

Chon

—

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: December 6, 1996

TO: TONY LAKE
ERSKINE BOWLES
JOHN HILLEY

FROM: Staff Secretary

For your information.

CC
Lake
Hilley
Bowles

THE WHITE HOUSE
WASHINGTON

December 6, 1996

ACTION

'96 DEC 6 PM1:07

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LAKE
JOHN HILLEY

SUBJECT:

Letter from Senator Arlen Specter Regarding
Nonproliferation Issues

Purpose

To respond to a letter from Senator Specter regarding
nonproliferation issues.

Background

Senator Specter calls to your attention the provision contained
in the FY 1997 Intelligence Authorization Act for the
establishment of a Commission to Assess the Organization of the
Federal Government to Combat the Proliferation of Weapons of Mass
Destruction. His letter also requests that you promptly appoint
members to the Commission, since the legislation calls for
representation from the executive as well as the legislative
branch. The proposed response affirms your support for the
Commission and acknowledges your commitment to the selection of
Executive Branch members.

RECOMMENDATION

That you sign the proposed response at Tab A

in a hurry way

Attachments

Tab A Proposed Response to Senator Specter
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Mr. Chairman:

I share the view expressed in your letter that the proliferation of weapons of mass destruction and their delivery means is a serious threat to U.S. and international security. The development of a comprehensive nonproliferation policy -- codified in several Presidential Decision Directives as well as a set of programs to implement this policy -- has been one of my most important national security objectives. More than ten government agencies are engaged in nonproliferation efforts, bringing to bear intelligence, diplomatic, law enforcement, regulatory and military resources. These efforts are coordinated by the National Security Council staff.

I am committed to working with the Congress to establish a Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction, as called for in the FY 1997 Intelligence Authorization Act. My staff is working to compile and review a list of distinguished candidates to serve on the Commission in the four positions reserved for Presidential appointment. I intend to appoint individuals with nationally recognized expertise in the field of nonproliferation and with diverse career experiences, including those with experience in government and the private sector.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", with a long, sweeping underline.

The Honorable Arlen Specter
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

ARLEN SPECTER, PENNSYLVANIA, CHAIRMAN
J. ROBERT KERREY, NEBRASKA, VICE CHAIRMAN

RICHARD G. LUGAR, INDIANA
RICHARD C. SHELBY, ALABAMA
MIKE DEWINE, OHIO
JOHN KYL, ARIZONA
JAMES M. INHOFE, OKLAHOMA
KAY BAILEY HUTCHISON, TEXAS
WILLIAM S. COHEN, MAINE
HANK BROWN, COLORADO

JOHN GLENN, OHIO
RICHARD H. BRYAN, NEVADA
BOB GRAHAM, FLORIDA
JOHN F. KERRY, MASSACHUSETTS
MAX BAUCUS, MONTANA
J. BENNETT JOHNSTON, LOUISIANA
CHARLES S. ROBB, VIRGINIA

United States Senate

SELECT COMMITTEE ON INTELLIGENCE
WASHINGTON, DC 20510-6475

November 15, 1996

Staff
1573

TRENT LOTT, MISSISSIPPI, EX OFFICIO
THOMAS A. DASCHLE, SOUTH DAKOTA, EX OFFICIO

CHARLES BATTAGLIA, STAFF DIRECTOR
CHRISTOPHER C. STRAUB, MINORITY STAFF DIRECTOR
KATHLEEN P. MCGHEE, CHIEF CLERK

The President
The White House
Washington, D.C. 20503

SSCI# 96-3921

Dear Mr. President:

On October 11, 1996, you signed Intelligence Authorization Act for Fiscal Year 1997. Included in that legislation were provisions establishing a Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction. The Commission, appointed by the White House and the Congress, is directed to submit a report to Congress no later than 18 months after enactment. This report is to contain a detailed statement of the findings and conclusions of the Commission, along with recommendations for legislation and administrative actions. I am writing to urge your prompt appointment of commissioners. A similar letter is being sent to the Congressional leadership.

Your signing statement notes that you are already required to establish a Committee on Nonproliferation and intend to appoint a National Coordinator for Nonproliferation Matters. These are steps in the right direction but do not obviate the need for a thorough and focused review by a Commission appointed by both Congress and the Administration. Executive branch officials charged with day-to-day management of proliferation issues have neither the perspective nor the resources to conduct the kind of intense review that is required. Moreover, a Commission reflecting both branches will have the credibility needed to make tough recommendations and ensure serious consideration of those recommendations.

The proliferation of weapons of mass destruction and their delivery systems is one of the gravest threats facing our nation and the world. The U.S. Government levers for combatting this threat include intelligence, diplomatic, law enforcement, regulatory, and military efforts. It is absolutely critical that each of these levers is employed in the most effective and efficient manner pursuant to a carefully designed strategic plan.

Thank you for your prompt attention to this urgent matter.

Sincerely,



Arlen Specter
Chairman

INTERESTING MAP-

*Series
Rye
Rye*

~~ND~~ PRESIDENT HAS SEEN
12-6-76

WILL SINCE 1955

19 Election

Data p

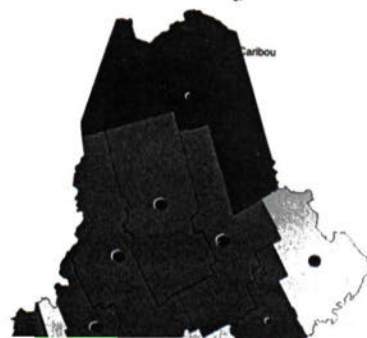
AP ASSO



ts

Election Data Services Inc.

President
by County



AP-

1996 Election Results

***El
Se***
≡

Data provided by

AP Associated Press



Presid
by Cou

TO WEC

Fyl -

THE PRESIDENT HAS SEEN

12-6-96

Editorial and Op-Ed pages, 12-13

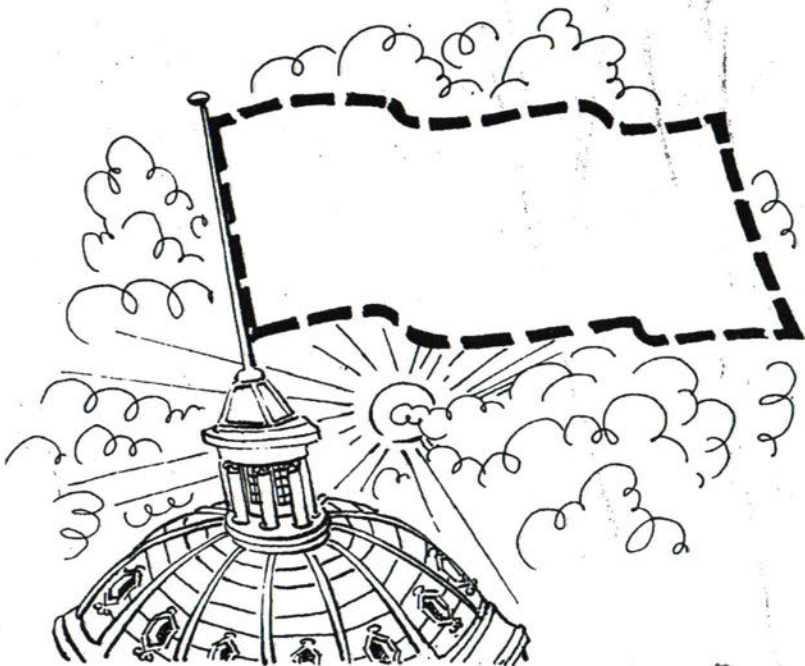
Education Advertising
Careers in Education and
Health Care Employment

The New York Times

Week in Review

Earning Power

Global Forces Batter Politics



Randy Jones



By ROGER COHEN

THROUGHOUT much of the world today, politics lags behind economics, like a horse and buggy haplessly trailing a sports car. While politicians go through the motions of national elections — offering chimerical programs and slogans — world markets, the Internet and the furious pace of trade involve people in a global game in which elected representatives figure as little more than bit players. Hence the prevailing sense, in America and Europe, that politicians and ideologies are either uninteresting or irrelevant.

Bill Clinton has understood this better than most. His political style, stressing flexible management over firm policy, adapts itself to the economic winds and technological advances that are changing the way people communicate and think faster than any political doctrine ever could. If you can't fight globaliza-

Anger grows as markets challenge politicians' power and relevance.

tion, he intimates, you may as well join it. Elsewhere, though — especially here in France, where there has always been a conviction that political planning should prevail over the whims of the market — the powerlessness of politicians has contributed to a profound malaise.

Dissatisfaction

"Throughout Europe, to a greater or lesser extent, we have rampant dissatisfaction because politicians are elected on promises they can't deliver because the market is global," said Jonathan Eyal, director of studies at the United Services Insti-

tute, a London think tank.

In France, unemployment has soared to 12.5 percent, the highest rate in Europe, and the Government can do little to help because it is bound by strict spending curbs mandated by European economic integration — itself partly a response to the competitive demands of the global marketplace.

Menacing Ghoul

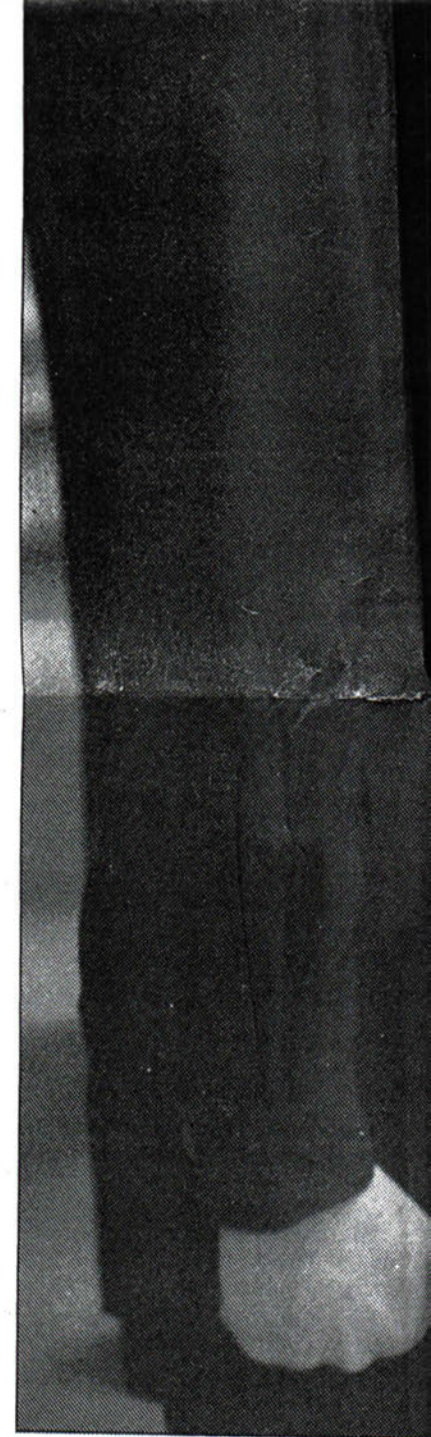
The uncontrollable forces of the global village, with their daily mockery of domestic political agendas, have coalesced, for the French, into a menacing ghoul, loosely made up of the American architects of cyber space, Wall Street currency traders and German central bankers. The new catch-phrase is "L'horreur économique," and the economic horror in question is not some Zola-esque child-labor network but the array of supranational forces that have abruptly given the French the discomfiting sense that they no longer control their destiny.

In America, however, Mr. Clinton has successfully preached that free trade offers immense opportunities to American industries willing to compete in a Disney-like "small, small world" of English-speaking, Big Mac-chomping computer nerds. With no cold war to fight, American diplomats have been widely recast as international salesmen.

Mr. Clinton was re-elected partly because this campaign has worked. The diatribes of Patrick J. Buchanan and Ross Perot against the North American Free Trade Agreement had a limited impact on a nation where the global economy has proved more boon than burden. Even American fears about competing with Japan now seem remote.

Still, even in Mr. Clinton's America, the changes wrought by globalization can be troubling. Corporate downsizing, undertaken to insure international competitiveness, has hurt many Americans. Other effects are less evident. They involve politics catching up with economics.

As imports have more than doubled over the past two decades, and



An inspection at the Naval Academy

The Global Economy Batters Politics

Continued From Page 1

the American economy has become increasingly international, foreign companies have come to have a much bigger stake in the American political system. That truth has an abstract air about it until it is embodied in the person of somebody like John Huang.

Blurring the Line

Just what Mr. Huang was up to, and whether it was illegal, remains unclear. But the activities of this Indonesian-American Democratic Party fund-raiser — including his coaxing of a \$250,000 contribution from a South Korean conglomerate — have raised questions about whether American foreign policy in Indonesia, and Southeast Asia generally, was in any sense for sale. Mr. Clinton last week for the first time acknowledged having met with Mr. Huang and James Riady, the Indonesian billionaire for whom Mr. Huang once worked, but the President denied that they had influenced policy decisions. Still, their entree to the White House — with roots in Mr. Clinton's days back in Arkansas — appears to blur the line between national politics and global commerce.

This trend may be inevitable, for if the economy is global, politics can hardly ignore the fact. The difference between America and Europe appears to lie in how threatening the changes wrought by the global marketplace are perceived to be. Mr. Huang may have transgressed, but his actions suggest that the constituents of the American President are now global. His comings and goings raise ethical questions, but they affirm rather than impugn America's power.

Conversely, in a France entirely lacking America's current confidence, a psychosis over lost sovereignty is growing. Mr. Buchanan and Mr. Perot strike a chord with some Americans, but in the end they remain marginal. Bob Dole's complaints about the surrender of American power to the United Nations go largely unheeded. (Look at Mr. Clinton's commitment of thousands of American troops to a United Nations force in Africa last week.) But in France, the xenophobic National Front of Jean-Marie Le Pen has advanced implacably, winning control of big French cities like Toulon and Orange.

The specters Mr. Le Pen is able to exploit are manifold. France, like other nations of the European Union, faces an imminent surrender of much of its sovereignty. A European currency, the "euro," is to be introduced in just over two years, and control of the fiscal policies that back it will reside essentially with a European Central Bank.

The ability of national politicians to set economic policy will thus be severely curtailed. While in the United States the Federal Reserve's power is balanced by a powerful federal government, there will be no European government acting as a counterweight to a European Central Bank in which Germany's influence is almost certain to be dominant.

Surrendered Sovereignty

Mr. Eyal said this development would exacerbate Europe's disenchantment with politicians who are powerless to deliver. "We are going to have unelected bureaucrats, distant from any public accountability, running a bank board that will essentially set everything in economic terms in Europe. The results could be explosive."

As Gary Burgless of the Brookings Institution pointed out, France and Germany are now operating like California and New York State, but without a federal government in Washington to redistribute resources between them and without the labor mobility of the United States. "If there was 12.5 percent unemployment in New York," as there is now in France, he said, "you'd have money pouring in and people pouring out. But that

doesn't happen in Europe."

Of course, the euro has been advanced by France and Germany in part to counter the perceived American domination of the global economy. But this long-term aim — a strong European currency for a more united Europe less dependent on the United States — may not produce fruits quickly enough to head off the seething discontent that the likes of Mr. Le Pen are exploiting.

The mood in France has been captured recently by anger at the proposed sale of the state-owned Thomson Multimedia consumer electronics company to Daewoo of South Korea. Veiled racism appears to lurk behind dark tales of the ruthless methods of Daewoo and laments about the sale of a French "national jewel" to an Asian competitor. With rumors circulating that layoffs are afoot, the National Front has been furiously distributing leaflets at Thomson plants.

It is notable that no such outburst has accompanied British Telecom's proposed purchase of MCI, the American long-dis-

Supranational forces hobble governments, and anger is growing.

tance phone company. Americans are simply better disposed toward a global market whose benefits they now sense. In fact, a substantial part of Thomson's vaunted technology in digital television and satellite systems is developed at plants in the United States, acquired when Thomson bought RCA in the 1980's. James Harper, a spokesman at these plants in Indiana, said, "There has been no hue and cry over the Koreans running things rather than the French."

Contrasting Reactions

The differing reactions to Daewoo at Thomson in France and in the United States reveal two things. The first is that America's more open, more flexible society copes more easily with the rapid flux of an increasingly frontierless world. The second is that globalization, however it is caricatured, is not merely Americanization. Thomson has major interests in the United States. Many Japanese cars are largely American-made. American sneakers are made in Asia. CNN has instant worldwide recognition, but so, too, do BMW and Chanel.

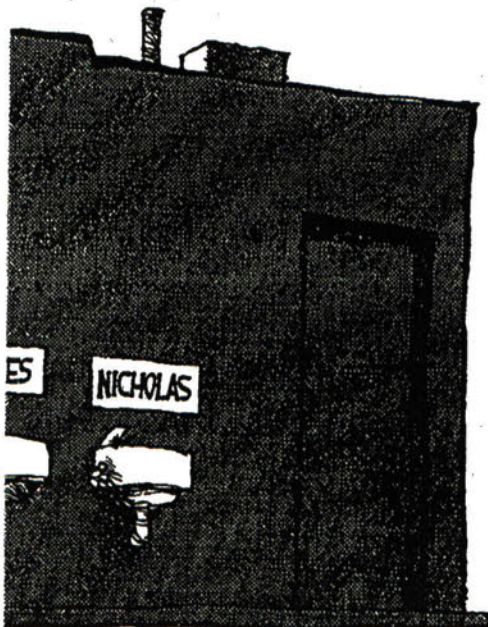
Still, the rapid, American-led change of civilization headed by the likes of Microsoft and Intel is bound to produce a political reaction. Their technology destroys borders, sweeping them away like quaint vestiges of an old world. Not everyone likes this. For every Riady courting American favor, there is someone courting resistance to America and globalization. Benjamin R. Barber of Rutgers University has called this global conflict "Jihad versus McWorld."

In France, the anxieties over the global theme park exploited by Mr. Le Pen are more widespread than his movement. Similarly, in Asia, the forces of Japanese and Chinese nationalism are stirring. To use Benedict Arnold's phrase, the "imagined communities" gathered behind national flags will not be abandoned without a fight.

Mr. Le Pen now says, "We are for a revolution, but a French one" — that is, a revolution, but for people of French blood, whoever they may be. The French revolution of 1789 had a different theme: the forging of a nation of citizens, irrespective of ethnicity, whose rights gave them a stake in the country. Therein lay its universal appeal. Today, however, universal ideas appear overwhelmingly American, and the French, among others, are groping for a response.



jh, N.C.)



Jim Borgman
The Cincinnati Enquirer
King Features Syndicate

12-6-96
B. Board
Fyl - BC

THE NATION

Public housing is making an about-face

Spurred by grants, scores of low-income high-rises across the USA are being razed and replaced with low-rises, town houses and single-family dwellings that bring a sense of pride to residents and help drive out crime

By John Ritter
USA TODAY

NEWARK, N.J.

In the drive to transform urban public housing, this doddering city is out front — a status it never could have attained without winning over Helen Goines.

Goines has spent a lifetime in the projects, including 38 years in a 13-story high-rise dump called Scudder Homes.

Run down, crammed with the poor, a magnet for drugs and violence, Scudder and scores of high-rises like it in cities across the USA are being razed and replaced with low-rises, town houses and single-family dwellings.

A postwar government policy of housing low-income families in high-rise buildings is now regarded as a failure. Whether a new policy — spreading public housing tenants out in lower-density complexes — works better is not yet clear. But experiments in Newark, Cleveland, Atlanta and other cities around the country are encouraging.

Almost everyone says the high-rises are relics that should go — everyone except the tenants still in them.

"We fought them to fix those buildings up," Goines, 56, says.



Better home: Helen Goines stands on the porch of her home at

the high-rise in the background. 'People don't congregate outside

Photos by Bob Strong



New development: Public housing is being built in the form of town houses instead of high rises near downtown Newark.

housing. The \$501 a month she gets in Social Security disability benefits is her sole income. Her son Yusuf, 22, takes business courses at Essex County College and works for the housing authority.

While the number of families eligible for public housing is rising, assistance is not. This year's federal housing bill provides for no new families in HUD's rent voucher program. Most cities have long waiting lists for public housing.

The problems

plexes and built 1,000 single-family town houses. Within two years, 2,000 more high-rise units will go. The authority rebuilds on cleared high-rise land and on tax-foreclosure lots it acquires around the city.

"Our plan is simple," Lucas says. "We plan to have public housing throughout all the communities in Newark. We'll make public housing a part of the community rather than apart from it." He says redevelopment will produce 3,000 more occupied units than the city had before. The city had thousands of unoccupied units.

buildings up, Goines, 50, says. "We were afraid we wouldn't have any place else to go."

Residents sued to force the Newark Housing Authority to build new units before tearing down old ones. "Then when they saw the housing that we built they said, 'Well, maybe this isn't too bad,'" executive director Harold Lucas says.

Downsizing housing

Spurred by rule changes and money earmarked for demolition, cities are remaking public housing on a smaller scale. Recently, the federal Department of Housing and Urban Development (HUD) awarded \$477 million to 18 cities, its latest grants from the Hope VI program that targets the nation's worst public housing.

Newark got \$9 million to knock down high-rises and replace them with town houses, a plan that is making believers of skeptical tenants like Goines.

Her three-bedroom, 1½-bath unit is just a stone's throw from what's left of Scudder Homes. But now she strolls up her own sidewalk to her own front stoop instead of stepping over addicts and crack vials on the way to an out-of-service elevator. In all those years in a high-rise she'd never heard crickets chirp. She's also delighted to see that the dominant rodents in her new complex are squirrels, not rats.

"It's so quiet sometimes it's boring," says Goines, who lives with her son and nephew. "People don't congregate outside like at the high-rise. We know everybody. We know who's coming and going."

Which is the point. Housing authorities are trying to stem decades of segregating the poor into dense, isolated complexes. Their aim is to get more working families into public housing and make the clusters less prone to criminal takeover, in part by giving ev-

Better home: Helen Goines stands on the porch of her home at Oscar E. Miles Public Housing in Newark, N.J. She used to live in



USA TODAY

ery unit a private entrance.

New streets and retail businesses help connect public housing to neighborhoods. There's more space, more parks and more yards.

And housing agencies are leveraging private and nonprofit financing to create mixed-income developments.

"The plan here is not about just building public housing," Chicago housing authority chief Joseph Shuldin says. "It's about building housing, a portion of which is made permanently available to low-income people."

Where the concept works, residents take pride in their units. They maintain them. "If they don't keep them up, the neighbors get on them," Goines says. More working-class role models live among the single mothers with kids. Break-ins, muggings, vandalism and drug-dealing are rare in Newark's new complexes. "We won't tolerate it," says Pearl Cole, a retired nurse who lives in a three-bedroom unit with her daughter and grandson.

Revitalizing

This kind of change in attitudes and behavior is considered as crucial as the change in buildings. There's an emphasis not just on rebuilt housing but on revitalized neighborhoods.



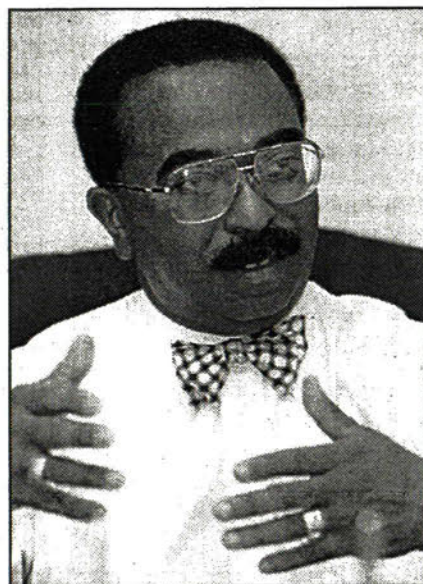
Proud resident: Pearl Cole has news for anyone planning criminal activity in her new apartment complex in Newark. "We won't tolerate it," she says.

Housing officials talk of the need to break a cross-generational cycle of public housing dependency, of "transitioning" more tenants into jobs. To do that, public housing programs now sponsor career centers, job training, health education and parenting instruction.

Federal rules that were a disincentive to work — tenants who got jobs and raised their incomes saw their rents rise — have given way to flexible guidelines.

"We're trying to take areas of cities that have been vortexes of negative energy, crime and ripple deterioration of the

the high-rise in the background. 'People don't congregate outside like at the high-rise,' she says. 'We know everybody.'



"Our plan is simple. We plan to have public housing throughout all the communities in Newark. We'll make public housing a part of the community rather than apart from it."

— Harold Lucas,
Newark Housing Authority

neighborhoods around them and convert them into something positive," HUD Secretary Henry Cisneros says.

HUD has targeted 100,000 substandard units for demolition by 2000. Since 1992, 24,000 have come down. Many had been vacant for years. Displaced tenants get first shot at new housing or vouchers to rent in the private market.

The transformation is slow, not yet national in scope and dependent on a continuing federal commitment. Hope VI has no long-term authorization from Congress and depends on an annual appropriation.

And the program is not without critics concerned that low-density redevelopment will reduce the total number of units, worsening the nation's affordable housing crisis.

As it is, public housing serves less than a fourth of those eligible (defined as a household with income below 80% of median income for an area). That leaves more than 40 million people either homeless, living in substandard housing, sharing space with others or paying crippling rents.

Goines, who has arthritis and high blood pressure, would be hard-pressed without public

Dysfunctional housing agencies have magnified problems. Where maintenance is shoddy, record-keeping primitive, rents uncollected, security lax and crime rampant, public housing festers as a community sore.

In the past three years, HUD has taken control of or forced reforms in Kansas City, Atlanta, New Orleans, Washington, D.C., Chicago, Detroit, Philadelphia and Chester, Pa.

"The vast majority of public housing families are very decent and are trying to make their way in a very difficult system," says Richard Baron, a St. Louis developer involved in public-private redevelopment partnerships in several cities.

But critics say giving eligible people cash or vouchers to rent where they choose would be cheaper in the long run and force housing agencies to compete for tenants.

"All the bricks and mortar programs don't help very many people for the dollars you spend," says Ron Utt of the Heritage Foundation, a conservative think tank. "Vouchers are much cheaper and help more people."

Newark's rental market couldn't have absorbed many displaced public housing tenants. When the first high-rises came down in 1987, the authority promised to build new housing. But it got ready for more demolition without any rebuilding. Residents went to court to force compliance with the federal one-for-one law: Every unit taken down had to be replaced by another.

Two years ago, Congress suspended the one-for-one rule and another rule that barred using rehabilitation money for new construction. That spurred cities to tear down old high rises and begin plans for developments.

In three years, the authority has leveled more than 2,100 units in three high-rise com-

plexes of unoccupied units.

Lucas' critics, including nonprofit developer New Community Corp., won't support a plan that ends up with fewer total public housing units.

"He's walking away from a percentage of the people who are at the lowest end of the economic totem pole, who don't have other resources to go to if public housing isn't available," says Ray Codey, New Community development director.

Screening tenants

Newark has one occupied high-rise complex left, Stella Wright Homes, a place that degenerated into an illegal drug supermarket as other high-rises emptied. Residents say a special police task force and new federal one-strike-and-you're-out eviction rules have run off most of the drug trade. But they complain the buildings aren't kept up and their kids have no place to play.

"I'd love one of those townhouses," says single mom Shaquana Muhammed, 28. "I'm trying to get one, but I can't get one. They keep denying me."

The authority screens carefully. For now, only former high-rise residents with good rental histories get town houses.

Some of the best working families are candidates to eventually buy town houses in Mount Pleasant Estates, a bankrupt, 42-unit private project the authority took over.

There are no plans to demolish Stella Wright, but Lucas says its time will come. To be a competitive landlord, he says, "our housing will have to be as good as regular housing. That's where we're headed. We're trying to make our housing for the future."

For Goines, the future is now. "You can't believe this is public housing," she says. "People come by and ask me if I own this or if I'm renting."

THE PRESIDENT HAS SEEN

12-6-66

THE WHITE HOUSE

WASHINGTON

cc HRC
SUB

Robert F. Kennedy *my*

By ROBIN TONER

REMEMBER the frightening things that were going to happen if the Clinton health care plan passed? Like losing the right to choose a doctor or a health plan? How about the slow death of old-fashioned medical insurance and the like-it-or-not march into health maintenance organizations? Not to mention restricted benefits and even rationing.

Harry and Louise, the fortysomething couple created by the Health Insurance Association of America, vented their anxieties about these possibilities — and, by extension, millions of other Americans' fears, too — in a series of television commercials in 1993-94, fretting around the kitchen table as health care legislation was furiously debated, and ultimately killed, on Capitol Hill. Now, with the benefit of three years' hindsight, it can be said: Harry and Louise were at least half right. There were indeed big changes in their future.

Imagine the surprise around that kitchen table today: The proportion of American workers in managed care plans has grown to 74 percent up from 55 percent in 1992, when Bill Clinton was beginning his first campaign for health care reform, according to a recent survey of employers by KPMG Peat Marwick.

As for choice, the study found that employers of all sizes have reduced the number of alternative health plans available to their workers over the last year; among mid-size employers, 52 percent now offer their workers only one plan.

"People believed that if the Clinton plan died the managed care revolution would die with it, that you'd be able to keep your choice of doctors," said Bob Blendon, an expert on public opinion and health at Harvard. "People were calling the Clinton plan socialized medicine because they were going to force you into an H.M.O., and yet we've had this huge growth of managed care since the plan died."

The supposedly halcyon days of fee-for-service medicine, covered by traditional indemnity insurance, have clearly passed for most Americans: Just 26 percent of the people who get their insurance through work are enrolled in the traditional plans, down from 71 percent in 1988. And hospital stays are now so strictly limited by some insurers that Congress recently stepped in and required that new mothers and their babies get a minimum stay of 48 hours.

Still, Louise did not have to deal after all with the new "billion-dollar bureaucracy" that she so often worried about, because the Government was left out of this revolution.

And a lot of analysts argue that, in retrospect, this turned out to be a good thing — and not just because of the abiding American mistrust of bigger government. Insurance companies and employers had the expertise and the stomach, these analysts say, to do things that elected officials could not do — like closing underused hospitals, restricting the freedom to choose a physician and taking other measures to squeeze down the costs of health care.

Uwe Reinhardt, a health economist at Princeton, argues that President Clinton ought to be thankful the dirty work was done by somebody else.

"Maybe it's not a bad thing to have it come out that way — because otherwise government would have gotten a terribly bad name for things that are not really government per se, but things that needed to be done," Mr. Reinhardt said. "Someone had to say to doctors and patients, you cannot have all these resources all the time." He concluded that "the managed care industry

Continued From Page 1

has become the flak-catcher for all the things that Clinton would have been the flak-catcher for."

Moreover, there is little dispute that in the realm of cost control, which was always the primary concern of many of the policy elites anyway, the private sector has been quite successful. And it restrained health care spending without the unwieldy, confusing new Government entities that Harry and Louise — and, judging from the polls, millions of other Americans — had found so unappealing.

No big new alliances, the much-maligned purchasing cooperatives that Mr. Clinton and the chief architect of his doomed plan, Hillary Rodham Clinton, envisioned as the middlemen between consumers and the insurance companies. No complicated cost controls or global budgets.

Private Choices

"While it's certainly true that there's been a powerful movement in the direction of managed care, these are private choices rather than government choices," said Bill Gradison, president of the Health Insurance Association of America, which led the industry's fight on Capitol Hill.

"Moreover, in an employment situation, if you're really unhappy with the choice your employer made, you often have a union to go to bat for you, or an employee benefit department. You may not always prevail, but it's easier than going to some distant government agency."

But would Harry and Louise be happy with the way things turned out? Do they even realize how much has changed? A survey published last summer for the Robert Wood Johnson Foundation, a health research organization, suggested that most Americans do not perceive the great slowdown in health care costs, not to mention the profound changes in the marketplace.

Still, there are signs that at least Louise, who was usually the one reading up on health care in the commercials, while Harry stood by supportively, would have recognized that there was a price to be paid for letting employers and insurance companies work their will.

Paul Starr, another health care expert at Princeton who worked on the Clinton plan, said, "What we're getting is managed care but without the consumer protection and patients' rights that people have a right to expect."

He noted that the alliances, unlike employers, would have been required to offer consumers a variety of health plans, and would have provided many more safeguards for consumers' rights.

Drew Altman, president of the Kaiser Family Foundation, a health-care research group, said, "There are a lot of people out

There's a price for letting employers and insurers, rather than the Government, reinvent health care.

there who feel, or should feel, that they fought off the Government monster only to find themselves faced with changes in the marketplace that they care about a lot more."

Defenders of managed care systems, like Karen Ignagni, president of the main industry group, the American Association of Health Plans, argue that consumer satisfaction within these networks is actually quite high.

"Consumers now have access to a product that is more affordable, that has very low out-of-pocket costs, that has more comprehensive benefits and that stresses prevention," Ms. Ignagni said. Where people have a choice, as is the case with Medicare recipients, they are increasingly choosing managed care plans, she said.

But there is clearly some backlash brewing among the Harrys and Louises of America. Accordingly, Congress has shown a new willingness to regulate the industry in the wake of a flurry of complaints, ranging from shortened hospital stays to restrictions on what doctors in some managed-care networks can tell their patients about treatment options. The law requiring 48-hour maternity stays is only the beginning, many analysts say.

"The big, somewhat underreported health care story of 1996 is that the Congress, in a bipartisan manner, has moved into regulating health insurance, which they have not done before — and there wasn't a dime's worth of difference between the Democrats and the Republicans on this," said Mr. Gradison.

President Clinton, for his part, has announced that he will appoint a panel of experts to recommend ways of protecting consumers in this fierce new health care marketplace. This kind of bipartisan consensus reflects the broad popularity of these regulatory moves, analysts say.

In other words, Government may not look so frightening to Louise these days, as she sits at her kitchen table fuming over her latest dispute with her new health care plan. Perhaps she has a few regrets. She may even be muttering, once again, her mantra from three years ago:

"There's got to be a better way."



The New York Times

Sunday, November 24, 1996

Continued on Page 3

12-6-99

THE WHITE HOUSE
WASHINGTON

December 6, 1996

ACTION

'96 DEC 6 PM1:07

MEMORANDUM FOR THE PRESIDENT

FROM:

ANTHONY LARA
JOHN HILLEY

SUBJECT: Letter from Senator Arlen Specter Regarding
Nonproliferation Issues

Purpose

To respond to a letter from Senator Specter regarding nonproliferation issues.

Background

✓ Senator Specter calls to your attention the provision contained in the FY 1997 Intelligence Authorization Act for the establishment of a Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction. His letter also requests that you promptly appoint members to the Commission, since the legislation calls for representation from the executive as well as the legislative branch. The proposed response affirms your support for the Commission and acknowledges your commitment to the selection of Executive Branch members.

RECOMMENDATION

That you sign the proposed response at Tab A

*in 10 min. Sun 11:00
a hurry way*

Attachments

Tab A Proposed Response to Senator Specter
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE PRESIDENT HAS SEEN
12-6-96



THE VICE PRESIDENT
WASHINGTON

December 4, 1996

'96 DEC 5 PM 7:01

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT AG

SUBJECT: Latin American Arms Sales

You queried me about the November 27 Christopher/Perry memo to you on Latin American arms sales.

I continue to believe we should defer such a decision and use the intervening time to promote progress in regional transparency, confidence building, and defense cooperation.

It is important to note that once you alter the policy, and if a sale or sales were actually made, advanced fighter aircraft would not be delivered to the purchaser or purchasers for several years. However, U.S. aircraft manufacturers would be able to approach these countries as soon as you determined that it is our policy to permit such sales. For this reason, it would not be appropriate to change our policy prior to the visit of President Frei, which we want to give positive focus on trade liberalization initiatives. It is my understanding that Frei does not intend to raise the aircraft sale issue.

I suggest that you maintain our current policy through the spring in order to allow the new national security team to participate in the development of a regional security policy as I mentioned in my memo to you.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

'96 DEC 6 PM1:41

To: Kris Balderston, White House Cabinet Affairs
From: Martha Phipps, Deputy Chief of Staff, USDA
RE: Gift for the President and First Lady

Attached please find a gift for the President and First Lady from Secretary Glickman's daughter, Amy Glickman. I think it may be a gift from her firm, Rogers and Cowan.

Amy's address at work is: Rogers and Cowan
475 Park Avenue South, 32nd Floor
New York, NY 10016

Thanks for forwarding this as appropriate.

12-6-96

Gift Unit?

Yes

No

PHIL CAPLAN

A GIFT FOR POTUS FROM
Glickman's daughter.

Kris

The Disappearance of Affordable Housing ♦ Confessions of a Mad Driver

U.S. News & World Report

NOVEMBER 11, 1996 / \$2.95



Invincible KIDS

The hopeful research that shows how all families can help children overcome loss, violence and abuse

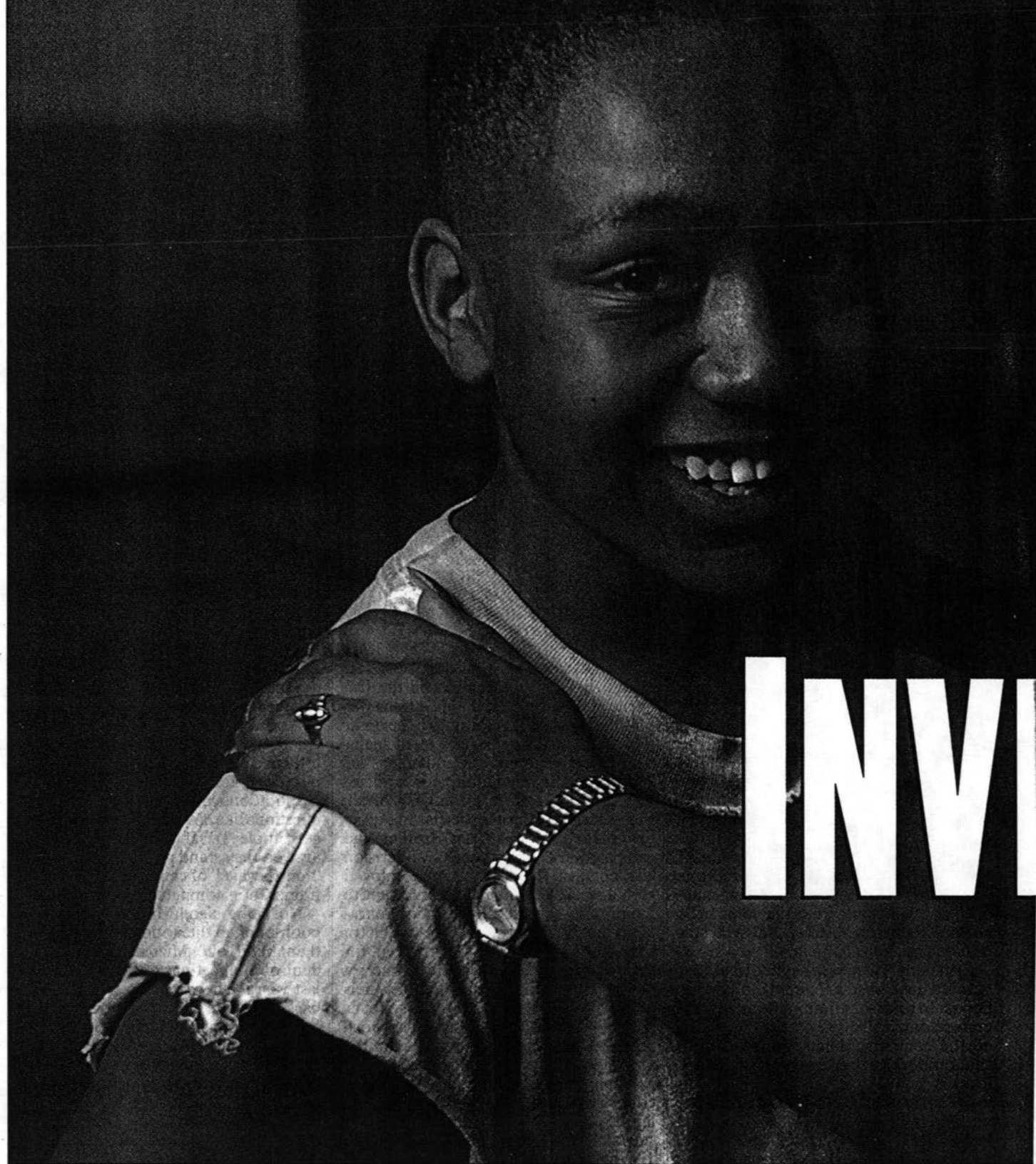
Beer / N. Prum / B. Reed

THE PRESIDENT HAS SEEN
12-6-96

Fly -

BC





*Why do some children survive
traumatic childhoods unscathed?
The answers can help every child*

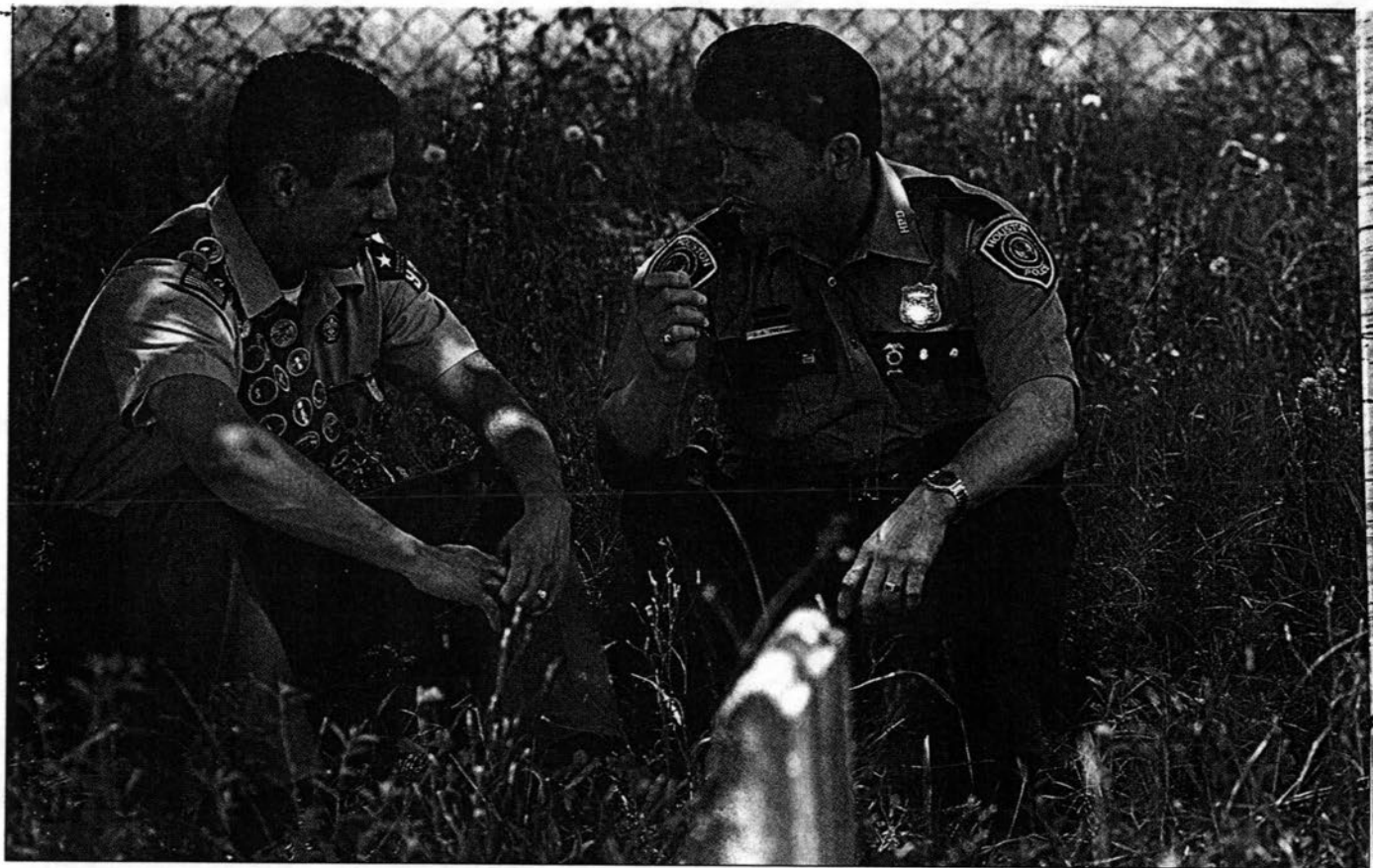
Child psychologist Emmy Werner went looking for trouble in paradise. In Hawaii nearly 40 years ago, the researcher began studying the offspring of chronically poor, alcoholic, abusive and even psychotic parents to understand how failure was passed from one generation to the next. But to her surprise, one third of the kids she studied looked nothing like children headed for disaster. Werner switched her focus to these "resilient kids," who somehow beat the odds, growing into emotionally healthy, competent adults. They even appeared to defy the laws of nature: When Hurricane Iniki flattened Kauai in 1992, leaving nearly 1 in 6 residents homeless, the storm's 160-mph gusts seemed to spare the houses of Werner's success stories.

Werner's "resilient kids," in their late 30s when

INCIBLE KIDS

Iniki hit, helped create their own luck. They heeded storm warnings and boarded up their properties. And even if the squall blew away their roofs or tore down their walls, they were more likely to have the financial savings and insurance to avoid foreclosure—the fate of many of Iniki's victims. "There's not a thing you can do personally about being in the

PARENT POWER. Sherenia Gibbs makes it clear just how important a caring adult can be. She spends a lot of time with her son, T. J. Williams, enforces rules and always knows where he is.



middle of a hurricane," says the University of California-Davis's Werner, "but [resilient kids] are planners and problem solvers and picker-uppers."

For many of America's children, these are difficult times. One in five lives in poverty. More than half will spend some of their childhood living apart from one parent—the result of divorce, death or out-of-wedlock birth. Child abuse, teen drug use and teen crime are surging. Living in an affluent suburb is no protection: Suburban kids are almost as likely as those in violent neighborhoods to report what sociologists call "parental absence"—the lack of a mother and father who are approachable and attentive, and who set rules and enforce consequences.

In the face of these trends, many social scientists now are suggesting a new way of looking at kids and their problems: Focus on survivors, not casualties. Don't abandon kids who fail, but learn from those who succeed.

Such children, researchers find, are not simply born that way. Though genes play a role, the presence of a variety of positive influences in a child's environment is even more crucial; indeed, it can make the difference between a child who founders and one who thrives.

The implications of such research are profound. The find-

MENTORS MATTER. For his Eagle Scout project, Rudy Gonzalez (left) cleaned up a neglected cemetery, where weeds had grown over the graves of ex-slaves. Police officer John Trevino filled his need for a father figure.

ings mean that parents, schools, volunteers, government and others can create a pathway to resiliency, rather than leaving success to fate or to hard-wired character traits. Perhaps most important, the research indicates that the lessons learned from these nearly invincible kids can teach us how to help *all* kids—regardless of their circumstances—handle the inevitable risks and turning points of life. The Search Institute, a Minneapolis-based children's research group, identified 30 resiliency-building factors. The more of these "assets" present in a child's environment, the more likely the child was to avoid school problems, alcohol use, early sexual experimentation, de-

pression and violent behavior.

Like the factors that contribute to lifelong physical health, those that create resiliency may seem common-sensical, but they have tremendous impact. Locate a resilient kid and you will also find a caring adult—or several—who has guided him. Watchful parents, welcoming schools, good peers and extracurricular activities matter, too, as does teaching kids to care for others and to help out in their communities.

From thug to Scout. The psychologists who pioneered resiliency theory focused on inborn character traits that fostered success. An average or higher IQ was a good predictor. So was innate temperament—a sunny disposition may attract advocates who can lift a child from risk. But the idea that resiliency can be molded is relatively recent. It means that an attentive adult can turn a mean and sullen teenage thug—a kid who would smash in someone's face on a whim—into an upstanding Boy Scout.

That's the story of Eagle Scout Rudy Gonzalez. Growing up in Houston's East End barrio, Gonzalez seemed on a fast track to prison. By the time he was 13, he'd already had encounters with the city's juvenile justice system—once for banging a classmate's head on the pavement until blood flowed, once

for slugging a teacher through classes and often than he studied drug-using crew, warehouses and laundromats. His brush with the law ended his bad-boy reputation. "I was macho," says Gonzalez, "but I didn't like to be a thug. I'd rather be a person I didn't like, me or I'll beat you."

Many of Gonzalez's friends joined real gangs, but he didn't. He dealt and made money, but he became a father figure to his younger brothers. Gonzalez started a new, small private business, a Boys Scouts of America chapter for "at risk" youth. Gonzalez's path contrasts sharply with the path of his friends, who joined gangs and became drug dealers. Gonzalez chose a different path, one of service over drive-by shootings.

Now 20, Gonzalez is a crisply pressed, down-to-earth sophomore who seems well on his way to a successful career in a firm. When his friends



ROBERT DOLE. He came of age during the tough years of the Great Depression. Later, he overcame a nearly fatal war injury.

"Why me, I demanded? ... Maybe it was all part of a plan, a test of endurance and strength and, above all, of faith."



for slugging a teacher. He slept through classes and fought more often than he studied. With his drug-using crew, he broke into warehouses and looted a grocery store. His brushes with the law only hardened his bad-boy swagger. "I thought I was macho," says Gonzalez. "With people I didn't like, [it was], 'Don't look at me or I'll beat you up.'"

Many of Gonzalez's friends later joined real gangs. Several met grisly deaths; others landed in prison for drug dealing and murder. More than a few became fathers and dropped out of school. Gonzalez joined urban scouting, a new, small program established by Boy Scouts of America to provide role models for "at risk" youth. At first glance, Gonzalez's path could hardly seem more different than that of his peers. But both gangs and Boy Scouts offer similar attractions: community and a sense of purpose, a hierarchical system of discipline and a chance to prove loyalty to a group. Gonzalez chose merit badges and service over gang colors and drive-by shootings.

Now 20, Gonzalez wears crisply pressed khakis and button-down shirts and, in his sophomore year at Texas A&M, seems well on his way to his goal of working for a major accounting firm. Why did he succeed when his friends stuck to crime?

DISCOVERING TALENT. Mon Ye (right) was born in a refugee camp and now lives in a Tacoma housing project. He says parks worker LeAnna Waite saved him from gang life by teaching the joys of kayaking and outdoor adventure.

Gonzalez's own answer is that his new life is "a miracle." "Probably, God chose me to do this," he says.

There were identifiable turning points. Scoutmaster John Trevino, a city policeman, filled Gonzalez's need for a caring adult who believed in him and could show him a different way to be a man. Gonzalez's own father was shot and killed in a barroom fight when Rudy was just 6. Fate played a role, too. At 14, using survival skills he'd learned in scouting, Gonzalez saved the life of a younger boy stuck up to his chin in mud in a nearby bayou. The neighborhood hero was lauded in the newspaper and got to meet President Bush at the White House.



BILL CLINTON. He lost his father in an auto wreck before he was born. Later, he coped with an alcoholic, occasionally violent stepfather.

"My mother taught me about sacrifice. She held steady through tragedy after tragedy and, always, she taught me to fight."

Slowly, he began to feel the importance of serving his community—another building block of resiliency. For a Scout project he cleaned up a barrio cemetery.

Something special. Once his life started to turn around, Gonzalez felt comfortable enough to reveal his winning personality and transcendent smile—qualities that contributed further to his success. "When I met him, I wanted to adopt him," says his high school counselor, Betty Porter. "There's something about him." She remembers Gonzalez as a likable and prodigious networker who made daily visits to her office to tell her about college scholarships—some she didn't even know about.

A little bit of help—whether an urban scouting program or some other chance to excel—can go a long way in creating resiliency. And it goes furthest in the most stressed neighborhoods, says the University of Colorado's Richard Jessor, who directs a multimillion-dollar resiliency project for the John D. and Catherine T. MacArthur Foundation. Looking back, Gonzalez agrees. "We were just guys in the barrio without anything better to do," he says. "We didn't have the YMCA or Little League, so we hung out, played sports, broke into warehouses and the school." Adds Harvard University's Katherine Newman: "The

■ CULTURE & IDEAS

good news is that kids are motivated. They want to make it. The bad news is that there are too few opportunities."

Resiliency theory brightens the outlook for kids. Mental health experts traditionally have put the spotlight on children who emerge from bad childhoods damaged and scarred. But statistics show that many—if not most—children born into unpromising circumstances thrive, or at least hold their own. Most children of teen mothers, for example, avoid becoming teen parents themselves. And though the majority of child abusers were themselves abused as children, most abused children do not become abusers. Similarly, children of schizophrenics and children who grew up in refugee camps also tend to defy the odds. And many Iowa youths whose families lost their farms during the 1980s farm crisis became high achievers in school.

Living well. A person who has faced childhood adversity and bounced back may even fare *better* later in life than someone whose childhood was relatively easy—or so Werner's recently completed follow-up of the Kauai kids at age 40 suggests. Resilient children in her study reported stronger marriages and better health than those who enjoyed less stressful origins. Further, none had been on welfare, and none had been in trouble with the law. Many children of traumatic, abusive or neglectful childhoods suffer severe consequences, including shifts in behavior, thinking and physiology that dog them into adulthood (story, Page 71). But though Werner's resilient kids turned adults tended to marry later, there was little sign of emotional turmoil. At mid-life, these resilient subjects were more likely to say they were happy and only one third as likely to report mental health problems.

Can any child become resilient? That remains a matter of debate. Some kids, researchers say, simply may face too many risks. And the research can be twisted to suggest that there are easy answers. "Resiliency theory assumes that it's all or nothing, that you have it or you don't," complains Geoffrey Canada, who runs neighborhood centers

for New York's poorest youth. "But for some people it takes 10,000 gallons of water, and for some kids it's just a couple of little drops."

In fact, as Canada notes, most resilient kids do not follow a straight line to success. An example is Raymond Marte, whom Canada mentored, teaching the youth karate at one of his Rheedlen Cen-

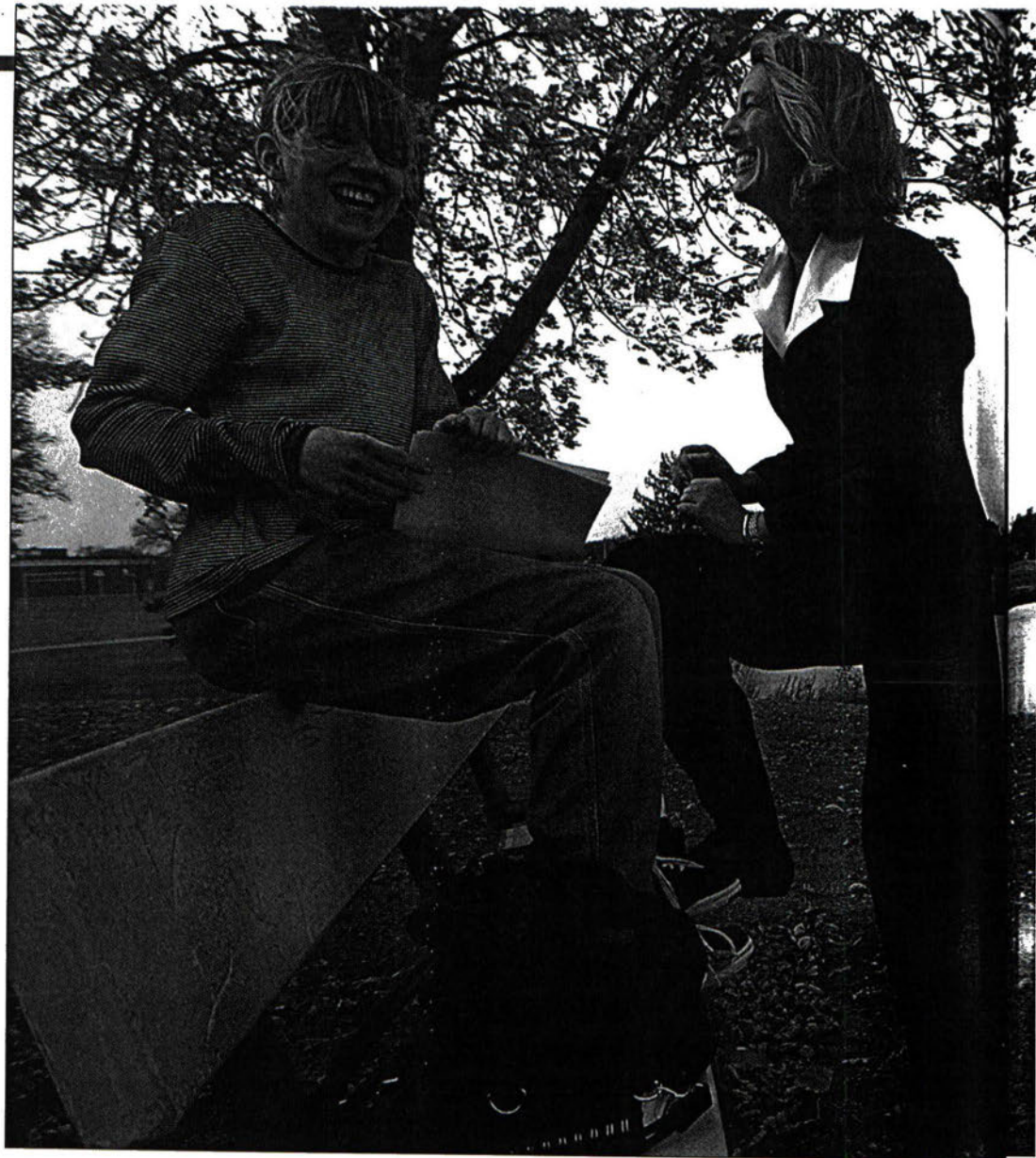
ters for Children and Families. Today, Marte, 21, is a freshman at New York's Bard College. But only a few years ago, he was just another high school dropout and teenage father, hanging out with gang friends and roaming the streets with a handgun in his pocket. "This is choice time," Canada told Marte after five of the boy's friends were killed in three months. Marte re-enrolled in school, became an AmeriCorps volunteer and won a college scholarship. Today, when he walks the streets of his family's gritty Manhattan neighborhood, he is greeted as a hero, accepting high-fives from friends congratulating the guy who made it out.

Good parenting can trump bad neighborhoods. That parents are the first line in creating resilient children is no surprise. But University of Pennsylvania sociologist Frank



DR. RUTH WESTHEIMER. The sex therapist fled the Nazis at 10; her parents died in the Holocaust, and she grew up in a Swiss orphanage.

"The values my family [instilled] left me with the sense I must make something out of my life to justify my survival."





CARING ADULTS. In St. Louis Park (above), adults take time out to help kids. Angie Larson shares a laugh with her mentor, Kyla Dreier. Below, college basketball star Tyrone Weeks (middle) relied on his coach, Tennis Young (right), and neighborhood priest Dave Hagan.

Furstenberg was surprised to find that adolescents in the city's most violence-prone, drug-ridden housing projects showed the same resilience as middle-class adolescents. The expectation was that the worst neighborhoods would overwhelm families. Inner-city housing projects do present more risk and fewer opportunities. But good parenting existed in roughly equal proportions in every neighborhood.

Sherenia Gibbs is the type of dynamo parent who almost single-handedly can instill resiliency in her children. The single mother moved her three children from a small town in Illinois to Minne-

apolis in search of better education and recreation. Still, the new neighborhood was dangerous, so Gibbs volunteered at the park where her youngest son, T. J. Williams, played. Today, six years later, Gibbs runs a city park, where she has started several innovative mentoring programs. At home, Gibbs sets aside time to spend with T. J., now 14, requires him to call her at work when he gets home from school or goes out with friends and follows his schoolwork closely. Indeed, how often teens have dinner with their family and whether they have a curfew are two of the best predictors of teen drug use, according to the National Center on Addiction and Substance Abuse at Columbia University. How often a family attends church—where kids are exposed to both values and adult mentors—also makes a difference. Says Gibbs: "The streets will grab your kids and eat them up."

Some resiliency programs study the success of moms like Gibbs and try to teach such "authoritative parenting" skills to others. When a kid has an early brush with the law, the Oregon Social Learning Center brings the youth's whole family together to teach parenting skills. Not only is the training effective with the offending youth, but younger brothers and sisters are less likely to get in trouble as well.

Despite the crucial role of parents, few—rich or poor—are as involved in

their children's lives as Gibbs. And a shocking number of parents—25 percent—ignore or pay little attention to how their children fare in school, according to Temple University psychology professor Laurence Steinberg. Nearly one third of students across economic classes say their parents have no idea how they are doing in school. Further, half the parents Steinberg surveyed did not know their children's friends, what their kids did after school or where they went at night. Some schools are testing strategies for what educator Margaret Wang, also at Temple, calls "educational resilience."

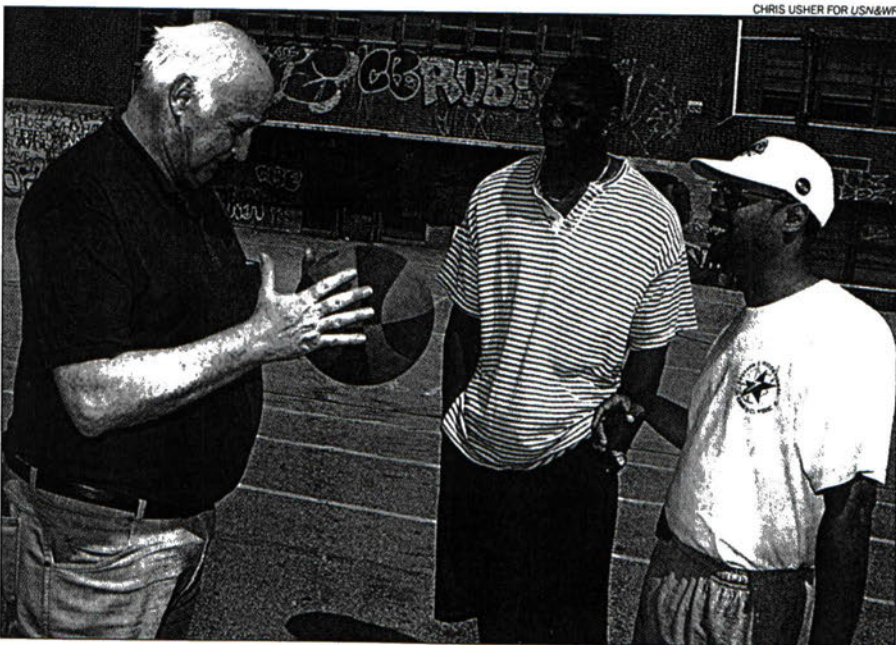


KWEISI MFUME. The NAACP chief's stepdad was abusive. After his mom died, he ran with gangs and had five sons out of wedlock.

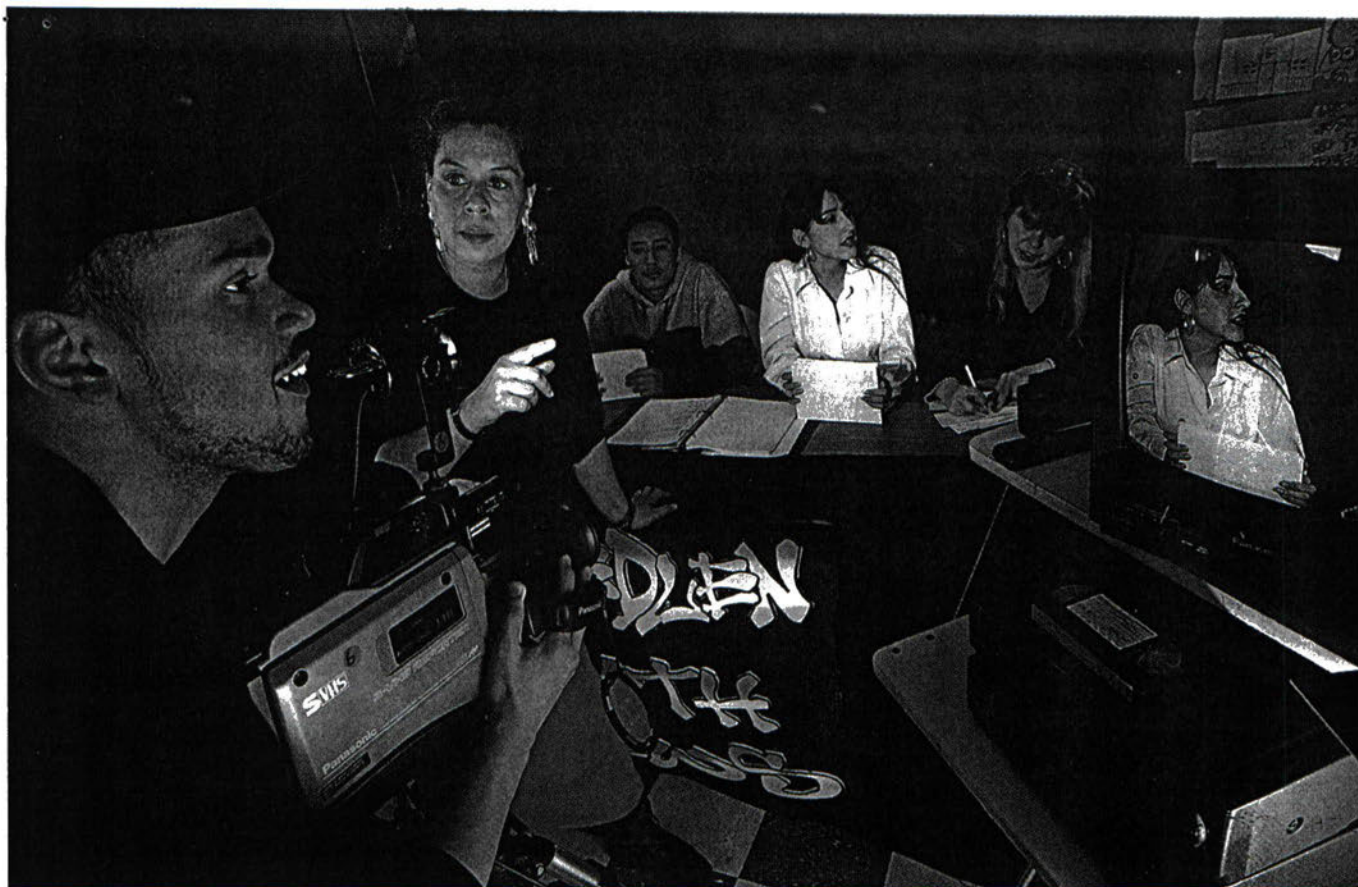
"We're all inbred with a certain amount of resiliency. It's not until it's tested ... that we recognize inner strength."

One solution: teaching teams, which follow a student for a few years so the child always has a teacher who knows him well. In Philadelphia, some inner-city schools have set up "parents' lounges," with free coffee, to encourage moms and dads to be regular school visitors.

Given the importance of good parenting, kids are at heightened risk when parents themselves are troubled. But it is a trait of resilient kids that in such circum-



CHRIS USHER FOR US&WR



stances, they seek out substitute adults. And sometimes they become substitute adults themselves, playing a parental role for younger siblings. That was true of Tyrone Weeks. He spent about half his life without his mother as she went in and out of drug rehabilitation. Sober now for three years, Delores Weeks maintains a close relationship with her son. But Tyrone was often on his own, living with his grandmother and, when she died, with his basketball coach, Tennis Young. Young and Dave Hagan, a neighborhood priest in north Philadelphia, kept Weeks fed and clothed. But Weeks also became a substitute parent for his younger brother, Robert, while encouraging his mother in her struggle with cocaine. Says Weeks, "There were times when I was lost and didn't want to live anymore."

Like many resilient kids, Weeks possessed another protective factor: a talent. Basketball, he says, gave him a self-confidence that carried him through the lost days. Today, Weeks rebounds and blocks shots for the University of Massachusetts. Obviously, not all kids have Weeks's exceptional ability. But what seems key is not the level of talent but finding an activity from which they derive pride and sense of purpose.

Mon Ye credits an outdoor leadership program with "keeping me out of gang life." Born

LEARNING SKILLS At Rheedlen's New York studio, mentors Laura Vural (far right) and Devorah Hill (second from left) help teens like Gregory Nunez (left) and Ingrid Morales (on monitor) produce a cable access program.

in a Cambodian refugee camp, Ye has lived with an older brother in a crime-ridden Tacoma, Wash., housing project since his mother's death a few years ago. Outdoor adventure never interested him. But then parks worker LeAnna Waite invited him to join a program at a nearby recreation center (whose heavy doors are dented with bullet marks from gang fights). Last year, Ye led a youth climb up Mount Rainier and now plans to go to college to become a recreation and park supervisor.

It helps to help. Giving kids significant personal responsibility is another way to build resiliency, whether it's Weeks pulling his family together or Ye supervising

preteens. Some of the best youth programs value both service to others and the ability to plan and make choices, according to Stanford University's Shirley Brice Heath. The Food Project—in which kids raise 40,000 pounds of vegetables for Boston food kitchens—is directed by the young participants, giving them the chance to both learn and then pass on their knowledge. Older teens often find such responsibility through military service.

Any program that multiplies contacts between kids and adults who can offer advice and support is valuable. A recent study of Big Brothers and Big Sisters found that the nationwide youth-mentoring program cuts drug use and school absenteeism by half. Most youth interventions are set up to target a specific problem like violence or teen sex—and often have little impact. Big Brothers and Big Sisters instead succeeds with classic resiliency promotion: It first creates supportive adult attention for kids, then expects risky behavior to drop as a consequence.

The 42,490 residents of St. Louis Park, Minn., know all about such holistic approaches to creating resiliency. They've made it a citywide cause in the ethnically diverse suburb of Minneapolis. Children First is the city's call for residents to



DIANNE FEINSTEIN. The California senator was raised in privilege, but her mother was mentally ill and at times violent.

"I've never believed adversity is a harbinger of failure. On the contrary, [it] can provide a wellspring of strength."

think about the ways, big and small, they can help all kids succeed, from those living in the city's Meadowbrook housing project to residents of parkside ranch houses. The suburb's largest employer, HealthSystem Minnesota, runs a free kids' health clinic. (Doctors and staff donate their time.) And one of the smallest businesses, Steve McCulloch's flower shop, gives away carnations to kids in the nearby housing project on Mother's Day. Kids even help each other. Two high school girls started a Tuesday-night baby-sitting service at the Reformation Lutheran Church. Parents can drop off their kids for three hours. The cost: \$1.

The goal is to make sure kids know that they are valued and that several adults outside their own family know and care about them. Those adults might include a police officer volunteering to serve lunch in the school cafeteria line. Or Jill Terry, one of scores of volunteers who stand at school bus stops on frigid mornings. Terry breaks up fights, provides forgotten lunch money or reassures a sad-faced boy about his parents' fighting. The adopt-a-bus-stop program was started by members of a senior citizens' group concerned about an attempted abduction of a child on her way to school.

Another volunteer, Kyla Dreier, works in a downtown law firm and mentors Angie Larson. The 14-year-old has long, open talks with her mother but sometimes feels more comfortable discussing things with another adult, like Dreier.

Spreading out. St. Louis Park is the biggest success story of over 100 communities nationwide where the Search Institute is trying to develop support for childhood resiliency. In a small suburb, it was relatively easy to rally community leaders. Now Search is trying to take such asset building to larger cities like Minneapolis and Albuquerque, N.M.

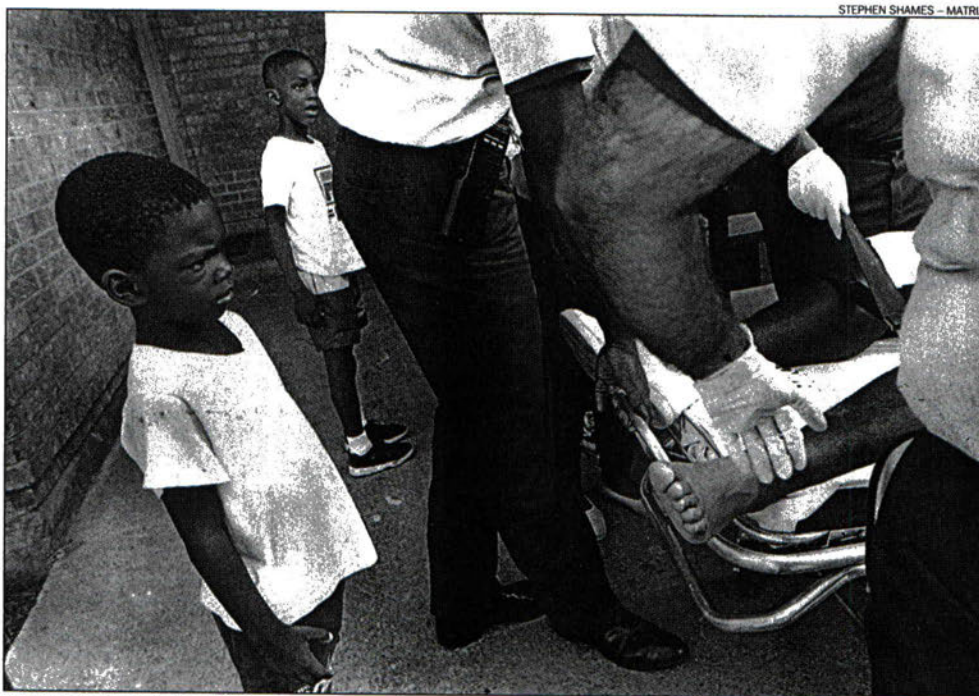
In St. Louis Park, resiliency is built on a shoestring budget. About \$60,000 a year—all raised from donations—covers the part-time staff director and office expenses. But that's the point, says Children First Coordinator Karen Atkinson. Fostering resiliency is neither complicated nor costly. It's basic common sense—even if practiced too rarely in America. And it pays dividends for all kids. ■

BY JOSEPH P. SHAPIRO WITH DORIAN FRIEDMAN IN NEW YORK, MICHELE MEYER IN HOUSTON AND MARGARET LOFTUS

■ CULTURE & IDEAS

The biology of soul murder

Fear can harm a child's brain. Is it reversible?



WORLD WITHOUT COMFORT. Living with fear puts children at high risk for problems later in life. Above, two boys watch as medics treat the victim of a gunshot in Houston.

By their appearances, the three little girls sitting quietly in molded plastic chairs in the psychiatric clinic of Texas Children's Hospital in Houston betray nothing of the mayhem they have experienced. No one would know that the night before, two armed men broke into their apartment in a drug-ravaged part of the city. That the children were tied up and the youngest, only 3, was threatened with a gun. Or that the men shot the girls' teenage sister in the head before leaving (she survived).

Yet however calm the girls' appearances, their physiology tells a different story. Their hearts are still racing at more than 100 beats per minute, their blood pressure remains high and, inside their heads, the biological chemicals of fear are changing their brains. "People look at kids who seem so normal after these experiences and say, 'All they need is a little love,'" says Bruce Perry, a child psychiatrist at Children's Hospital and at Baylor College of Medicine.

But as Perry and other researchers are finding, trauma, neglect and physical and sexual abuse can have severe effects on a child's developing brain.

Tangled chemistry. Once viewed as genetically programmed, the brain is now known to be plastic, an organ molded by both genes and experience throughout life. A single traumatic experience can alter an adult's brain: A horrifying battle, for instance, may induce the flashbacks, depression and hair-trigger response of post-traumatic stress disorder (PTSD). And researchers are finding that abuse and neglect early in life can have even more devastating consequences, tangling both the chemistry and the architecture of children's brains and leaving them at risk for drug abuse, teen pregnancy and psychiatric problems later in life.

Yet the brain's plasticity also holds out the chance that positive experiences—psychotherapy, mentoring, loving relationships—might ameliorate some of the damage. Much remains unknown. But if

■ CULTURE & IDEAS

scientists can understand exactly how trauma harms the brain, they may also learn much about healing broken lives.

Trauma's toll on a child's brain begins with fear. Faced with a threat, the body embarks on a cascade of physiological reactions. Adrenalin surges, setting the heart pounding and blood pressure soaring and readying the muscles for action, a response called "fight or flight." At the same time, a more subtle set of changes, called the stress response, releases the hormone cortisol, which also helps the body respond to danger.

stead of a jackhammer banging outside.

Many of the brain abnormalities seen in abused and neglected children are localized in the brain's left hemisphere, where language and logical thought are processed. Martin Teicher, a psychiatrist at McLean Hospital in Belmont, Mass., compared recordings of brain electrical activity in abused and normal children. His finding: In abused kids, the left hemisphere has fewer nerve-cell connections between different areas. The electrical traces also revealed that tiny seizures, similar to those of epileptics, crackled through various sectors of abused children's brains. Children with the most ab-

Perry. "They're too busy watching the teacher for threatening gestures, and not listening to what she's saying." Such behavior makes sense, given the constant threats in the child's world. His brain has become exquisitely tuned to emotional and physical cues from other people. At the same time, he may be failing to develop problem solving and language skills. Perry has found that in a group of neglected children, the cortex, or thinking part of the brain, is 20 percent smaller on average than in a control group.

Studies now indicate that abused and neglected children run a high risk of developing mental illnesses. Since 1987, Na-

EUGENE RICHARDS - MAGNUM



VIOLENT LEGACY. Trauma can affect a child's thinking, behavior and physiology. Above, children on Philadelphia's streets.

Increasing evidence suggests that in abused or neglected children, this system somehow goes awry, causing a harmful imbalance of cortisol in the brain. In a study of children in Romanian orphanages, for example, Megan Gunnar, a University of Minnesota developmental psychobiologist, is finding that cognitive and developmental delays correlate with irregular cortisol levels.

Gunnar and others believe that excess cortisol leads to damage in a brain region known as the hippocampus, causing memory lapses, anxiety and an inability to control emotional outbursts. Cortisol and other brain chemicals also can alter brain centers that regulate attention, affecting a child's capacity to attend to words on the blackboard in-

normal recordings were the most likely to be self-destructive or aggressive.

Scanning for danger. Abused children also show a variety of other disturbances in physiology, thinking and behavior. Many have elevated resting heart rates, temperature and blood pressure. Hypervigilance is common. Abused kids continually scan their surroundings for danger and overinterpret the actions of others: An innocent playground bump may be seen as a direct threat. And as many as half of children from some violent neighborhoods show symptoms of Attention Deficit Hyperactivity Disorder (ADHD), compared with about 6 percent of the general population.

"Children who are aroused [from fear] can't take in cognitive information," says

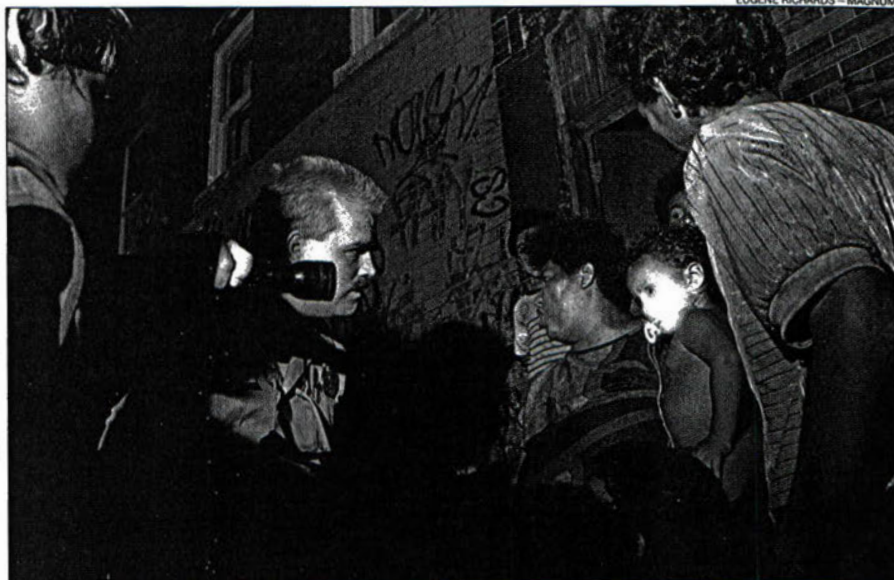
tional Institute of Mental Health child psychiatrist Frank Putnam has tracked 90 sexually abused girls, comparing them to a control group who were not abused. The abused girls were more likely to evidence depression and suicide attempts, and many showed the beginnings of PTSD, including anxiety attacks and abnormal levels of cortisol, which are also seen in combat veterans. Putnam also found a decline in the abused girls' IQ over time. Saddest of all, the abused girls are rated by their teachers as not very likable. "That's tragic," says Putnam, "because the one place where they might find some support is at school."

Indeed, for some children, a loving adult can serve as a powerful antidote to abuse and neglect. Infants and young

children normally learn from a comforting caretaker how to soothe themselves, thereby regulating their stress response and cortisol levels. Researchers now believe loving relationships also can help older children reset their response to stress when it has been derailed by abuse. Says Gunnar: "We don't know when the door to the brain's plasticity closes."

Unfortunately, loving damaged children can be tough. One minute they are hostile, the next withdrawn. In class, they escape their feelings by daydreaming. When the teacher confronts them, they retreat even further. Then, says Perry, "the teacher touches the kid. When you touch them, that's incredibly threatening, and the child has a tantrum."

The growing understanding of what's going on in an abused and neglected child's brain has begun to yield new treatments. In addition to psychotherapy, Perry gives some of his young patients clonidine, a drug that helps check the fight-or-flight response. Clonidine, and other drugs that interfere with the release of cortisol, may decrease the chances a child will go on to develop PTSD. Perry also hands out devices that allow teachers and foster parents to monitor a child's heart rate from a distance, so they can refrain from making demands on him when he's frightened.



ALL IN THE FAMILY. The presence of a loving adult can be a powerful antidote for some at-risk children. Above, police investigate in north Philadelphia.

For every child who finds help at a clinic like Perry's, there are dozens who fall through the cracks. Only a fraction of the millions of children who are mistreated each year receive the kind of help that can reverse the underlying physiological changes they suffer. Ultimately, says McLean's Teicher, failing these kids may

be shortsighted. They are less likely to live up to their economic potential, and more likely to wind up in prison, on drugs or in psychiatric units, he says. "The cost on society of having a child who has gone through abuse is enormous." ■

BY SHANNON BROWNLEE



IN OUR
SCHOOL,
"I CAN'T"
IS A
FOREIGN
LANGUAGE.

Our courses will have you mastering challenges you never thought possible. And learning about an exciting subject. Yourself. Choose from dogsledding, kayaking and more. Call 1-800-243-8520 for a free color catalog. Or visit us at <http://outwardbound.org/go>

Outward Bound®

THE ADVENTURE LASTS A LIFETIME™

China takes a deep breath

After decades of breakneck economic growth, Beijing confronts an environmental disaster

In 1956, to the astonishment of his personal physician and provincial officials, Mao Zedong declared his intention to swim in three of China's greatest rivers—the Pearl, the Xiang and the Chang (Yangtze). Serenely braving the dangerous currents, Mao transformed his dips into a powerful metaphor for his bold leadership. Today, China's churning rivers are testament to a far different message: the staggering environmental costs of a monolithic preoccupation with economic growth.

Nearly half of China's seven river systems are severely polluted. An estimated 80 percent of the country's industrial and domestic waste is discharged, untreated, into rivers. According to a top Chinese environmental official, no more than five of China's more than 500 cities have clean air. Respiratory disease occurs at five times the rate in the United States and is the leading

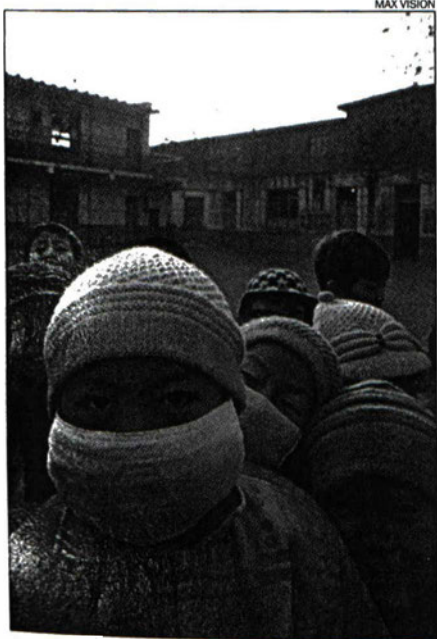
cause of death in China's urban areas. Such grim statistics would be alarming in any country, but in vast China, they portend a potential disaster of global proportions.

Most of China's 1.2 billion people—22 percent of the world's total—live along the country's eastern and southern coasts in an area about the size of the United States east of the Mississippi River. China's population could hit 2 billion by 2050 if already strict population-control programs fail to further reduce fertility.

The Chinese economy has quadrupled in size since 1980. If that pace continues, China will overtake the United States as the world's largest economy by 2010. China already consumes more grain, red meat and fertilizer and produces more steel than the United States. But the rapid loss of croplands due to urbanization, just as China's increasingly well paid populace is gaining an appetite for more consumer goods and a richer diet, already is straining the country's ability to feed itself.

A hint of green. Apparently sobered by the worsening situation, China's leadership finally is taking on a noticeable, if belated, tinge of green. Western concerns are no longer dismissed out of hand as a hypocritical invasion of China's sovereignty by wealthy, already industrialized nations, or as a malign attempt to put the brakes on China's increasingly competitive economy. In recent years, China has produced a number of environmental action plans. And during China's Fourth Environmental Protection Conference in July, Premier Li Peng dryly admonished a stiff assemblage of Communist Party officials to do more to fight pollution and promote sustainable development.

Yet Beijing's bureaucrats will have to bring more revolutionary zeal to bear if the greening party line is to have any real impact. In Inner Mongolia's Baotou, huge state-owned industries have



Lanzhou. Children in antipollution masks

Shanghai chemical plant. An estimated 80 percent



Fujian province. The leadership is considering



of China's industrial and domestic waste is discharged, untreated, into its river systems.



unprecedented restrictions on Chinese industry.

LEE DAY - BLACK STAR

for decades pumped colorless hydrogen fluoride into the air—leaving the local population with brittle bones and brittle teeth. Shanghai's 13 million residents rely on drinking-water supplies that are contaminated with oil, ammonia, nitrogen and an assortment of other potentially dangerous organic compounds. Worst of all in most cities is the soot and smoke from the widespread burning of coal. It seeps through ramshackle window frames, settling on furniture, appliances and books. It streaks any laundry that is hung out to dry. It makes grit-covered teeth and stinging eyes as much a part of the Chinese urban winter as the sweet potatoes cooked by street vendors in converted oil-drum ovens.

China's polluting ways increasingly are being felt beyond its borders. One Japanese study indicates that as much as 30 percent of the acid rain that falls on western Japan can be traced to sulfur dioxide emissions from coal burning

in China. And by one Western estimate, Chinese sulfur dioxide emissions will exceed those of the industrial world by 2035. China ranks second in the world, after the United States, in industrial emissions of carbon dioxide. Production of ozone-eating substances, such as the chlorofluorocarbons used in refrigerators and aerosols, could more than double 1991 levels by the end of the decade.

A broad social consensus in China remains in favor of continued economic growth, but popular enthusiasm for a fledgling "green foods" industry, a rash of angry lawsuits against dirty industries and the increasingly obvious toll of pollution are prompting national leaders to contemplate unprecedented restrictions on industry.

Capital offense. The fate of Lotus Flower, the world's fourth-largest producer of monosodium glutamate and a Deng Xiaoping-era success story, could be a lesson for other polluters. Until recently, Lotus Flower's factory in Henan province spewed out 3,500 tons a day of a noxious, yellowish-green effluent that helped make the Huai River in east central China one of the country's dirtiest. When controlled flooding of the river in 1994 revealed the extent of the pollution by wiping out croplands and fish stocks downstream, Zhu Rongji, the most no-nonsense of

China's top leaders, barely flinched. "The [Lotus Flower] MSG plant only has 10,000-plus workers. If it can't fix its pollution problems, close it down." Lotus Flower hurriedly cleaned up its act, but it used an experimental treatment program that involves introducing bacteria into the water that could have other, as yet unknown, health consequences.

Beijing recently shut down nearly 1,000 paper mills on the Huai and intends to do the same to small polluting industries nationwide. "We are determined to make a shift from extensive economic development to intensive economic development," says Xie Zhenhua, the administrator of China's National Environmental Protection Agency (NEPA). In its growing zeal to respond to China's environmental problems, the leadership in April made "jeopardizing the environment" a capital offense.

Yet economic growth remains the last word. As China's 1994 environmental action plan puts it: "The precondi-

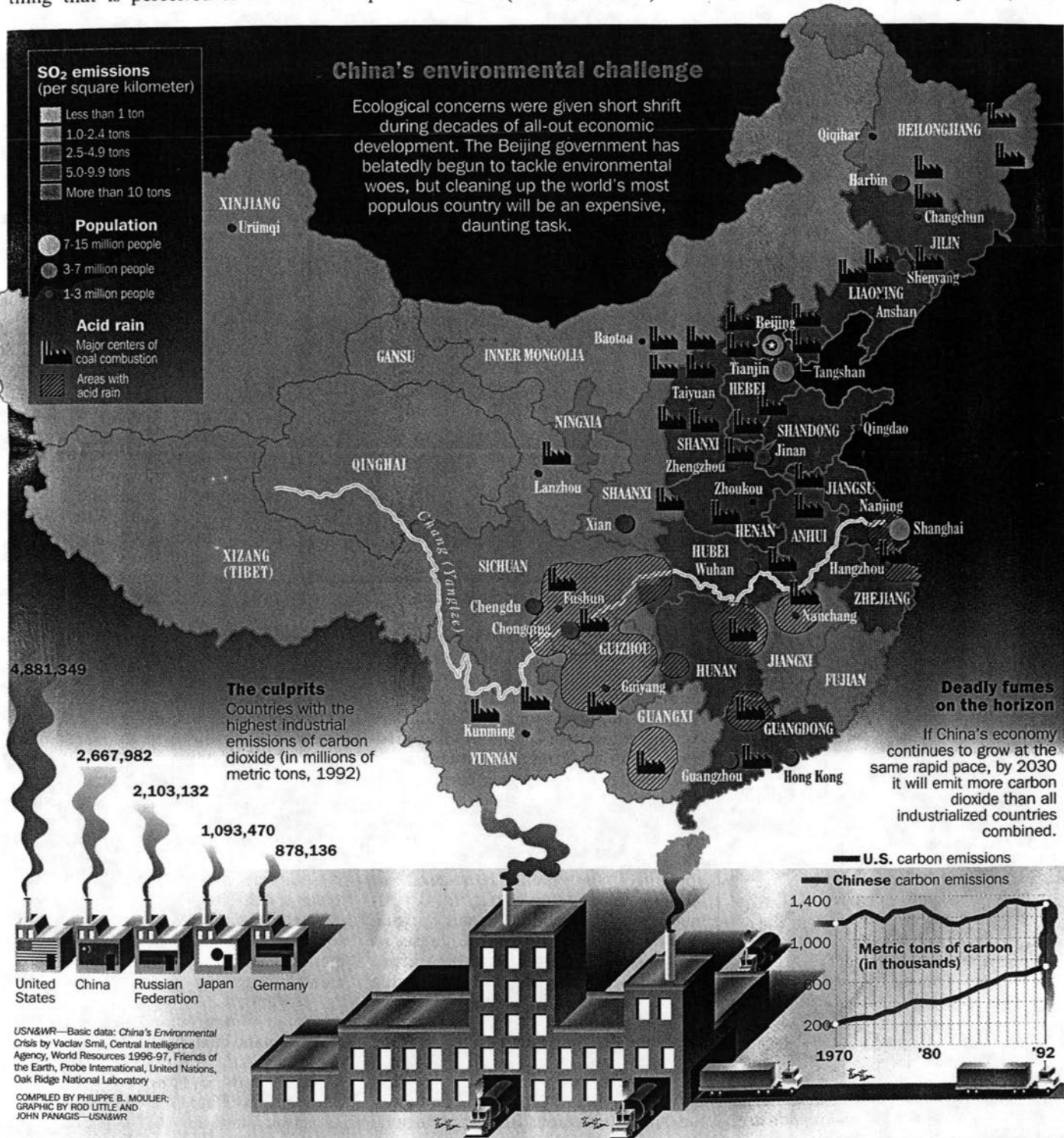
WORLD REPORT

tion for sustainable development is development." NEPA lacks the clout to enforce environmental regulations in many sectors of the economy and often finds itself trumped by more powerful ministries, which remain preoccupied with production totals. "If the environment needs to be bypassed for something that is perceived to be for the

greater good, it just gets bypassed," says a Western environmentalist working in China. In fact, U.S. government analysts expect that the Chinese leadership will defer a vigorous attack on pollution until after 2010, when the current phase of industrialization is scheduled to end.

Understandably, money is also a problem. Beijing plans to increase annual spending on the environment from 0.7 percent of GDP (about \$17 billion) to 1.5

percent of GDP (about \$40 billion) by 2000. But to make a real difference, says Husayn Anwar, an environmental engineer working in China, the government would need to commit at least 5 to 10 percent of GDP—a level of funding that many Chinese officials say is simply beyond reach until China grows richer. Power and water and sanitation infrastructure alone will require more than \$300 billion in investment by 2004, mak-



USN&WR—Basic data: China's Environmental Crisis by Vaclav Smil, Central Intelligence Agency, World Resources 1996-97, Friends of the Earth, Probe International, United Nations, Oak Ridge National Laboratory

COMPILED BY PHILIPPE B. MOULIER;
GRAPHIC BY ROD LITTLE AND
JOHN PANAGIS—USN&WR

ing dollars for environmental projects scarce. "It's really kind of a pinprick approach," says a U.S. official of Beijing's environmental spending plans.

Even if China's top party leaders remain ambivalent about investing in the environment, many people and businesses across China are not. In Zhoukou, in Henan province, 70 percent of the city's drinking water comes from the polluted Sha River. That is a potential

market opening that the Huacheng Science and Technology Development Co. finds hard to ignore. A manufacturer of handcuffs, thumb cuffs and electric batons—technologies with an entirely different purpose—Huacheng is now trying to boost its income through the sale of water-purification equipment. On the wall of its headquarters hangs a warning. "A siren call," it reads. "People have already discovered, or are dis-

covering, that we are playing a cruel and terrible joke on ourselves . . . Our drinking water is leaving a legacy of pain and sorrow for our descendants." The question now is whether China can begin to practice that kind of preaching before it is too late.

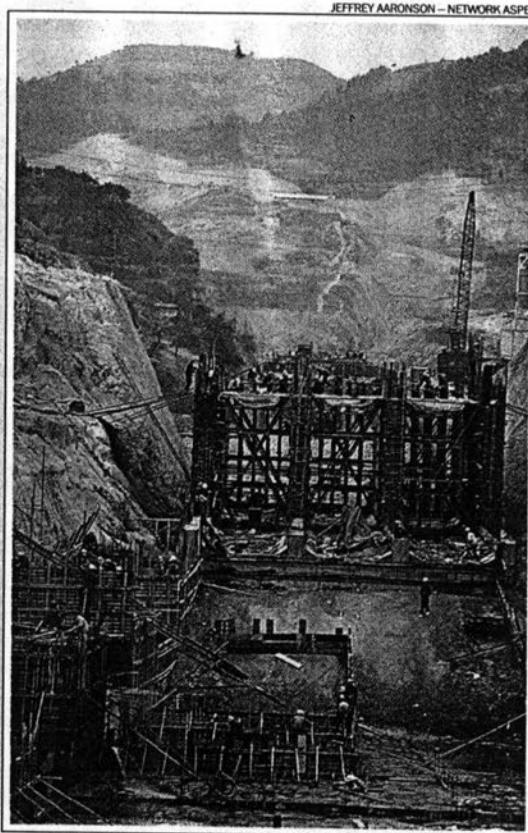
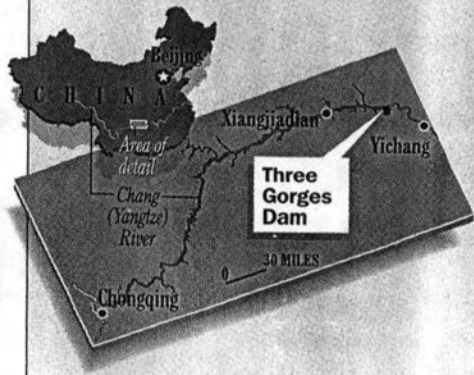
BY TIM ZIMMERMANN IN WASHINGTON AND SUSAN V. LAWRENCE AND BRIAN PALMER IN CHINA, WITH PHILIPPE B. MOULIER

THE WORLD'S LARGEST DAM

Building the next Great Wall of China

A pile of red bricks is all that remains of the Du family's house. Struggling to keep her balance, Du Kaiyin navigates a wooden vat of water through the dusty rubble and begins to prepare supper on a small table amid the debris. "They forced us to tear everything down and move away," explains the 55-year-old grandmother. She has spent her entire life on this farm in Xiangjiadian, a village on the banks of the Chang (Yangtze). But soon she will leave to join her son in Yichang, the main city of the district, three hours downstream by boat.

Sinking cities. The reason is "Da Ba"—the "Big Dam," as locals call China's largest engineering project since the Great Wall. The Three Gorges Dam—named after the majestic valley where it is being built—will be the largest dam in the world, 600 feet tall and 1.4 miles long. Behind it, the waters of the Chang will form a reservoir over 400 miles long and covering an area as large as Los Angeles. Some 140 cities and villages—including Xiangjiadian—1,600



The "Big Dam." Construction at Three Gorges

factories and at least 80,000 acres of arable land will be submerged.

The purpose of the mammoth project is twofold. More than 300,000 people have died in this century in floods along the Chang. "The dam," maintains chief engineer Lu Youmei, "will protect 15 million people from flooding." And the economic advantages are plain: Twenty-six huge generators will produce the equivalent of one ninth of China's entire power production today, energy needed to industrialize China's heartland.

But the costs will be high as well. To clear the area to be flooded, Beijing has initiated the largest forced resettlement in Chinese history: 1.3 million residents of the area must leave. New cit-

ies are being planned and built for them, and a five-person family is supposed to get 29,000 yuan (about \$400) in compensation for the loss of its home.

An invaluable cultural topography also will sink. According to legend, the ancient hero Yu conquered the torrents of the mighty Chang with the help of the goddess Yao Ji and created the cornerstone of the first dynasty. Since then, countless poets and artists have paid homage to the beauty of the Three Gorges. Inscriptions line the cliff faces and fill temples on the water's edge.

According to environmentalists, completion of the dam could mean extinction for endangered species including Yangtze river dolphins and Chinese alligators. Other experts consider the monumental undertaking downright dangerous. As the reservoir fills with sediment, the river behind the dam will

grow increasingly torrential. There are fears that lifesaving dikes could burst under the strain. The area around the dam site also is earthquake prone.

Concerned by such risks, international sponsors such as U.S. agencies and the World Bank have withdrawn their support. But Beijing is forging on. If all goes according to plan, next year the river will be diverted into a concrete riverbed. Six years later, engineers will set in motion the first electric generator. The dam is scheduled to be completed by 2009, forever altering what poet Du Fu described 1,200 years ago as "the river of heaven."

BY HARALD MAASS IN XIANGJIADIAN

Leon/903/FRAIN
GLWS
can we do this?
like it - BC



THOMAS R. CARPER
GOVERNOR OF DELAWARE

THE PRESIDENT HAS SEEN
12-6-96

12-5-96

Dear Mr. President,

Thanks for the invitation to the White House this evening. I love to be there during the holiday season and regret that Martha could not join us.

The Department of Transportation has recommended in their FY98 budget request that a half-cent of the gasoline tax be earmarked to create an Amtrak capital trust fund. The recommendation is an excellent one! If adopted, it will make possible high-speed rail service to Boston by 1999. That service, and others like the Acela train, will be profitable and allow for the elimination of federal operating support for Amtrak by 2002, while still maintaining a national system. Please support the half-cent proposal! Many thanks! Happy holidays! Personal regards, Tom

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 12-6

TO:

Michael (BARR
DEPARTMENT
OF
TREASURY)

FROM: Staff Secretary

Jeanne gave
this to me to get
President to sign,
which he did last
night - Suitable for
fanning. See you
soon. *Wdd*

THE PRESIDENT HAS SEEN
12-6-96 THE WHITE HOUSE
WASHINGTON

December 5, 1996

Mr. President,

Michael is a talented
special assistant to Bob
Rubin.

Todd Stern



*To Michael Barr
With Appreciation,*

Bill Clinton

Mr. Michael Barr
Department of the Treasury
Room 3422
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 12-6

TO:

Harold (ICKES)

FROM: Staff Secretary

By - Proposal for
Holocaust museum to
be used as a site
during Inaugural.

a

10/11/60

UNITED STATES
HOLOCAUST MEMORIAL MUSEUM

'96 DEC 6 AM8:30

December 4, 1996

President William Jefferson Clinton
First Lady Hillary Rodham Clinton
The White House
Washington, DC

Dear Mr. President and Mrs. Clinton:

In light of the upcoming Inaugural activities, we are writing to extend an invitation to you and the Presidential Inaugural Committee to consider the United States Holocaust Memorial Museum as a venue for one of two possible events.

We are proud of the fact that the Museum has become a preeminent symbol in the national consciousness about the importance of liberty, democracy, equality, and tolerance. Similarly, the Museum is Washington's memorial to hatred, xenophobia, and genocide. Since the opening of the Museum three and-a-half years ago -- at which you eloquently expressed the mission of the Museum -- more than 7.3 million visitors have learned and contemplated the lessons of the Holocaust.

As such, we offer the Museum as a site for Inaugural events that speak to the core mandate of the United States Holocaust Memorial Museum.

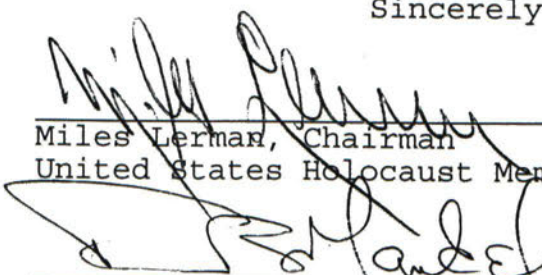
First, in the event a venue has not yet been chosen, we respectfully offer the Museum as the site for the traditional National Prayer Breakfast scheduled for Monday, January 20, 1997. In our view, expressions of tolerance and solidarity within the Museum by leading religious figures would be a most appropriate and meaningful gesture. The Museum serves as a place of memory of a tragic past, and as a place for reflection for a better future.

Alternatively, we offer the Museum as the site for a National Unity Commemoration on Saturday morning, January 18, 1997. No doubt, the Museum compels all Americans to realize the importance of our most basic national values: that all people are created equally, and that we must strive together as citizens of this great land for decency and freedom for all.

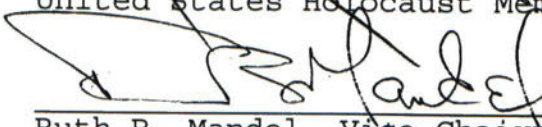
The Museum is ready to assist you and the Presidential Inaugural Committee to ensure that your Inauguration will be a meaningful and historic milestone. We will be pleased to discuss these and other ideas at your or your staff's convenience. Please also feel free to have your staff contact Mr. Ralph Grunewald, our Director of External Affairs, at 202/488-2633.

We look forward to taking part in the activities surrounding your Inauguration, and to working with you in the coming years.

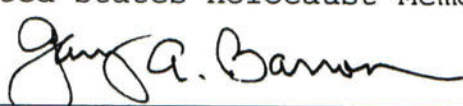
Sincerely,



Miles Lerman, Chairman
United States Holocaust Memorial Council



Ruth B. Mandel, Vice Chairperson
United States Holocaust Memorial Council



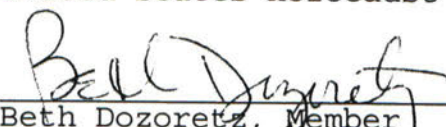
Gary A. Barron, Member
United States Holocaust Memorial Council



Norman Brownstein, Member
United States Holocaust Memorial Council



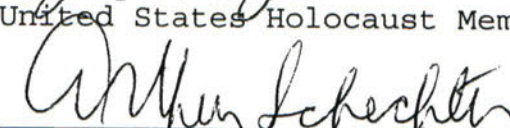
Stanley M. Chesley, Member
United States Holocaust Memorial Council



Beth Dozoretz, Member
United States Holocaust Memorial Council



Lynn Lyss, Member
United States Holocaust Memorial Council



Arthur Schechter, Member
United States Holocaust Memorial Council

EB
He's great

WHITE HOUSE
WASHINGTON

cc: with incoming:
Erskine Bowles
Cecily Lieberman
Rom Eagle
Ash

November 14, 1996

James A. Harmon
Schroder Wertheim & Co.
Equitable Center
787 Seventh Avenue
New York, New York 10019

Dear Jim:

Thanks for your letter of November 11 and for your offer to serve in my second term. As you well know, I'm very grateful for your support and for all that you did for the campaign. I'll give your suggestion serious consideration and have made Erskine Bowles aware of it.

My best to Jane.

Sincerely,

Trin

Tranby

Bryl Sundry
3worn nading

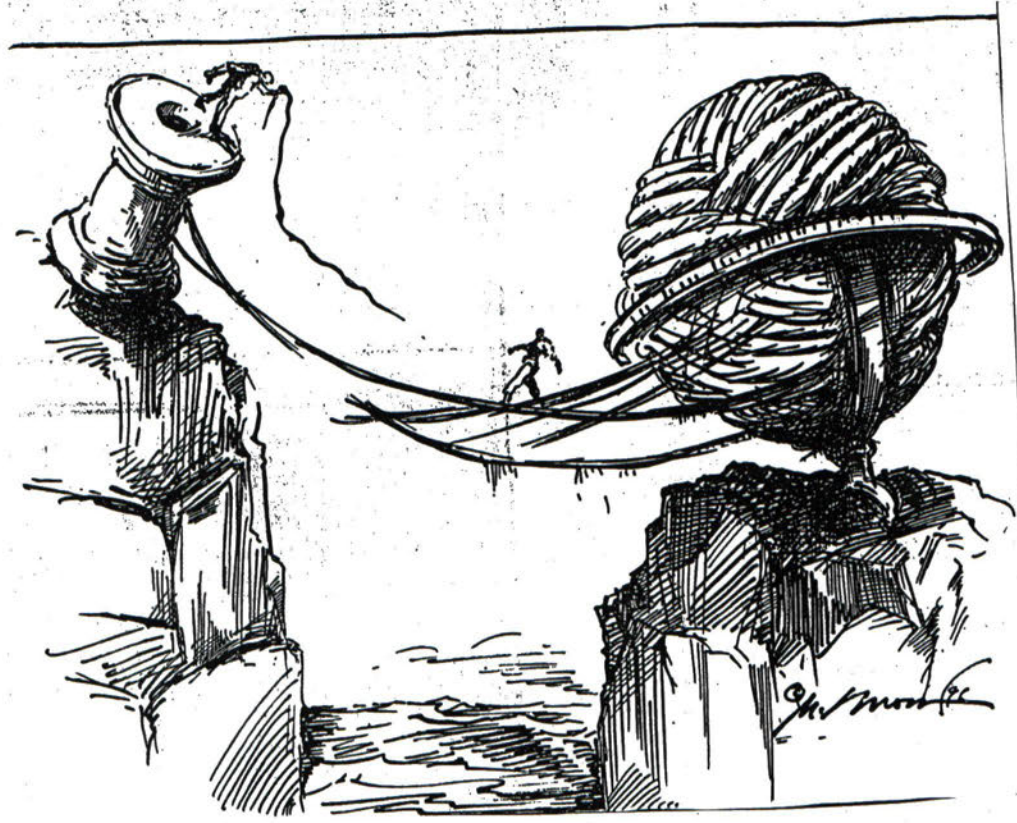
THE PRESIDENT HAS SEEN
12-6-96

BC

The Honolulu Advertiser

FOCUS

America must become a better partner in Pacific



①

When the leaders of the Asia Pacific Economic Cooperation forum meet in Manila and Subic Bay at the end of next week, many eyes will be on the re-elected American president, Bill Clinton.

After all, it was Clinton who started the annual APEC summits three years ago by inviting his fellow leaders to Blake Island in Puget Sound.

This year, he returns to APEC after having missed last year's meeting when the U.S. government was shut down over the budget struggle. Asian leaders will be looking for clues as to the style, tone and emphases of the ad-

ministration's second-term Asia-Pacific policy.

The president, of course, has a thick briefing book that outlines the many issues he must deal with, both in bilateral meetings with other leaders and in the APEC multilateral meeting. The briefing book is likely to be detailed on the issues and upbeat about U.S. relations in Asia.



Charles E. Morrison

But let us consider some general and sometimes unpleasant points on U.S. Asia policy that may have escaped explicit mention.

■ First, although there are currently no Bosnias, Palestines or Zaires demanding immediate attention in East Asia and the Pacific, we cannot take this region for granted. Its political stability and even economic dynamism may be more fragile than commonly believed.

The importance of a stable and prosperous Asia to the United States and the world can hardly be exaggerated. It is not just our biggest source of imports, but also our largest, most rapidly growing export market and — as we in Hawaii know too well — is in many ways integral to the U.S. economy.

There is virtually no world problem, from reducing ozone levels, to controlling proliferation of missiles and nuclear weapons, to establishing new trade rules, that can be effectively addressed without active participation and agreement of the major countries of Asia. We need these countries as global, not just regional, partners.

Often, however, our attention and resources are diverted by issues and areas of far less intrinsic importance.

Notably missing is a coherent national strategy toward the region, linking broad objectives with actual poli-

cies and actions. Consistent high-level attention and thinking are required. Asia is simply too important to be left for most of the year to an assistant secretary of state, no matter how able.

■ Second, the realities of our position require a new mode of operating in Asia.

No other outside country is more important and influential in Asia than the United States, but we do not have the dominating position we once did. This puts a premium on listening, consulting and developing positions in partnership.

It is hard to fault our rhetoric about partnership. But in practice our policies have often been seen as unilateral, preachy, condescending and narrowly self-interested. Developing our positions at home, we then negotiate and compromise with our partners rather than first consulting and exploring together how best to handle a problem.

Asia-Pacific nations need to be treated with the respect befitting their status as independent countries with rich cultures and rapidly modernizing economies. This is not as easy as it sounds, just as rooting out racism with-

in American society itself is not a matter of changing rhetoric but of altering deep-seated attitudes.

■ Third, effective U.S. leadership in the region requires a balance of assets — military, economic, diplomatic and educational — and the political will to sustain those assets.

We need to have resources to bring to the table. In our salad days, we acquired an expensive habit of making proposals. Today we continue to propose but often prove unwilling to match rhetoric with the will or resources to carry through.

Still needed: a foreign policy guru

The legendary George Kennan was the first and greatest guru of postwar U.S. foreign policy.

Back in 1947 Kennan headed the U.S. State Department's policy planning staff. Writing under the mysterious byline "X," he laid out the road map for the U.S. role in the postwar world in the most influential article ever to appear in *Foreign Affairs*, the quarterly bible of the American establishment. His essay was on the need to contain Soviet communism.

Since the collapse of the Soviet empire, America has been waiting for a new

Tom Plate

George Kennan to lay down the new rhyme and reason for what we should be doing in the world.

Samuel P. Huntington has been seen as a candidate for the job. Many have long admired this professor of international politics at Harvard, chairman of Harvard's Institute for Strategic Planning. He was a Carter administration national security official and is author of influential works on complex foreign policy issues.

And so, in 1993, when the first tantalizing excerpt from Huntington's world affairs book-in-progress appeared in none

other than *Foreign Affairs*, that journal's editors cried, Eureka! The essay foresaw a gloomy future of major conflicts between competing civilizations. It triggered more response than anything since the famous "X" article.

Even former Secretary of State Henry Kissinger, who might himself have coveted a role as Kennan's intellectual successor, agreed that Huntington's book would be "one of the most important books . . . since the end of the Cold War." It was finally published this month as *"The Clash of Civilizations and the Remaking of World Order."*

But hold off on the canonization. Based on the latest excerpt, in the current *For-*

See Plate, Page B4

Tom Plate is a Los Angeles Times columnist who also teaches at UCLA. E-mail: tplate@ucla.edu

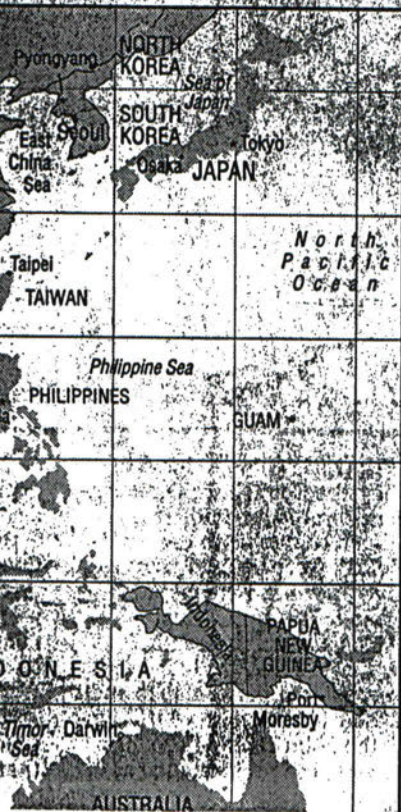


Plate: The new Kennan hasn't appeared

FROM PAGE B1

ign Affairs, I fear for America if the U.S. establishment accords Huntington's misguided views the same respect it once rightly did Kennan's.

As might be expected of an academic based in Boston who has spent most of his life trafficking up and down the East Coast corridor, Huntington wants America to concentrate on Europe.

But it gets worse: In his view, Asian cultures and nations can be treacherous players who will modernize but never Westernize sufficiently to permit America to become a true partner

President and Mrs. Clinton are scheduled to leave Hawaii tomorrow for Asia and a state visit to Australia, the Nov. 25 APEC meeting at Subic Bay, Philippines (see map) and a state visit to Thailand. The Clintons plan to

with them.

America, argues Huntington, should turn its back on forging new alliances with Asia, just as George Kennan proposed almost half a century ago that the West link arms to oppose communism.

If Huntington's vision takes hold in the drawing rooms, board rooms and government offices of the East Coast establishment, make no mistake about it, the consequences will prove devastating.

I have long respected Huntington, but he is totally wrong about turning the clock back to Europe. While our European ties always will be important, America's millennial future is to be found on the other side of the Pacific, in the booming economies and dynamic cultures of Asia.

U.S. policy and vision must reach out to Asia, a region that is home to more than half the planet's population. According to the International Monetary

the world's economic growth by 2000.

It takes no genius to recognize the awesome potential of China as it begins to shed the chains of its insane and inept communist system. Or the future might of a Korea finally united; suddenly in Germany's economic league; Or the determination of insular but deeply competent Japan to maintain its position in the first-class cabin of the world.

And what will be the ceiling on the potential of Asian societies such as sprawling Indonesia, the world's fourth most populous nation? Or of awakening Malaysia, its economy growing at 8 percent a year? Or of democratic Philippines, with 67 million people?

Huntington's parochial world view, if the United States were to take it to heart, would sell America short.

We need to be patient. If that great, new, sky-clearing Kennanite insight comes, it will

must have strong Pacific span

John Griffin

er ties with nations there.

Changes include Asia's awe-some economic development and a desire of its leaders to work together and have more say in dealing with the Western world.

Multilateral cooperation in development, trade and security is a wave of the future the United States must catch. That is highlighted by the centerpiece of Clinton's trip, the summit meeting in the Philippines of the Asia Pacific Economic

See Griffin, Page B4

If President Clinton is serious about his campaign talk of building a bridge to the 21st century, his Asia-Pacific trip is a great place to start. The bridge will fall short if the United States cannot maintain its relevance in the world's most dynamic region.

The United States faces a dual challenge:

■ To adjust American policy to the major changes under way in Asia.

■ To maintain, and make the best use possible, of our old-

John Griffin, former editor of The Advertiser's editorial pages, is a free-lance writer.

Griffin: Big challenge is to keep powers in balance

FROM PAGE B1

Cooperation forum, with 18 members from four continents.

Clinton gave APEC a dramatic boost three years ago by hosting its first summit for heads of state in Seattle. The Subic Bay meeting is a test of how the newly re-elected president hopes the United States can cooperate, lead and otherwise relate in coming years.

Still, bilateral relations remain especially important in the Pacific.

Balance among powers

Our relations with China have warmed recently after a long chill. Clinton's Subic Bay meeting with Chinese President Jiang Zemin could set the stage for later official visits and other improvements on issues such as trade, arms sales and human rights.

A larger question is the delicate balance between the United States, China and Japan.

This was apparent at recent forums in Honolulu and Washington on changing U.S.-Japan security ties sponsored by the Pacific Forum/CSIS and others.

There, attention was called to a recent article in Business Week magazine that said in part: "Some senior (Clinton) administration officials are toying with the idea of a Sino-American partnership. . . . Some insiders would back a more decisive shift, making China, rather than Japan, the focus of America's Asia policy. The new emphasis could come at Japan's expense."

That was viewed with alarm by those who stress that improvement in China relations must come atop, not in spite of, our relationship with Japan, still the most important alliance between any two nations in the world.

Remember Pacific isles

So it is fitting Clinton goes from here to friendly Australia, an old ally increasingly focused on its Asian neighbors. (One hopes he and Australian leaders will spend some time on how the small and scattered Pacific islands can relate to major developments around them.)

U.S. ties to the Philippines will be reaffirmed and that nation's impressive economic progress under President Fidel Ramos will be spotlighted by Clinton's attendance at the APEC summit.

But APEC's biggest side benefits may be in meetings Clinton has with individual Asian leaders. These include President Kim Young Sam of South Korea, who feels the U.S. was not strong enough in its initial response to the North Korean spy submarine found on a beach in the South. North Korea remains Asia's hottest spot, and the region's security equation (and the need for U.S. troops) will change dramatically when that is no longer so.

Follow-up counts most

Finally, while our role of holding off conflicts is important, the name of the game in Asia for America is economics, taking part in the dramatic growth.

President Clinton is likely to do well at APEC, just as he did in the campaign. He can talk the talk better than almost anyone.

But the real test will be follow-up after he gets home — whether he will continue to see that one of our nation's biggest bridges to that coming century must span the Pacific.

Friday, after apparently being freed from the control of Hutu militias and Zairian factions, according to aid groups.

AP/ENRIC MARTI

FOR DOLA RWANDA AND ZAIR
combatants largely organized along ethnic and tribal lines — would most likely continue.

So far in the most recent phase of the crisis, as many as 13,000 refugees have died, according to aid

[See ZAIRE, A-16]

n K.
near

LEON / H / SONIA
SUNSHINE / SW /
THOR COULIFF

worth reading

Be

THE PRESIDENT HAS SEEN

12-6-96

S BA-ACK. Wil
eat from Paris s
ete by game tim
ally completed h
how to apologiz
Brown phoned 4
om his \$3,300-a-
as sorry for callin
o humankind."
almost over. Willie

all had better stop laughing. Brown
everyone but himself for his own stu-
may bring back a souvenir guillo-

n can't fire the public the way he
rats. Wait until he gets to his box at
for the Baltimore game and discov-

array of projectiles and verbiage
that hard-hat Borsalino.

erloo. Emperor Willie met his Paris.
sh. But there's nothing quite as
in a \$5,000 suit trip over his own lip

Joel Drucker, who deals in public re-
have been worse. At least he didn't

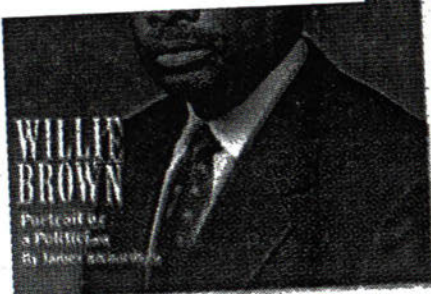
politician of his time, but he was a legis-
geous remarks never got outside the
showed he has a lot to learn about liv-
time.

re colorful than Frank Jordan, but

administration is the journalists' and
act.

ll classes have a lot of fun and don't

[See MORSE, A-3]



Examiner Magazine

Exclusive excerpts from John Richardson's new biography of Mayor Brown trace the young San Francisco lawyer's rise to political power during the tumultuous 1960s.

Was the trip worth it?



Examiner
phone
survey
[A-3]

Asians' political image marred

Fund-raising probes timing 'unfortunate'

By Annie Nakao
OF THE EXAMINER STAFF

Ask UCLA academic Don Nakanishi about the political empowerment of Asian Americans and he'll recall an evening two decades ago, when 10 Japanese Americans ponied up \$100 each to sponsor a \$1,000 table at a GOP function.

"From that, it goes to a month or so ago, when we had 1,000 Asian Americans contributing \$1,000 each for a million-dollar Democratic fund-raiser, featuring President Clinton, at the Century Plaza Hotel in Los Angeles," said Nakanishi, director of the campus Asian American Studies Center. "That kind of shows what's happened."

From the election of Chinese American Gary Locke as Washington's governor to the thousands of new Asian voters who cast their ballots Nov. 5, there are bold signs that the nation's 9.6 million Asian Americans are finally taking their places at the political table.

But nowhere has the arrival of Asian Americans been more visibly demonstrated than in the unfold-

[See ASIANS, A-11]

◆ ASIANS from A-1

Asians trying to weather probes

ing controversy over alleged illegal foreign donations solicited for the Democratic National Committee by Asian American John Huang.

Once the DNC's prize fund-raiser, Huang, a 51-year-old Chinese-born naturalized citizen who lives in Los Angeles, now finds himself in a growing morass of accusations that he solicited illegal foreign donations while currying favor at the White House for an Indonesian banking conglomerate for which he once worked.

The DNC has suspended Huang's fund-raising duties while the Federal Elections Commission probes the donations, including a \$450,000 contribution from an Indonesian couple with ties to the conglomerate, the Lippo Group.

It is illegal for foreign corporations or individuals to contribute to federal candidates or parties in the United States. But U.S. subsidiaries of foreign corporations and noncitizens who are permanent U.S. residents are permitted to give.

Huang's ties with Lippo, founded by the Riady, a wealthy Indonesian-based Chinese family, are also being probed by Congress and the U.S. Commerce Department, where he was privy to sensitive Asian trade policy issues while serving as deputy assistant secretary from July 1994 to December 1995.

So far, the DNC has returned four donations raised by Huang totaling \$590,000, or about a fourth of the \$2.5 million Huang brought in.

A very negative light

Scrutinized by the national press since Republicans made it an embarrassing issue in the last weeks of the campaign, the controversy has rocked not just the DNC but Asian American communities — whose leaders feel the "Asian bashing" it has sparked has put a chill on their political coming-out party.

"This is the kind of reaction we do not need in our community right now — just as we are getting more citizens to vote, getting people to participate," said Claudine Cheng, a Chinese American lawyer

and first vice chair of San Francisco's Democratic Party. "What's happened is discouraging to those who have just seen the light."

The Huang flap hits especially hard because it casts suspicions on an area where Asian Americans have played their biggest political role: fund raising.

"It's given extraordinary visibility to perhaps the one area of Asian American political participation that's been most attractive to both Democratic and Republican parties — mainly the money," said Nakanishi. "In a lot of ways, it's unfortunate."

In San Francisco, the Huang affair comes on the heels of the ill-fated Democratic fund-raiser organized by San Francisco mortgage broker Chong Lo.

Last summer, Lo's Lotus Fund announced a Democratic fund-raiser in San Francisco featuring President Clinton, though the DNC never confirmed his appearance. The affair was canceled after Lo was arrested for bank and mail fraud and other charges associated with her business. The FBI and the U.S. attorney's office in San Francisco are also investigating the fund in a separate probe.

"First we had to deal with Chong Lo," Cheng said. "After that was over with, we are hit with this investigation. It really casts a very negative light on the Asian community."

The Huang affair has inspired countless Internet chats. On Channel A, a new Web site on the Internet on Asian American topics of interest, one recent participant — commenting on New York Times columnist William Safire's reference to "the penetration of the White House by Asian interests" — said, "Hey, I'm Asian (Korean American), and I've never even been inside the White House."

For many Asian Americans, the Huang affair has been a rough-and-tumble entry into the high political visibility for which they've always yearned. It also reflects their lack of clout, despite years of giving generously to the coffers of both parties.

Part of it has to do with numbers. Despite phenomenal growth — the Asian American population has doubled every decade since 1970 — their numbers at 9.7 million still reflect just 3.7 percent of the nation's population.



Claudine Cheng feels recent probes have hurt her community's image.

Even in California, where they constitute one in 10 residents, Asian Americans have found political power elusive.

"If it wasn't so serious, it would almost be funny," said Stewart Kwok, director of the Asian Pacific American Legal Center in Los Angeles. "Only one of 120 California legislators are Asian. What kind of influence is that?"

Ironically, it was a strategic shift to "bundle" campaign contributions into more significant amounts handled by key individuals like Huang that helped create the controversy.

While they feel the allegations must be investigated, many Asian Americans believe Huang and, by implication all Asian Americans, have been unfairly singled out in a political world where big money and influence-peddling are second nature.

"I recently had lunch with a Jewish friend — he told me, 'Welcome to the club,'" said Karen Narasaki, executive director of the Washington, D.C.-based National Asian Pacific American Legal Consortium.

"The sad truth of it is, this kind of attack in some twisted way shows that we've arrived politically," she said. "Asian Americans' ability to raise funds, mount credible candidates and turn out the community to vote — all of that makes us a player. And once you become a player in any realm, people are going to try to take you down."



Mortgage broker Chong Lo, alongside Hillary Clinton, was arrested for bank and mail fraud after trying to organize a Democratic fund-raiser.

While they blame Republicans for the tempest, critics equally blasted the press. After the Huang story broke, Asian American organizations in four cities denounced media coverage of the matter as "perpetuating the stereotype" by failing to distinguish Americans of Asian descent from foreign Asians.

It's an age-old struggle for Asian Americans — perpetually perceived as foreigners though they have been in this country for generations.

"We still, in our gut, do not have a sense in this country that when you see an Asian American, you believe this to be an American," said Angela Oh, a Korean American lawyer on the Los Angeles Human Relations Commission.

She and others cite media's use of such terms as "the Asian connection" — casting a net of suspicion on Asians Americans. And speeches like that given by Ross Perot on Nov. 3 at the University of Pennsylvania don't help.

Perot — talking about foreign donations — recited the names of a half-dozen Asian Americans and said, "Wouldn't you like to have someone out there named O'Reilly hard at work? You know, so far we haven't found an American name."

Then, citing the names of Mark Middleton and James Wood, two other Americans also linked to questionable DNC fund raising in Taiwan, Perot said, "Now there's two names you can relate to."

Some already have felt the fallout from the Huang affair.

Shortly after the DNC released a list of donors, Charlie Woo, a Chinese American toy manufacturer in Los Angeles and a DNC donor, started getting phone calls.

"Some were pretty nasty in tone," said Woo. "The first call was a reporter who was interested in what country I was from, where I made my money, what could I expect in return for my contribution? I felt pretty angry. It was clear they picked me out because of my Asian last name. If I had any other name, they would not have called. They automatically assumed I'm from a foreign country."

The flap also has affected fund raising.

"About the time this broke, I was helping to raise money for Gary Locke in Los Angeles," Woo said. "Everything was going well, people had given me commitments. Then, all of a sudden, they stopped returning my phone calls. Some of them expressed concern that by writing checks, they would

invite questions."

The same leanness might affect recipients.

"A lot of politicians that have come to the Asian community obviously will be more cautious in the future, maybe to the extent that they might segregate us into a category," said Cheng. "They might say, 'Oh, this check has an Asian last name. Let's check it out.'"

Already, Clinton, egged on by Republican presidential candidate Bob Dole, said he will advocate allowing only citizens to contribute to political campaigns.

Don Simon, executive director of the Washington, D.C.-based Common Cause, thinks that is a "diversion."

"The question is not whether an Indonesian banker should be giving \$450,000 to the DNC, but why anybody should be giving that kind of money to a political party here," Simon said. "It's wrong for money in those amounts to be given because it's too tied to the purchase and sale of access and influence in the American political process."

It makes me sick

Some Asian Americans have a different view of the Huang affair.

Accusing Huang of helping to spark "the restoration of Asian Americans as foreigners again," Ling-chi Wang, UC-Berkeley associate professor of Asian American Studies, contended Asian Americans shouldn't be sympathetic to the fund-raiser's woes.

What's worse, Wang said some Asian Americans, instead of keeping their interests separate from foreign corporate interests, are "jumping onto ... lucrative bandwagons" to gain political access.

"Since money has become the lifeline of American democracy and politicians are always hungry for cash, some Asian Americans go along with these opportunists, pretending they are responding to grass-roots concerns," he said. "But the opportunists could care less about the community. We have to be fools to think that (James) Riady contributed up to \$1 million to promote Asian American political power."

Wang doesn't deny racism is involved.

"It's true," Wang said. "William Safire has written seven columns about this — it makes me sick. But we can criticize that without defending John Huang."

*through
JLH*

'96 DEC 5 PM 3:17

OCCIDENTAL INTERNATIONAL CORPORATION 1717 PENNSYLVANIA AVE., N.W. SUITE 400 WASHINGTON, D.C. 20006

ROBERT M. MCGEE
PRESIDENT

(202) 857-3060
FAX (202) 857-3010

12-5-96

December 3, 1996

Send to Deskind?
Yes ☒
No ☐

Ms. Nancy Hernreich
Deputy Assistant to the President/
Oval Office Operations Director
The White House
Washington, D.C. 20500

coordinate w/ WSC?
C. *yes*

Dear Ms. Hernreich:

I would be grateful to you if you could bring to the attention of The President the enclosed letter from our chairman, Ray Irani. I have provided a copy of the letter for your information.

Thank you.

Sincerely,

Robert M. McGee

RMM:lm

Enclosure



OCCIDENTAL PETROLEUM CORPORATION

10889 WILSHIRE BOULEVARD
LOS ANGELES, CALIFORNIA 90024
(310) 443-6144

DR. RAY R. IRANI
CHAIRMAN OF THE BOARD
AND
CHIEF EXECUTIVE OFFICER

November 21, 1996

Ms. Laura Tyson
National Economic Advisor
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Ms. Tyson:

In a recent letter, President Clinton asked that I provide advice on how to effectively move people from welfare to work. Meeting the welfare reduction goals established by the administration represents a significant challenge which will require a partnership effort between government and the private sector. Both short-term actions and long-term strategies will be necessary.

Short term, we must help welfare recipients find jobs, train or educate those who lack job skills, and provide essential support services to smooth the transition from welfare to work.

Corporations must look within to locate positions suitable for welfare recipients, and ask their suppliers to help. In the absence of available jobs, internships may be created to provide work experience. Donating to organizations which help welfare recipients locate work opportunities is another means for private sector involvement. Additionally, vocational training or education must be supplied to those who lack essential job skills. Industries that consistently hire semi-skilled workers may consider expanding cooperative vocational training centers to feed the industry with skilled workers. The Los Angeles Opportunities Industrialization Center is an example of an organization that Occidental Petroleum supports which provides training and placement to those in need.

It is imperative that those who move from welfare to work are able to maintain permanent jobs. Working welfare recipients may need further education to keep their jobs as demands on the workforce change. Occidental encourages its employees to further their education and job skills by offering educational assistance and computer training. Similar programs from the public and private sector may ensure former welfare recipients will not return to welfare rolls.

Choosing a paycheck over a welfare check often means recipients lose Medicaid benefits and may need child care and transportation. Limited public assistance and employer services are already in place to partially address these issues. Nevertheless, an expansion of government provided or subsidized support is necessary, particularly given the semi-skilled nature of many employment opportunities.

In addition to short-term options, longer-term strategies need to be expanded to interrupt the cycle of welfare dependency. Preparing children for successful careers through education and enhancing after-school activities will decrease the need for welfare.

Private funding is needed for primary and secondary education. Occidental and its divisions financially support educational institutions and donate used computers to local schools. The Occidental Petroleum Charitable Foundation and the OxyUSA Charitable Foundation provide Matching Gift Programs that double employee contributions and award National Merit Scholarships. Private industry support of education is key to breaking the cycle of welfare dependency.

Outside the classroom, children who are involved with extra curricular activities learn social skills and find encouragement to avoid the perils of drug and alcohol abuse, teen pregnancy, and gang involvement. Occidental supports youth participation in organizations such as the Boy and Girl Scouts of America and the YMCA. Scouting programs raise self-esteem and teach children to work in cooperation with their peers. The YMCA occupies children and teens with youth activities and sports programs, and offers counseling, and anti-drug and alcohol education.

Finally, children must be provided with proper role models. Occidental Petroleum has implemented a mentoring program with a Los Angeles high school. Students will learn from their mentors what skills and education level are required for a successful career.

With a dedicated partnership effort, permanent welfare reform can be achieved. Job placement, training, and social programs will be required for immediate change; education, skill enhancing activities, and proper role models for children must be provided to stop the welfare cycle. I am confident that through the cooperation of the private and public sector, the needs of many welfare recipients can be met.

Sincerely,



cc: President William J. Clinton

Mrs. Henrich -

F4I

RMM

October 18, 1996

Mr. Ray R. Irani
Chairman, President & Chief Executive Officer
Occidental Petroleum Corporation
10889 Wilshire Boulevard
Los Angeles, California 90024

Dear Ray:

Since our successful meeting last May to discuss corporate citizenship, my Administration has continued to build on the goodwill and thoughtful ideas generated at that extraordinary event at Georgetown University.

I want to take this opportunity to outline for you some of the things we have been doing in this important area. I also want to seek your advice and recommendations on a subject that will be one of this nation's most important challenges in the coming months -- how to effectively move people from welfare to work.

First, as a direct outgrowth of our Georgetown Conference, the Administration has worked with many of you on a series of regional corporate citizenship conferences. I am very pleased that these regional efforts are underway. For example, in Vermont, a Northeast Region Corporate Citizenship Conference was held September 20 in Burlington; in California, Business for Social Responsibility of Southern California has offered to host a conference sometime this Fall; and in Wisconsin, the Center for Continuous Quality Improvement, located at Milwaukee Area Technical College, also plans to host a conference in the coming months.

Second, I have asked my staff to prepare a list of businesses that members of my Cabinet and I should consider visiting in the coming months. We want to continue to gain firsthand knowledge of the best practices now in place and to continue to showcase the many model programs offered by businesses to their employees all across America today.

Finally, I have directed my Administration to expand the Labor Department's job referral program -- called America's Job Bank -- to include a public/private partnership between the government and a network of private companies and associations who wish to provide detailed, up-to-date information about job opportunities to unemployed workers as they seek to find new jobs.

The partnership approach is crucial if we are to resolve our most pressing national problems. This is particularly true of the welfare legislation that I recently signed. That legislation, which will end welfare as we know it, is only the first step in a long process to change a system that everyone agrees no longer works. Now our most pressing effort really begins -- to find decent jobs for every person moving from welfare to work.

I am calling on you as good corporate citizens and concerned Americans to provide me with both your ideas and your examples of successful programs to help citizens move from welfare to work. Each and every one of us who believes welfare must be changed must help create new opportunities for Americans to be freed from a welfare system that has locked them into a cycle of poverty.

I will continue to speak out on this issue and meet with business leaders to enlist their support. And I hope that you will write to my National Economic Advisor, Laura Tyson, at the White House, to let us know about your personal experiences and recommendations. I know many of you are already far ahead of the rest of us on the road to solving this problem. Just recently, in Kansas City, Bill Esrey of Sprint and Bob Shapiro of Monsanto accepted my challenge; they are now hard at work demonstrating what our leading businesses can do to help solve the problems that concern all of us.

We have made real progress and raised the consciousness of the nation about what it means to be good corporate citizens. Once again, thank you, and Laura and I look forward to hearing from you.

Sincerely,

Bill Clinton