Phil*

On behalf of the First Lady, thank you very much for the fascinating article about your daughter, Caroline, and Drew Oliver. You must be so proud. Congratulations!

It's wonderful to have a "Mayflower" liaison.
Best wishes.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

New York Times
October 18th, 1997

ST 7



Didi Carter

Caroline Pillsbury And Drew Oliver

Caroline Hannaford Pillsbury, the daughter of Mr. and Mrs. Philip Winston Pillsbury Jr. of Washington, was married there yesterday to Andrew Oliver 2d, a son of Mr. and Mrs. Daniel Oliver, also of Washington. The Rev. Lane J. Davenport officiated at the Episcopal Church of the Ascension and St. Agnes.

Mrs. Oliver, 26, is a third-year law student at Columbia University. She graduated magna cum laude from Brown University, where she was elected to Phi Beta Kappa. Her father retired as a senior Foreign Service officer with the United States Information Agency in Washington, where her mother, Nina Pillsbury, was the chairwoman of the 1997 Red Cross Gala.

The bride's grandfather the late Philip W. Pillsbury was the chairman of the Pillsbury Company in Minneapolis from 1951 to 1965. Her ancestor Charles A. Pillsbury was a founder of the company in 1869.

Mr. Oliver, 27, who is known as Drew, is the articles editor of The National Review in New York. He graduated from Harvard University. His father was the chairman of the Federal Trade Commission in Washington from 1986 to 1989. The bridegroom's mother, Louise Oliver, is a trustee of the Lawrenceville School in Lawrenceville, N.J., and a governor of the John Carter Brown Library at Brown University in Providence.

The bride is a descendant of Miles Standish. The bridegroom is a descendant of Priscilla Mullens and John Alden and also of Thomas Hutchinson, who was the last Governor of the Massachusetts Bay Colony, and of his Lieutenant Governor, Andrew Oliver.

Dear Mr. Clinton,

Nov 20, 1997

I thought this might be of some interest to you, in case
you missed it - All my best, Phil

Front Page - New York Times Oct. 20th 97 Priscilla Told Miles, I Won't, But Two Descendants Say, I Do

By ROBERT D. McFADDEN

It was just a romantic legend, based on real people who landed aboard the Mayflower at Plymouth, Mass., in 1620. But as generations of Americans have learned, Miles Standish, a captain who could brave cannon fire but not the eyes of a woman, sent his trusted lieutenant, John Alden, with his marriage proposal to Priscilla Mullens, who answered, "Why don't you speak for yourself, John?"

The tale, created by Henry Wadsworth Longfellow in his famous 1858 poem, "The Courtship of Miles Standish," had an apparently happy ending: John and Priscilla were married (as they were in reality, and had 11 children), while Standish, after a fit of rage, became a magnanimous loser and went on to become the hero of Plymouth Colony.

It all might have ended there.

But last Saturday, some 377 years and 14 or more generations after Priscilla rejected Standish and they went their separate ways, descendants of the two finally got it together: Caroline Hannaford Pillsbury, a Standish descendant, and Andrew Oliver

2d, who traces his lineage to Priscilla and John Alden, were married at the Episcopal Church of the Ascension and St. Agnes in Washington.

"The historical-literary connection is fun and interesting, but it was not the decisive factor in our getting together," Mr. Oliver said last night from an undisclosed locale in the Caribbean where he and his new wife, 26, a third-year law student at Columbia University, are spending a 10-day honeymoon. "The decisive factor," he added, "was love."



Calver Pictures Inc.

A success, where Miles Standish failed.

Mr. Oliver, 27, an articles editor for The National Review in New York, said that, unlike Standish, he had used no intermediary to propose marriage, and added: "She accepted right away, much to my relief."

Meantime, the couple's parents, Nina and Philip Winston Pillsbury Jr. and Daniel and Louise Oliver, both of Washington, were sharing champagne at the Pillsbury home last night and talking about the strange links of

Continued on Page A20

Priscilla Told Miles, I Won't; Descendants Say, I Do

Continued From Page A1

history and literature in the lives of two Mayflower families.

"Other people think of these events as history or as literature, but we think of them as family matters," Mr. Oliver, who was chairman of the Federal Trade Commission from 1986 to 1989, said in a telephone interview in which the members of both families got on a speaker phone.

They recalled that Caroline, who attended the Hotchkiss School and graduated magna cum laude from Brown University, and Drew, as the groom is known, who graduated from Harvard University, met in the spring of 1995 at a costume party in New York — she went as Lauren Bacall and he as Tom Wolfe — and they quickly hit it off.

Both were aware of their Mayflow-

er ancestry, said Mr. Pillsbury, a retired senior Foreign Service officer with the United States Information Agency, but as he rightly put it, "most young people don't go around talking about their ancestors," and it was not until later, after they got to know one another, that they realized the connection.

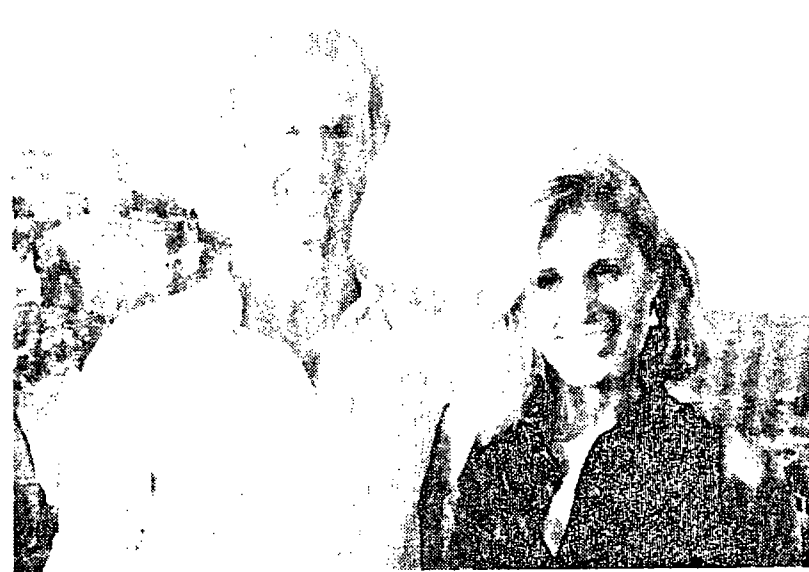
Caroline was a descendant of Miles (sometimes rendered Myles) Standish, an English-born soldier who became the military adviser to the Pilgrims in the Netherlands, sailed with them on the Mayflower in 1620, became their captain at Plymouth, was unanimously chosen captain of the colony and in later years served as assistant to the governor and treasurer of the colony.

Drew was a descendant of Priscilla Mullens, the daughter of one of the signers of the Mayflower Compact, and John Alden, one of the Pilgrim Fathers, who is said to have been the first to step on Plymouth Rock.

They married — the date is variously given as 1621 or 1623 — and according to William Bradford's history of the colony, the couple had 11 children. Alden was an official of the colony for more than 50 years and was said to have outlived all the original signers of the Mayflower Compact.

"My mother was the one who descended from Miles Standish," Mr. Pillsbury said, explaining the difference in names. And Mr. Oliver said his father's mother's family lineage led directly to Priscilla Mullens and John Alden.

The couple also discovered other ancestral notables. Caroline's included William Pillsbury, who arrived in the village of Boston in 1640, Charles A. Pillsbury, a founder of the Pillsbury Company in Minneapolis, and her grandfather, Philip W. Pillsbury,



Andrew Oliver 2d and Caroline H. Pillsbury, Mayflower descendants.

who was chairman of the Pillsbury Company from 1951 to 1965.

Drew's ancestors included Thomas Oliver, who arrived in Boston in 1632; Thomas Hutchinson, who was the last Governor of the Massachusetts Bay Colony, and his Lieutenant Governor, Andrew Oliver.

While Longfellow's romantic tale might seem to have dictated another course, Drew proposed to Caroline without an intermediary under a Florida moon in March of last year, and was promptly accepted. As preparations for the wedding went forward, Drew's parents were unaware of Caroline's link to Standish, and her parents knew nothing of Drew's lineage to Priscilla and John Alden.

It was not until a few weeks ago, when the families began putting together information for the wedding announcement that they realized

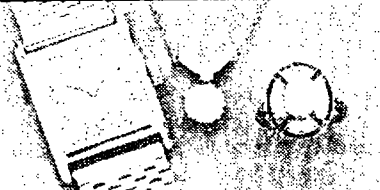
their extraordinary connections.

After the wedding, at which the Rev. Lane J. Davenport officiated, a reception was held at Anderson House, home of the Society of the Cincinnati, an organization to which Mr. Pillsbury belongs. The society was founded by George Washington, and membership is limited to first-born descendants of first-born descendants of officers who served in the Revolutionary War.

The groom's mother, Louise Oliver, a trustee of the Lawrenceville School in Lawrenceville, N.J., said, "It's great — the two families really like each other!"

As for the lengthy and prosy "Courtship of Miles Standish," Mr. Oliver said it was good, but added that "The Midnight Ride of Paul Revere," another Longfellow poem, was "a little easier to get through."

PALISADE JEWELERS



America's leading
buyer of
**Fine Watches
Jewelry and
Diamonds**

**BEST PRICES PAID
COURTEOUS SERVICE**

249 Main Street • Fort Lee, NJ

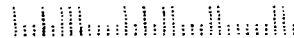
1-800-654-0424

1 Minute from George Washington Bridge

**ROLEX
CARTIER
PATEK
VACHERON
AUDEMARS
PIAGET
DAVID WEBB
BULGARI
TIFFANY
VAN CLEEF**



Ms Melanne Verover
Chief of Staff to the First Lady
OEOB Room 100
Washington, DC 20500



Leon E. Panetta

P.O. Box 42 Carmel Valley, California 93924

November 5, 1997

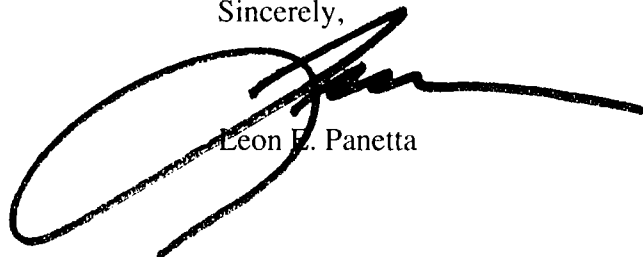
Ms Melanne Verveer
Office of the First Lady
Room 100
Old Executive Office Building
Washington, DC 20502

Dear Melanne:

At the request of Diana Kato, I am forwarding her correspondence for your review and consideration.

Thank you for your help in this matter.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Leon E. Panetta'.

Leon E. Panetta

LEP:co

Panetta They will fax
~~to Panetta~~ info
408-582-4200
H - can you call
and ask them to
send attachment?
Thx-
RT

THE WHITE HOUSE
WASHINGTON

October 24, 1997

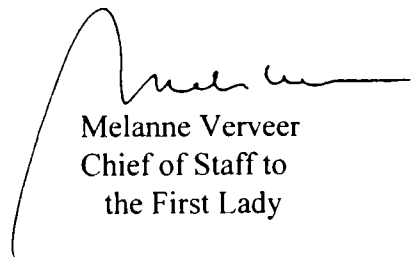
Ms. Patricia San Pedro
Vice President/Community Relations
The Miami Herald
One Herald Plaza
Miami, FL 33132-1693

Dear Patricia:

Thank you very much for your very thoughtful note and for Nestor's wonderful CD. I have given it to the First Lady. Thank you for your kindness and for your assistance during our visit.

Best wishes.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

The Miami Herald El Nuevo Herald

PATRICIA SAN PEDRO
Vice President / Community Relations

One Herald Plaza, Miami, Florida 33132-1693
(305) 376-2910 Fax (305) 789-8265



Dear Melanne,

First of all, here's a reminder of who I am (I know you meet many people). I am the one who put together the Spirit of Excellence awards...we met in the holding room after the event.

I just wanted to thank you for being so gracious to all of us at The Miami Herald.

Having Hillary Clinton speak at our event, made it a truly memorable evening.

I hope you were able to get a little rest afterwards. I, finally got a little break this weekend, so I went off The Keys for a little R & R.

If I can ever be of assistance to you, please do not hesitate to call on me.

In the meantime, as a token of my personal appreciation, I'm sending you my fiancée's CD (you met him as well). I think you'll enjoy it.

I'm also enclosing one for Mr. & Mrs. Clinton. Nestor has played for them in the past several times, but they may not have his CDs.

Hope all is well...and hopefully our paths will cross again.



THE WHITE HOUSE
WASHINGTON

November 7, 1997

Master Sergeant Ron Peterson
2121 Columbia Pike, #716
Arlington, VA 22204

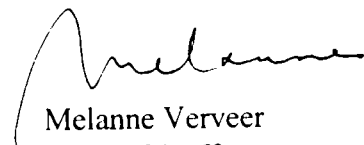
Dear Ron:

**Thank you so much for your thoughtful note and for all
the work you have done to ensure that we are always
"connected."**

We will miss you! Best wishes.

*Ron, we are all so very grateful to you
for all you did.*

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

THE WHITE HOUSE
WASHINGTON

July 24, 1997

Dr. Phyllis Tilson Piotrow
Director
Center for Communications Programs
Johns Hopkins University
111 Market Place - Suite 310
Baltimore, MD 21202-4012

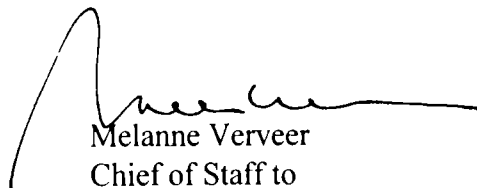
Dear Dr. Piotrow:

On behalf of the First Lady, thank you very much for your thoughtful letter on the slide presentation at Howard and your invitation to write an introduction to the proceedings of the Second International Conference on Enter-Educate.

Regrettably, we are not able to accommodate your request for an introduction to the Conference proceedings, but we extend our best wishes for continued success in your important work.

Thanks for writing and best wishes.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Melanne Verveer', with a long, sweeping horizontal line extending to the right.

Melanne Verveer
Chief of Staff to
the First Lady

Center for Communication Programs

School of Hygiene and Public Health
111 Market Place - Suite 310
Baltimore, Maryland 21202-4012 USA
Telephone (410) 659-6300 / Fax (410) 659-6266
Telex 240430 JHUPCS UR

Population Communication Services

Melanne

Ruth
R
Pegues

July 1, 1997

Mrs. Hillary Rodham Clinton
The White House
Washington, D.C.

Dear Mrs. Clinton:

Your debriefing and slide presentation at Howard University on Thursday, June 26, 1997 were a tour de force! It was not only an interesting account of your trip, but also an excellent overview of many of the issues facing women and children, health, education and economic and social advancement programs in Africa.

I was particularly struck by your numerous references to songs, dances and various other types of entertainment used to convey health messages. The Center for Communication Programs here at Johns Hopkins has worked extensively around the world, with funding primarily from the United States Agency for International Development, to encourage what we call "enter-educate activities", that is, using entertainment for educational purposes. This includes songs about family planning and AIDS prevention, radio and television soap operas with stories relating to women's empowerment, girls education, a variety of health messages, and radio variety and call-in shows, as well as a number of community-based theatrical events, contests and the like. Two hit songs on family planning were launched in Nigeria by top singers King Sunny Ade and Onyeka Onwenu (she is a Wellesley graduate). Enclosed is the music video version of the songs with lyrics.

In our experience, the use of entertainment is a powerful way to reach young audiences who may not pay attention to lectures or warnings from adults.

The Johns Hopkins University recently co-sponsored with the Ohio University the Second International Conference on Enter-Educate, including worldwide representation from practitioners of this art around the world. Materials presented included radio soap operas from Tanzania, the Soul City television show from South Africa, U.S. soap operas, the health advisory program following the ER series sponsored by Johns Hopkins to comment on medical issues presented in the ER series, as well as a number of other issues involving scripting, development, production, management, outreach and evaluation of entertainment-education activities.

Hillary Rodham Clinton
July 1, 1997
Page 2

We would like to inquire whether you would be prepared to write a brief introduction to the proceedings of this conference to call special attention to the value of the entertainment-education approach to health promotion. We would be glad to prepare a brief draft for your consideration if you would be willing to do this.

We would also like to request the opportunity to brief you in person on some of this work around the world, including in the U.S. (for example, a video promoting breast feeding for the Maryland WIC program, in which U.S. singer Anita Baker made a compelling and persuasive appeal.) This kind of activity both in the United States and overseas can have a powerful impact among young people. Possibly, you might consider inviting several interested and supportive members of Congress to hear what is going on in this field around the world and to consider ways in which we might all encourage the U.S. entertainment industry to devote more time and attention to some of the compelling health issues of our time. Since so many of these issues, ranging from family planning, reproductive health, AIDS, tobacco, drug use, increased exercise and the like are individual lifestyle issues rather than issues that can be handled entirely by medical facilities, we believe the role of entertainment is crucial in making these issues persuasive and compelling to young and old alike.

We would be happy to work with your staff to set up a convenient time for a briefing on these important issues and to discuss the possibility of your writing an introduction to the Enter-Educate Conference proceedings. Please feel free to contact us to discuss these issues. Thank you for your consideration.

Sincerely yours,



Phyllis Tilson Piotrow, Ph.D.

Director

Center for Communication Programs

Enclosures: Music video
Song lyrics
Program for Enter-Educate Conference

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

W E L C O M E

Second International Conference on Entertainment-Education & Social Change

**“The experience
of learning things
is highly enjoyable.”**

Aristotle
Poetics

Welcome to Ohio University and Athens, Ohio. On April 1, 1989, at the closing of the first conference cosponsored by Johns Hopkins University's Center for Communication Programs, the Annenberg School of Communications at the University of Southern California, and the Center for Population Options, the participants reaffirmed their commitment to the entertainment-education idea. They pledged to promote and support the idea, and to encourage systematic research on the use of entertainment to promote and support social change — to “use the universal appeal of entertainment to show people how they can live safer, healthier, and happier lives.”

This conference, cosponsored by Johns Hopkins University's Center for Communication Programs and Ohio University's Communication and Development Studies Program, begins with heightened optimism. Since the last conference, entertainment-education/edutainment/entereducate strategies have been applied with increasing confidence in every region of the world. They have been used to address pressing human problems such as HIV/AIDS, population planning, gender equality, environmental sustainability, improving the opportunities for the girl child, the resettlement of refugees, and the rehabilitation of societies torn asunder by ethnic and racial strife. Since the last conference in 1987, practitioners and researchers, in collaboration with beneficiaries, have been developing new entertainment genres and using new channels — CD ROM and the Internet — to deliver their entertaining and purposive messages.

This conference is designed to give participants opportunities:

To review and critically assess the state of the entertainment-education theory and practice

To advocate for the wider use of entertainment-education as a tool for promoting social change

To develop strategies for generating political and financial support for entertainment-education programs; and

To provide opportunities for sharing state-of-the-art research and production techniques.

Like the first conference, this conference offers all participants a special opportunity to see what has been done, to discuss the effectiveness of recent interventions, and to develop partnerships for advancing the theory and practice of entertainment-education.

Again, welcome to Ohio University and Athens, Ohio. We wish you a pleasant and satisfying conference.

THE WHITE HOUSE
WASHINGTON

October 9, 1997

Mr. Walter Pincus
The Washington Post
1150 15th Street, NW
Washington, DC 20071-7403

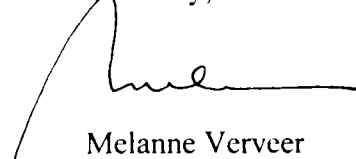
Dear Walter:

I received your letter, forwarded to me by Sidney Blumenthal, inviting the President and First Lady to the opening of *Othello* on November 17, 1997.

I have forwarded your letter to Stephanie Streett, Director of Scheduling for the President, and she will be in touch with you. Mrs. Clinton will out of the country at that time.

Thanks and best wishes.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Melanne', with a long horizontal stroke extending to the right.

Melanne Verveer
Chief of Staff to
the First Lady

OCT 1 1997 3:52PM

EQ 0299 P. 2/2

2

The Washington Post

1150 15th STREET N.W.
WASHINGTON, D.C. 20071-7403
(202) 334-7429

Mr. Sidney Blumenthal
Assistant to the President
The White House

Dear Sidney,

I am writing in my capacity as a long-term member of the Board of Trustees of The Shakespeare Theatre to invite President Clinton and the First Lady to be the Board's guests at the opening of our next production, Othello, on the evening of November 17.

The production, which will star Patrick Stewart, is already sold out for the entire eight-week run. It promises to be a major theatrical event, with Jude Kelly, artistic director of one of England's leading regional theaters, directing a cast made up almost entirely of African-American actors.

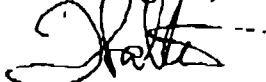
Over the past 10 years, Michael Kahn has turned The Shakespeare Theatre into one of the premier classical acting company in the nation. In the course of that period, we have gone from 2,400 subscribers to over 16,000 and for the past five years sponsored free Shakespeare performances each summer at the Carter Barron Amphitheater for audiences of up to 50,000 each year. Our budget during that time has grown from \$2 million to close to \$7 million. I believe we are one of the few, if only, Washington-based non-profit theaters that has each year stayed within our budgets while moving to a larger theater and increasing from four to five the number of plays we do each year.

The Clinton's attendance would serve as recognition of The Shakespeare Theater's growth and place within the area's non-profit artistic community while at the same time give them a chance to attend an extraordinary theatrical event.

Opening night will feature a dinner at The National Portrait Gallery just prior to the performance. AT&T is the main sponsor of opening night and the production.

Since the Clifton family member who often attended our opening nights appears to be out of town and therefor unavailable, I believe it fitting that her place be taken at this particular production by her parents. On a personal note, Ann joins me in hoping that the Clintons can join us for at least the play if not the pre-curtain festivities.

Best regards,



Walter Pincus

THE WHITE HOUSE
WASHINGTON

July 11, 1997

Mr. Douglas Picha
Executive Director
Children's Hospital Foundation
4800 Sand Point Way, NE
P.O. Box 5371
Seattle, WA 98105-0371

Dear Mr. Picha: *Doug*

On behalf of the First Lady, thank you very much for your letter and invitation to deliver the keynote address at the Children's Hospital's 90th Anniversary in October.

Regrettably, Mrs. Clinton will be unable to attend as she is scheduled to be out of the country during that time. However, we would be happy to provide you with a video greeting. If you are interested, please contact Evan Ryan at (202) 456-6266 to make arrangements.

Best wishes.

Hope all is well!

Sincerely,

Melanne
Melanne Verveer
Chief of Staff to
the First Lady

THE WHITE HOUSE

WASHINGTON

July 24, 1997

Mr. Norberto Carlos Peruzzotti
Mr. Eduardo Escasany
Asociacion de Bancos Argentinos
San Marlin 229 pisa 10
(1004) Buenos Aires
Argentina

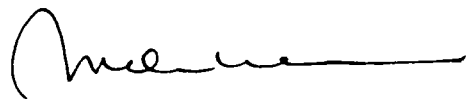
Dear Mr. Peruzzotti and Mr. Escasany:

Thank you very much for your letter and invitation to the First Lady to deliver a lecture at the Bankers' National Convention on May 18 and 20, 1998.

I have forwarded your request to Patti Solis-Doyle, Director of Scheduling for the First Lady, and she will be in touch as to whether or not Mrs. Clinton will be able to accept your invitation.

Best wishes.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Melanne', followed by a long horizontal flourish.

Melanne Verveer
Chief of Staff to
the First Lady



San Martín 229 10° Tel. 394-1836
(1004) Buenos Aires Fax 394-6340
Argentina

Cubierta de fax

Para: MS. HILLARY CLINTON
Compañía: Atte. MS. MELANNE VERVEER
Chief of Staff to the First Lady
Teléfono:
Fax: (001-202) 456-6244

De: PRESIDENCIA
Compañía: ADEBA
Teléfono: (54-1) 394-1476
Fax: (54-1) 394-6340

Fecha: 7-7-97
El total de páginas
incluye la cubierta: 2

Comentarios:

ps make copy for Patte

La información contenida en esta transmisión es confidencial, y está dirigida exclusivamente a su destinatario. Cualquier uso, divulgación o retransmisión por terceros queda expresamente prohibida. En caso de recibir esta transmisión por error, sírvase informarnos telefónicamente a la brevedad.

The information contained in this transmission is confidential, and it is intended for the addressee indicated above. Any use, publication or retransmission by third parties is strictly prohibited. In the event of receiving this transmission in error, please inform us by telephone as soon as possible.

ADEBA
ASOCIACION DE
BANCOS ARGENTINOS

San Martin 229 piso 10º
10014 Buenos Aires
Argentina

Tel. 394 1430/1836/1538/1639
Fax 394 6340/393 9764
Tx. 23704 ADEBA AR.

Buenos Aires, June 25, 1997

Ms. Hillary Clinton

Dear Ms. Clinton:

On behalf of the Argentine Bankers Association, we are pleased to invite you to participate as guest speaker at the next Bankers' National Convention, which will take place in Buenos Aires between May 18 and 20, 1998.

Main objective of this most traditional business forum, is to lay down the foundations to promote Argentine economic development, strengthening at the same time both regional and international relationships.

In this context, meetings are as usual open to democratic discussion, with the contribution of specialists in different fields of economy, politics and social development, being a relevant and solid professional background the only prerequisite to participate in this event.

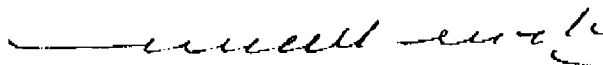
This Convention is exclusively organized by ADEBA, and it convenes top business leaders, politicians and academic representatives, including the attendance of the President of the Republic and his Minister of Economy, who on the occasion of this event make announcements referred to future measures and policies concerning the economic and social fields.

The presence of important international authorities clearly reveal the prestige and interest aroused by each chapter of this Convention. Foremost among them: Michel Camdessus, Theodore Schultz, Rudiger Dornbusch, Stanley Fischer, Gerald Corrigan, Makoto Utsumi, Nicholas Brady, Raymond Barre, Roy Mac Laren, President George Bush, and current President of Spain, Dr. José María Aznar.

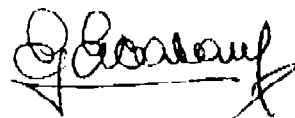
On this occasion, we would be interested in having your insights regarding "Problems of health care Administration".

We would be highly honored with your presence, and look forward to your active participation as lecturer.

Sincerely yours,



NORBERTO CARLOS PERUZZOTTI
Executive Director



EDUARDO J. ESCASANY
President

Children's

Hospital Foundation

Board of Trustees

Herman Sarkowsky
Chairman

John N. Anderson
Mary Jane Anderson
Susan Armstrong
Donna Beneroya
Susan Brotman
Aline Calvert
Robert Cline
A.M. Clise
Ronald Crickett
P. Cameron DeVore
John Durbin
David A. Ederer
Sonja Hallstrom
Kay Heron
Earl P. Lasher III
Howard C. Lincoln
Susan Mullen
Cathy West Mullins
Scott D. Oki
Barbara Pringle
John V. Rindlaub
Catherine Roach
Patrick M. Scott
Catherine Eaton Skinner
Richard R. Sonstelie
Gerald R. Swinson
Kate Webster
Colleen Willoughby

Past Trustees

Tom A. Alberg
John Behnke
Ann Bohart
William Clancy
Richard P. Cooley
Steven W. Dassel, MD
Daniel J. Evans
Kevin B. Ferrell
Cork Foster
Marsha Sloan Glazer
Hal Hunt, MD
Edward Joneschild, MD
Janet Ketcham
Suzanne Lile
John Mangels
Betsy Minor
Douglas Norberg
Bruce Nordstrom
James C. Pigott
Constance Proctor
William Randall
Mary Jean Reynolds
Alice Sandstrom
Faye Sarkowsky
Ako Shimozato
W. Hunter Simpson
Helen Stusser

Administration

Douglas Picha
Executive Director

July 1, 1997

VIA FAX 202/456-6244

Melanne Verveer
Chief of Staff
Office of the First Lady
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

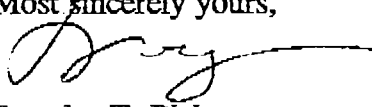
Dear Melanne:

Yesterday Melinda Gates called and agreed to be our morning Keynote Speaker for Children's Hospital's 90th Anniversary in October. We are still holding October 8, 10, and 20 for this one day and evening of events. We remain hopeful Mrs. Clinton can be our featured guest and speaker that evening.

Do you think this is a realistic possibility? If not, should we pursue Tipper Gore? I will call you or Katy tomorrow for your advice.

Thanks again for all you for us. It's appreciated.

Most sincerely yours,


Douglas T. Picha
Executive Director

DTP/sd

(P)

HRC will be
out of country.
of her video?





THE WHITE HOUSE
WASHINGTON

July 2, 1997

Ms. Heather Pars Campion
Associate Director
Institute of Politics
John F. Kennedy School of Government
Harvard University
79 John F. Kennedy Street
Cambridge, MA 02138

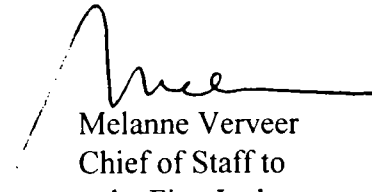
Dear Heather:

Thank you very much for your letter and the Research Bulletin. Please tell Julie that we cannot make a commitment to return to Harvard at this time, but we will keep the invitation in mind should there be an opportunity.

Thanks too for forwarding Bill Wilson's book. I've given it to Mrs. Clinton.

Best wishes and thanks for all you do. Please stay in touch.

Sincerely,



Melanne Verveer
Chief of Staff to
the First Lady

Melanne Verveer

 just
Huma - Send me
letter from Goss
to NSC with
the attached
note. To
John Feeley -
~~Katya~~ Kunshin

(K)

HARVARD UNIVERSITY
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
INSTITUTE OF POLITICS

HEATHER PARS CAMPION
Associate Director, Institute of Politics
Director of the Forum



79 JOHN F. KENNEDY STREET
CAMBRIDGE, MASSACHUSETTS 02138
TEL. (617) 495-1380
FAX (617) 496-2293

26 June 1997

Dear Melanne,

I was at the White House this spring
and spoke with Mrs. Clinton about a possible
return visit to Harvard. We'd love to have
you both back at your earliest convenience!

As you can see from the attached,
Harvard folks are still talking—raving!
about Mrs. Clinton's Forum speech here.

I hope we'll be in touch soon.

Sincerely,

Heather Campion

HARVARD UNIVERSITY
JOHN F. KENNEDY SCHOOL OF GOVERNMENT
Malcolm Wiener Center for Social Policy



JULIE BOATRIGHT WILSON
DIRECTOR
HARRY KAHN LECTURER IN SOCIAL POLICY

79 JOHN F. KENNEDY STREET
CAMBRIDGE, MASSACHUSETTS 02138
TEL: (617) 495-8302
FAX: (617) 496-9053
E-MAIL: JULIE_WILSON@KSG.HARVARD.EDU

Dear Mrs. Clinton:

6/16/97

Faculty and students at the Kennedy School of Government are still talking about the ideas you laid out in your visit. Heather Campion, the Associate Director of the Institute of Politics, tells me that you would be interested in coming back to the Kennedy School to engage in substantive discussions with faculty and students on issues of families and children and the roles communities can play to support their well-being.

We would love to have you come. As director of the Malcolm Wiener Center for Social Policy, I would be happy to pull together a group of faculty to begin a dialogue. I'm enclosing a copy of our most recent Research Bulletin to give you an idea of the Center's faculty and research agenda. (The only faculty member not featured in the Research Bulletin is one you know well - Mary Jo Bane. She returned after we went to press.)

I'm also enclosing a copy of Bill Wilson's latest book. He was sorry to have been out of town when you came and is hoping to be able to spend time with you when you come back.

Sincerely,
Julie Wilson

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

**Malcolm Wiener
Center for
Social Policy**

**John F. Kennedy
School of
Government**

Harvard University

Fall 1996

Five New Professors are Affiliated with the Wiener Center

Labor economist George Borjas, sociologist Christopher Jencks, political scientist Jane Mansbridge and anthropologist Katherine Newman joined William Julius Wilson at the Malcolm Wiener Center for Social Policy in the fall of 1996. In addition, the Program in Criminal Justice Policy and Management, directed by Professor Mark Moore, has become part of the Wiener Center.

"Borjas, Jencks, Mansbridge, Newman and Wilson are academic all-stars," said Dean Joseph Nye. "Together with our existing faculty, the Kennedy School and the Wiener Center now have one of the finest groups of faculty ever assembled to tackle the extraordinary challenges of poverty, crime, poor health, and economic and social deprivation."

Wiener Center Director Julie Wilson called the appointments "spectacular. These remarkable new faculty, and the union with the Criminal Justice Program, will multiply the already significant impact that work at the Wiener Center has on our understanding of major social and economic issues."

George Borjas, professor of public policy, focuses his teaching and research on the impact of government regulations on labor markets, with an emphasis on immigration. He is the author of *Wage Policy in the Federal Bureaucracy*; *Friends or Strangers: The Impact of Immigrants on the U.S. Economy*; the textbook *Labor Economics*; and co-editor of *Immigration and the Workforce*. Borjas was a professor at the University of California at San Diego and an advisor to California Governor Pete Wilson. His current research interests include the impact of immigration on expenditures in social assistance programs, the origin and persistence of economic differences across ethnic groups in the United States, and the impact of foreign trade on the labor market.

continued on page 10

Criminal Justice Program Joins Wiener Center

Inside

Crime. Drugs. Prisons. Guns. Community policing. Neighborhood revitalization. Youth violence. Child protection. These issues, at the top of the national agenda, are at the core of the Program in Criminal Justice Policy and Management's research. Along with research that follows traditional methods, the Program places a premium on working with practitioners — learning from them, challenging current thought and practice, extracting and synthesizing the best ideas, and working to put these ideas into good currency.

Current Program in Criminal Justice research includes developing strategies to reduce gun violence in Boston; forming partnerships between community

continued on page 2

