Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Harold Ickes to POTUS re: Transportation to US Air [partial] (1 page)	01/11/1997	b(7)(E)
001b. memo	Andrew Friendly to Harold Ickes re: Helicopter to US Air Arena [partial] (1 page)	01/10/1997	b(7)(E)

COLLECTION:
Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 8789

FOLDER TITLE:
Chron Files: Tuesday, January 14, 1997

2019-0774-S
rs3348

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

1-22-97

Chron

done Todd

SEWASher

PRESIDENT HAS SEEN
1-14-97

THE WHITE HOUSE
WASHINGTON

November 27, 1996

MEMORANDUM FOR LEON PANETTA AND ERSKINE BOWLES

FROM: **PLANNING GROUP STAFF**

SUBJECT: **PRELIMINARY REPORT ON SECOND-TERM PLANNING AND STRATEGY**

This memorandum presents the first results of preliminary work by the planning group and others to consider long-term objectives aimed at a second-term strategy. It is important to remember that this is the beginning of an effort to gather raw material that will soon lead to a more comprehensive and seriously focussed step-by-step strategy to implement the President's agenda and leave a lasting legacy.

This first report does not make recommendations on particular directions. It is intended principally to keep in play important ideas.

We have now had two meetings of the entire planning group. In these meetings, we have tried to step back from the day-to-day rush of events to consider the country's broader challenges and also to develop concrete approaches to meeting those challenges. In addition, some of us have held separate interviews with Secretary Rubin and Deputy Secretary Summers, Secretary Rile and his staff, OMB Director Raines, and Assistant Attorney-General Patrick. We are following up on conversations with Secretary Cisneros, Secretary Reich and Secretary Shalala. We are also working closely with Al From, Bill Galston and Will Marshall.

As you know, we have also made a number of assignments to planning group members on specific issue areas. This memo provides reports on the major areas marked with asterisks below. The rest of these reports will be ready soon after the Thanksgiving holiday.

* Education (K-12 school reform, college opportunity, training) -- Bruce Reed/ Gene Sperling/Bill Galston
* Underclass (welfare-to-work, teen pregnancy) -- Bruce Reed
* Crime and Drugs -- Rahm Emanuel
* Balancing the Budget -- Frank Raines/Michael Waldman
Entitlements -- Gene Sperling (consulting with Secretary Rubin and others)
Community (moral fabric) -- Bruce Reed/Michael Waldman/Bill Galston/Will Marshall

Family -- Ron Klain/Elaine Kamarck
Health Care -- Bruce Reed/Chris Jennings/Nancy-Ann Min
* Political Reform -- Michael Waldman
Tax Reform -- Bob Rubin/Gene Sperling
* Technology -- Greg Simon
Environment -- Katie McGinty
Racism/Sexism -- Deval Patrick/Ann Lewis
Reinventing Government -- Ron Klain/Elaine Kamarck
Legislative Efforts Overall -- John Hilley
Foreign Policy/Global Economy -- Sandy Berger/Dan Tarullo

In going over the papers presented here, it becomes clear again how the important challenge in shaping a legacy is not just which issues the President focusses on, but also how he chooses to exercise his power. As these reports make clear, successful Presidential leadership on the major issues of our time must reflect a combination of federal legislation if possible; executive actions regardless of Congress's cooperation, and perhaps most important, strong, persistent, creative and new uses of the bully pulpit directed at galvanizing and mobilizing all sectors of American society toward common goals. In that regard, this President's greatest legacy may include the sense of renewed confidence he helps the American people gain in themselves and the new model and style of Presidential leadership he leaves behind.

This is a copy of the first page of a report — full report was sent to Rahm

EDUCATION --
K-12 REFORM, TECHNOLOGY, LITERACY, CONSTRUCTION

Goals

Overall: Dramatic improvement in elementary and secondary education to help prepare all American children for the 21st century. Use Presidential leadership to spur: 1) state by state fundamental reform of K-12; 2) private sector efforts to connect every school and library to the Internet and 3) national, volunteer efforts to teach every child to read by the end of third grade.

Maximum Attainable: A clear understanding that the federal role is largely limited to exercising leverage over the states to encourage reform, but at the same time, the President's leadership helps to produce a national consensus and crusade about the scope of the problem and the direction solutions should take.

Numerous states adopt comprehensive reform plans that reflect the President's reform proposals, including: student, teacher and school standards; mandatory student testing to end social promotion; fair and efficient methods to remove teachers who don't measure up; charter schools and public choice. Every school in America has access to the Internet, and schools receive the support they need to make the most of this technology to improve classroom education. National campaign to promote third grade literacy has helped to produce a significant improvement in the third grade literacy rate. Pass school construction for $5 billion and get full funding for $2 billion. Parents get involved in their children's schools and education as never before.

Minimum Attainable: Increased public attention to the need for reform. Charter schools and public choice become available in many states, with mixed results. Lead more Net Days, help many schools achieve some connection to the Internet. Campaign to promote third grade literacy produces some improvement in the third grade literacy rate.

Legislative Action

Federal school reform bill. A K-12 reform bill that would offer states and/or communities substantial incentives for reform, funding any state or community with a plan for standards, testing, easier teacher removal, charter schools and public choice. (There is no current plan to fund such a bill in our balanced budget.) Alternately, existing education grant programs, like Goals 2000, could be amended to require certain reforms as a precondition for continued funding. (This is a Bill Galston proposal.)

Amending college aid criteria. Instead of creating a small new federal grant program, or amending existing grant programs, we could try to use the massive weight of existing college aid programs as a lever to promote K-12 reform. We could 1) require states to enact comprehensive reform plans by a date certain or forego continued federal assistance for state higher education, or 2) require high school seniors to pass an achievement exam based on state-adopted standards in order to qualify for federal aid. This requirement could replace or supplement the B average

Bill and Al's Excellent Adventure: The Sequel

Chilled Vendors Toe the Line To Get Coveted Parade Spots

With the wind chill dipping below zero before dawn yesterday, about 100 street vendors in line outside the District government's Frank D. Reeves Municipal Center were restless, edgy and cold.

"It's below freezing, and they won't let us in the building," said David Williams, head of the Open Air Merchants Association.

Williams, who had arrived at 2 p.m. Sunday, was among scores of licensed street vendors waiting outside the center at 14th and U streets NW to sign up for vending spots along the inaugural parade route. The sites were assigned on first-come, first-served basis. But from where Williams stood—make that shivered—it seemed that "the Inaugural Committee has taken all the good spots, and the D.C. government seems to be working with them. . . . The Republicans treated us better."

The few vendors who were allowed coveted spots along Pennsylvania Avenue NW—city officials declined to say how many were allotted—must sell memorabilia provided by Financial Innovations Inc., named the official supplier by the Presidential Inaugural Committee, which controls the parade route. Financial Innovations is headed by Mark Weiner, a prominent Democratic fund-raiser.

There was much grumbling about that limitation among those waiting in line.

"The presidential inauguration is for the people, and the people should sell what they want to sell," said Clarence Miller, 32, of Camp Springs, who was hoping to be on F Street. Said Michael Johnson, a D.C. resident in his forties: "We're small guys, and we're trying to make a buck, too."

Maurice Evans II, head of vendor operations at the D.C. Department of Consumer and Regulatory Affairs, said that Pennsylvania Avenue is controlled by the National Park Service and that "the city is not in a position to do as it pleases."

Vendors not on Pennsylvania Avenue can sell any souvenirs they want—"Redskins hats, Bullets T-shirts—anything," Evans said.

Still, all Natalie Riviera could think of was being a part of the inauguration.

"It's something to do—meeting people and being part of history," said Riviera, 18, a Howard University freshman who is studying advertising. She was among about 20 Howard students who will be selling souvenirs for Presidential Heritage Inc., a private company in the District. "It's going to be cold," she said. "I'll have on five pairs of socks and two pairs of long johns."

Ticket Shopping, 'Net Surfing

Terence R. McAuliffe, co-chairman of the Presidential Inaugural Committee, said tickets remain on sale for Sunday's Presidential Gala concert at USAir Arena, Monday's parade and the 14 official inaugural balls at which President Clinton and Vice President Gore will appear. Orders are being taken on a special toll-free line: 1-888-888-1997.

Meanwhile, more than a half-dozen Web sites are now available for Internet surfers hungering to know more about the inauguration. The Presidential Inaugural Committee (www.inaugural97.org) offers an array of historical and event information. Also offering sites are the General Services Administration (www.gsa.gov/inauguration97/), the Armed Forces Inaugural Committee (www.dtic.mil/afic/), the Joint Congressional Committee (www.senate.gov/inaugural/), the Public Broadcasting Service (www.pbs.org) and The Washington Post (www.washingtonpost.com).

And there's also a Web site (www.ci.washington.dc.us/INAUG/role.htm) on the District government's role in the inauguration, described thusly: "Despite the fact that for more than 150 years . . . District residents were not allowed to vote in presidential elections, in one form or another the city has been acting as chief janitor, policeman, garbage collector, planner and general overseer of every presidential inauguration."

Wyoming Band Is Booked Solid

Remember the Cody High School band?

The 94 musicians from Wyoming had been looking forward to marching in the inaugural parade—they had been led to believe a slot was open for them, and they raised tens of thousands of dollars for the trip—but they were aced out by another Wyoming high school band recommended by a politically connected lawyer. A story in The Washington Post brought them to President Clinton's attention last week.

Well, things are looking up for the Cody kids. They won't get to march in Monday's parade, but they're coming to Washington, anyway, and their calendar is pretty full.

On Sunday, they'll play for an hour beginning at 12:30 p.m. in the Grand Foyer of the Kennedy Center, part of the center's State Days Program in which members of Congress recommend performers from their states to appear. Then from 3 p.m. to 4 p.m., they'll play outdoors at the Navy Memorial at Seventh Street and Pennsylvania Avenue NW.

On Inauguration Day, they'll be among about a dozen bands entertaining along the parade route before the parade. Their spot is in the Federal Triangle—at 14th Street and Pennsylvania Avenue NW, near Freedom Plaza—where they will play from 9:30 a.m. to 11:30 a.m. and again from 12:30 p.m. to 2 p.m.

On Tuesday, before heading home, they'll appear on the U.S. Capitol grounds from 8:30 a.m. to 9 a.m., then on the steps of the Lincoln Memorial from 11:00 a.m. to 1 p.m.

This article was written by Paul Duggan with additional reporting from Todd Beamon, Roxanne Roberts and Margot Williams.

The Washington Post
TUESDAY, JANUARY 14, 1997

THE PRESIDENT HAS SEEN 1-14-97

1/14/97

To: Knudsen

FYI

(Thanks)

Our Navy Legacy Corner [Sea Power and Today's Navy]

For

Send Our Letter to Bruce Rich-

1-14-97

Send to Doris for reply?

yes

no

Send to Schedul

yes

no

THE PRESIDENT HAS SEEN
1-14-97

THE WHITE HOUSE

WASHINGTON

January 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: HELEN HOWELL

SUBJECT: Recent Information Items

We are forwarding the following recent information items:

(A) **Kantor memo on four sets of recommendations by President's Export Council (PEC).** *1)* The PEC believes the U.S. must strengthen our initiatives to combat international bribery and corruption to ensure that our anticorruption philosophy is accepted by our trading partners. *2)* They offer policy recommendations for the Gore-Chernomyrdin Commission and USTR regarding tax reform, oil and gas exploration and development, and intellectual property rights. *3)* They stress the need to enforce the commitments made by Japan under the 1993 Framework Agreement, and applaud progress made re: autos and auto parts, telecommunications and insurance. *4)* They recommend that the U.S. encourage further reform and liberalization in India because considerable barriers still exist. *A response to Michael Armstrong, Chairman of the PEC, thanking him for the recommendations is being prepared for your signature.*

(B) **McLarty memo on signing of Guatemala peace accords.** On December 29, Mack led the U.S. delegation to the signing. The U.S. was one of six nations who facilitated the accords, and you were given appropriate credit. The cost of implementing the accords will be $2.3 billion. Our assistance in the first year is expected to reach $80 million, and we hope to allocate $25 million in general budget assistance annually for four years beginning in FY 97. Mack notes that we must keep our end of the bargain to ensure the sustainability of the peace process. In addition to financial support, we should push NAFTA parity which will grow the Guatemalan economy as well as our own. He also argues that despite our sometimes troubled bilateral relations with Guatemala, it is time to grasp the future rather than rehash the past.

(C) **Ickes Inaugural memos.** ***Talent.*** Harold forwards a memo from Harry Thomason with the preliminary list of talent for the Gala, the Weekend on the Mall, and the Balls. *He seeks your comments.* ***Budget.*** The revised PIC income and expenditure budgets (which include $1 million for post-inaugural "wind down") have a $6.9 million deficit which will be covered by the $10 million surplus in the PIC 93 account. A $3.1 million surplus will remain, as opposed to the $4.1 million estimated in Harold's December 24 memo. ***Invitations.*** Craig Smith confirms that all political appointees in the Federal government (except those at Justice, Defense, and the CIA) received an invitation to attend the

THE PRESIDENT HAS SEEN
1-14-97

Inauguration and an invitation to purchase at least 2 tickets to the balls. Although 900 Schedule Cs did not initially receive invitations, they were subsequently invited by e-mail, and should receive their invitations in the mail next week. ***Photo Projects.*** Three photographers will have exclusive photo access to you during the following times: Diana Walker of Time Magazine, January 16 through Inauguration Day (for photo essay to be published the following week); Dana Smith of The Washington Post, January 12 - 15 (for a special section to be published on Inauguration Day); and Chick Harrity of US News & World Report, January 12 - 16 (photos will accompany an interview which will run Inauguration Day).

Emanuel follow-up on Mark Warner. Gerald McGowan sent a letter recommending Mark Warner to be your business point person on welfare-to-work. Rahm says Warner is very interested in contributing in some capacity. "I have spoken with him about possibly chairing an outside group on Community Colleges and economic development."

Rasco note on successes in Arkansas schools. She forwards a clip from her hometown paper. Over 50% of Arkansas high school students who took the SAT scored above the national average, and the average ACT score rose slightly as well. The students with the improved test scores were in kindergarten or first grade during the 1983 special session on education. You should be proud. The emphasis on improving educational outcomes during their K-12 years paid off.

"Boston's Falling Murder Rate," The Boston Globe, January 3, 1997. Via Rahm. Firearms homicides among young people declined 65% from 1995 to 1996, and nobody under the age of 16 was killed. Community groups, the Boston police, the Boston office of the ATF, and the state's probation and parole departments are working together in your model program to reduce the number of pistols on the street. And, the program is working.

JIM DORSKIND:

Please coordinate the reply.

"INS Workplace Raids Creating Job Openings," The Orange County Register, January 3, 1997. Via Rahm. The article discusses a Federal test program being launched in Virginia that turns INS raids into employment opportunities for welfare recipients. The INS notifies the state about workplace raids, the number of workers removed, and the kinds of jobs they held. Welfare and employment officials then try to match the openings with the skills and interests of welfare recipients and the unemployed, and provide the businesses with a list of people to hire. Rahm mentions that Florida is interested in a similar program.

Letter to Erskine from Ambassador Raymond Flynn, U.S. Embassy Vatican. Four years ago, the Pope asked Flynn what's happening to America's youth. The Ambassador had not realized how badly American youth were perceived throughout the world. However, recently, he was complimented on your efforts to help strengthen the family. He tells Erskine, "If strengthening the family is a goal, then you couldn't have a stronger ally than the Catholic Church. I realize there have been serious problems in the past, but the past is the past. Please call on me if I can be of help. Many ideas."

THE PRESIDENT HAS SEEN

1-14-97

JIM DORSKIND:

Please coordinate the reply.

(A) **Bert Lance letter on your C-SPAN appearance.** He thinks that you were superb, and thanks you for your comments about President Carter and the Carter Center. They "meant much to me, and I am sure more (and more than you can know) to him and Roselynn. Thanks for your graciousness." Also, Lance expresses outrage about the treatment of you and Hillary. "I pray for you both everyday. Hillary has much more support than she knows."

(B) **Sec. Cisneros' January 7, 1997 National Press Club speech.** Via Henry who expresses gratitude for your having given him the opportunity to serve in your Administration.

(C) **Puerto Rico Clips.** Forwarded by Harold and Jeff Farrow, your special advisor on Puerto Rico. Farrow read your letter to Gov. Rossello during the Inaugural ceremony. The letter was very well received.

We also received the following item:

Letter from Rep. Eddie Bernice Johnson. She applauds your recent selection of Cabinet Members. "The diversity of your Cabinet is a testament to your sincere dedication and commitment to ensuring that all segments of society are represented at the highest levels of the Federal government."

To Chris Walker for reply

THE PRESIDENT HAS SEEN
1-14-97

The New York Times

~~THE PRESIDENT HAS SEEN~~

THE

THURSDAY, DECEMBER 26,

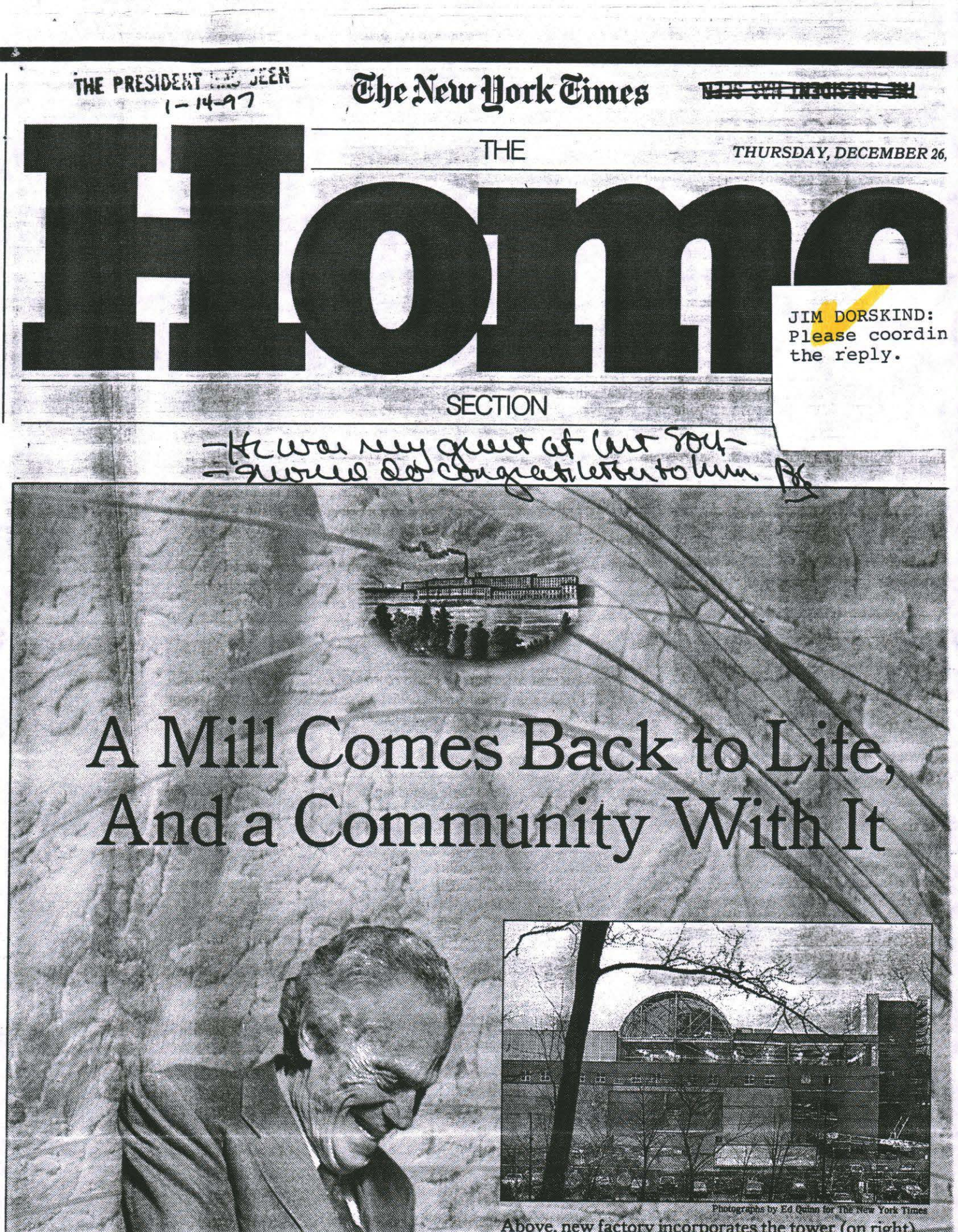
Home

SECTION

JIM DORSKIND:
Please coordin
the reply.

-He was my guest at last Sou-
-Sunday Ed Bruce letter to him. BS

A Mill Comes Back to Life, And a Community With It



Photographs by Ed Quinn for The New York Times

Above, new factory incorporates the tower (on right)



Louise and Aaron Feuerstein, rebuilders of Malden Mills (background, the mills' Jacquard velvet).

Bill Smith

The tower among ruins of the 1995 fire.

By MITCHELL OWENS

LAWRENCE, Mass., Dec. 19 — A year ago, Aaron M. Feuerstein, 71, watched his life go up in flames. At least the most visible part.

Around 11 P.M. on Dec. 11, Mr. Feuerstein and his wife, Louise, drove from their condominium in Brookline, Mass., to this historic mill town on the Spicket River, about 25 miles north of Boston. The couple, who had been alerted by a telephone call, joined thousands of anguished residents in a riverside cemetery to watch a six-alarm fire on the bank beyond.

Three key buildings of the eight buildings that now make up Malden Mills — Mr. Feuerstein's textile company and one of the largest employers in the region — were ablaze.

"It looked like Rome burning," said Mrs. Feuerstein (pronounced FEW-er-steen). Winds of 45 miles an hour whipped the flames from one building to the next in what has been called the worst fire in Massachusetts in this century. By morning, all that remained of the buildings that formed the heart of the company, which Mr. Feuerstein's paternal grandfather bought in 1906, was a lone brick tower, a smoldering five-story totem banked by heat-twisted girders and blackened rubble. Along with the buildings, it looked as if Mr. Feuerstein's company and the livelihoods of 3,100 people were also in ruins.

Today, the restored tower is a symbol of survival and stability, standing as the centerpiece of a new mill building, which is now under construction. And the company is again turning out its patented Polartec and Polarfleece fabrics as fast as the machines can run: all but about 400 employees are back on the job, and Mr. Feuerstein hopes to hire them back, too.

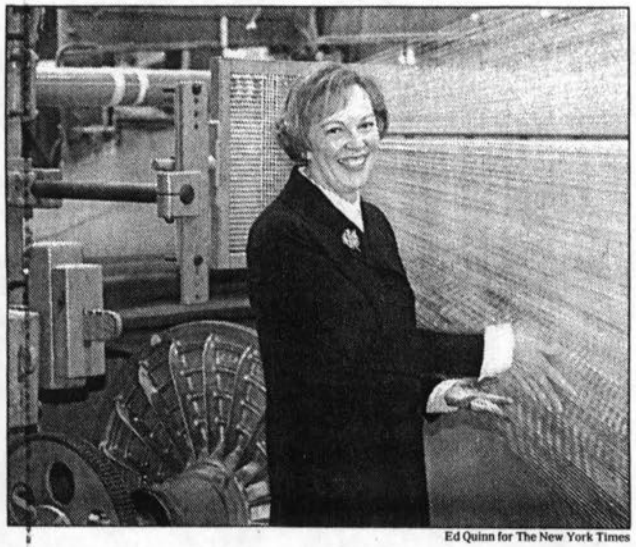
Since fire insurance payments are expected to total $309 million, Mr. and Mrs. Feuerstein could have been assured of a comfortable retirement if they had just walked away from their losses.

Others might have seized the opportunity to move their manufacturing to a developing country, where labor would be cheaper. But the couple were committed to the mill and to Lawrence and the adjacent town of Methuen, just across the river.

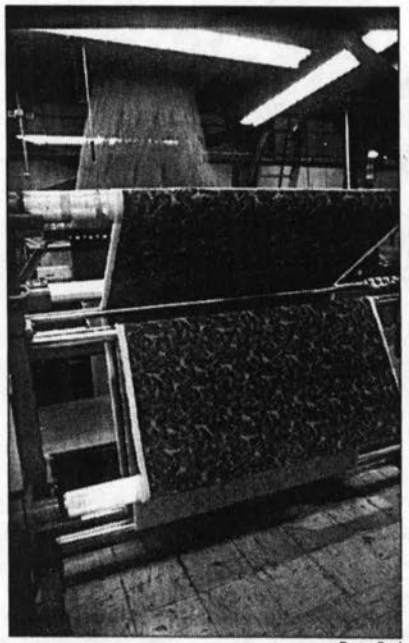
"We had a sensitivity to the human equation," said Mr. Feuerstein, who is given to quoting Shakespeare and Hillel, the

Continued on Page C6

Mill and Community Come Back to Life



Ed Quinn for The New York Times



Donna Paul

Above, Louise Feuerstein in her own Malden Mills division, Glenn Street Studio, which specializes in Jacquard velvet upholstery fabrics in period designs. Right, the looms in operation, before the 1995 fire.

Not just surviving but thriving.

mination to continue its benevolent role in the area. The rebuilding and restoration of Malden Mills earned the couple the 1996 Honor Award from the National Trust for Historic Preservation, which cited "their affirmation of both history and community."

The Feuersteins took great care in overseeing the design of their new 600,000-square-foot plant, which replaces the three destroyed buildings.

"Factory buildings today are very miserable looking," said Mrs. Feuerstein, 59. "No windows. Metal siding. Whatever's cheapest."

But the new two-story Polartec manufacturing building, designed by Bechtel Frank Erickson, an architectural firm in Lexington, Mass., and scheduled to open next spring, incorporates red brick and silvery limestone, materials similar to those used in the older structures. Here, however, they are employed in a spare modern structure whose opaque glass curtain walls give it the appearance of a civic center.

Elsewhere, the infelicities of the past mill administrations are being slowly righted. On the worsted-weave house, the 19th-century glass roof monitors — ingenious canopies that allowed the roof to be opened for ventilation while keeping rain and snow out — have been cleaned and unblocked to let skeins of sunlight into the factory below. Another towered building has been revamped into Malden Mills' corporate headquarters.

There are plans for a riverside park, too, a swatch of greenery intended to humanize the site and take advantage of the narrow but picturesque Spicket River.



Bechtel Frank Erickson



M. J. Moloney

Above and right, 1903 building has been renovated as mills' headquarters.

Mrs. Feuerstein — then Louise Woodhead, formerly married to a cabinetmaker — was running the rug department at Skinner's, the Boston auction house. She was coming back from a family wedding, and Mr. Feuerstein, recently widowed, was returning from a business trip. "By the end of the trip, he had my card, and I had his card," Mrs. Feuerstein

billiard room and basement of a 1904 Colonial Revival mansion painted a pale lemon color. On the upper level

walls, creamy carpets, a fine Chinese chair and a wall of parchment-covered 18th-century Hebrew books

Continued From Page C1

ancient Jewish scholar. "The average American wants industry, the modern C.E.O. and modern corporate America to treat the worker as a human being, with consideration and thoughtfulness. And we did."

Things are looking up again for Malden Mills, which has $425 million a year in sales. It is best known for its 1984 invention, Polartec, a cuddly synthetic thermal fabric, mostly used in outerwear, which accounts for slightly more than half of its annual earnings. Polarfleece is a similar fabric for blankets and upholstery.

Spiritually and financially, the fire could not have happened at more devastating moment: two weeks before Christmas. More than 1,400 employees, 75 percent of the Malden Mills work force, were thrown out of work. Of the 500 employees working the night of the fire, 33 were injured, 8 critically. The cause of the fire remains unknown, though one theory is a massive boiler explosion that disabled the buildings' sprinkler system.

It was historically devastating, too. More than 750,000 square feet of Victorian mills were destroyed.

A visit to the Malden Mills complex today is like a walk through a mazelike etching by M. C. Escher, with equally atmospheric Piranesi-style flourishes. It is a brooding minimetropolis redolent of the late 1800's, when the area helped form the backbone of the now-faded American textile industry.

Puffs of steam cloud the cobblestone alleys and handsome blood-red brick Victorian factory buildings, several of them connected by elevated walkways known in company parlance as "tunnels." The impression is eerily antique. The surviving old part of the complex, which dominates the main street of Lawrence, includes so few visual modernizations that Malden Mills seems preserved in amber, like a colossal set for a labor-organizing movie, say, a costume-drama version of "Norma Rae."

Buoyed by insurance payments as well as donations, relief funds, grants from individuals and government agencies, and Federal tax credits, the Feuersteins moved swiftly to rebuild, rehire and improve. They chose a style that would complement the history of the surviving buildings and underscore the company's determination to keep the mills in Lawrence, a decision that would have been unthinkable in the days of Mr. Feuerstein's more conservative father, Samuel, who died in 1983 at the age of 90. "He perhaps didn't stress the human equation to the degree that I do," said Mr. Feuerstein, whose lean patriarchal exterior masks a famously sympathetic soul.

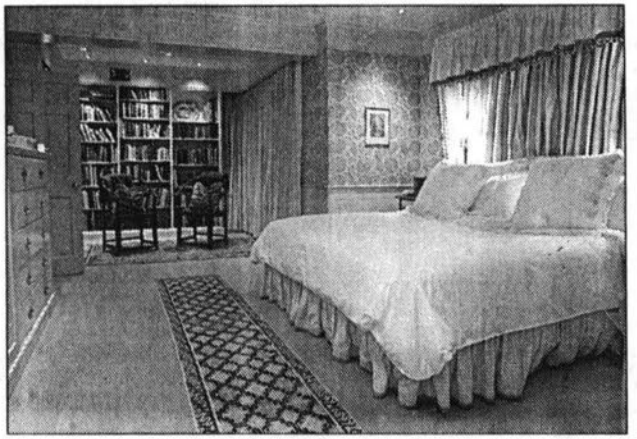
In a stack of letters on Mr. Feuerstein's desk was one was from a woman in the Midwest, who wrote that she had bought three Polartec coats as a gesture of solidarity. As he spoke of the letter, Mr. Feuerstein's eyes brimmed with tears. He estimated he had received close to 10,000 letters from people who were moved by the events at Malden Mills. Some sent checks for workers' families.

"They write me long letters," he said, "about how terrible it is in most companies and how they get thrown out and how they can't find a new job and how it destroys their children's chances for college, and, oh, I can't tell you. They pour their hearts out."

Among those who were affected by Mr. Feuerstein's paternalistic devotion to Malden Mills was President Clinton, who invited Mr. Feuerstein to be his guest for the State of the Union address last January.

The Feuersteins met in 1984, on a plane from Salt Lake City to Boston. She suggested he make an appraisal appointment. " 'Well, I'll call you, but not for that," she remembers his telling her. " 'I'll call you to go out to dinner.' " He did, they did, and three years later, they were married.

The couple now live in Brookline, Mr. Feuerstein's hometown in suburban Boston, where they own a one-bedroom duplex carved out of the old carpets.



leafy William Morris designs, and the beamed ceiling is speckled with golden stars.

Nodding toward the fireplace inset with a bosky ceramic landscape, Mrs. Feuerstein said, "We bought this condominium because of the Grueby tiles."

Downstairs, in the bedroom and library, all is pale and light — yellow brought from Europe, on his back practically."

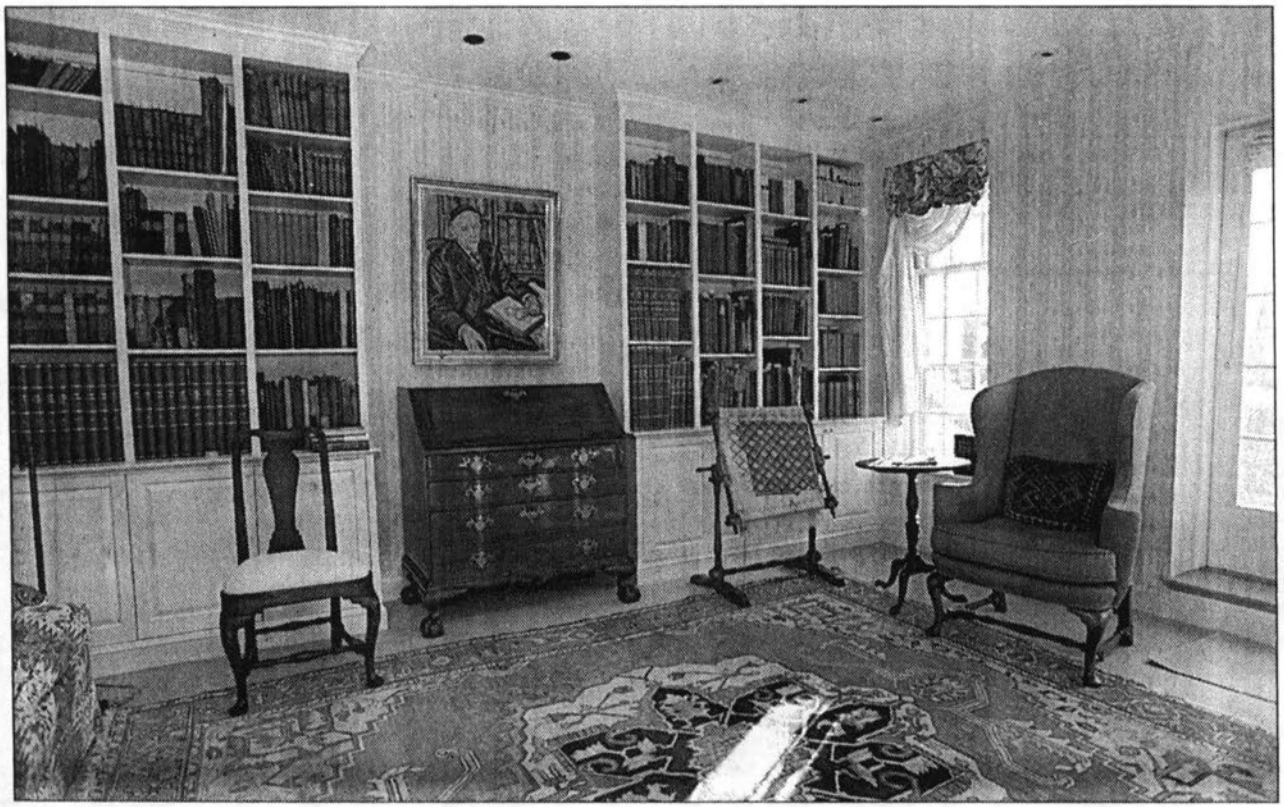
In the library, opposite a painting of that grandfather, hangs a portrait of Mr. Feuerstein at the age of 14 — ruddy, blond, T-shirted. "Today, he's the only man I know who wears a three-piece suit for every occasion," his wife said with a laugh.

"There's something wrong with a three-piece suit?" Mr. Feuerstein countered, smoothing his lapels, plainly enjoying the compliment lurking behind his wife's good-natured ribbing.

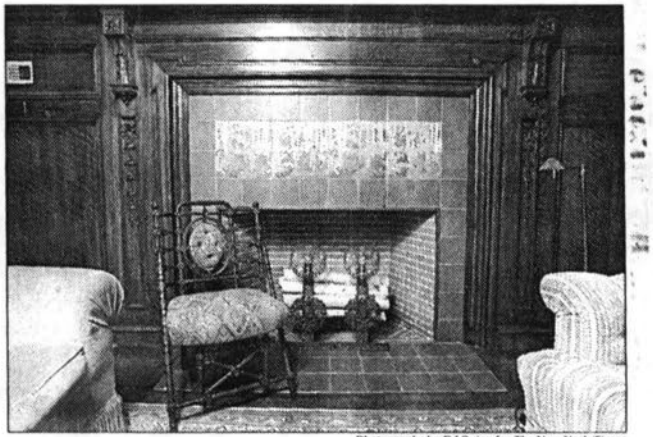
Now, with her partner, John La-Branche, who decorated the Brookline apartment, Mrs. Feuerstein runs Glenn Street Studio, a division of Malden Mills that designs and manufactures Jacquard velvet upholstery fabrics. That the designs have a historical flair — based on everything from Art Deco textiles to a scrap of 17th-century Italian fabric patterned with giant crowns — may come as no surprise. After all, this is a woman who weaves 18th-century-style linen cloth for her needlepoint projects, a craft she learned as a student at a Danish art colony in the 1970's.

"I introduced Aaron to antique textiles and historical things that wouldn't have occurred to him," she said. "He introduced me to high business, working in the real world."

Then, she added, he brought her the solace of religion. Raised a Mormon and lapsed from that faith at 19, Mrs. Feuerstein began studying Orthodox Judaism when she accepted Mr. Feuerstein's proposal of marriage. "That had to be part of the equation," she said, adding that her spiritual adviser was "the Jackie Mason of rabbinic law, very funny, very brilliant." The conversion process lasted one soul-searching year. "It took Aaron a long time. It took me a long time," she said. "Eventually, we had a fairly good idea that it was going to be O.K."



The Feuersteins' private domain. Clockwise from left, the library with 18th-century Massachusetts furniture and antique Hebrew books; the bedroom with textile reference library beyond, and the fireplace with Grueby tiles that sold the couple on the apartment.



Photographs by Ed Quinn for The New York Times

THE WHITE HOUSE

WASHINGTON

January 13, 1997

'97 JAN 14 AM 9:49

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN
1-14-97

FROM: GENE SPERLING

SUBJECT: Balanced Budget Amendment Strategy

The NEC and your top political and legislative advisors met last week to map out the Administration's strategy for the Balanced Budget Amendment. The following recommendations reflect the consensus of the group, but we wanted to make sure you feel good about the strategy.

I. **Oppose the Amendment, While Laying Out a Clear Message of Being the Leader on Balancing the Budget.** The consensus of the group was that we should fight the amendment, but ensure that we lay out a message that makes clear that you are leading the fight for actually balancing the budget. The NEC will work with your communications and political advisors to determine the exact wording of such a message.

II. **Strong Public Statements by Key Members of Your Economic Team.** While your public statements should focus on fighting for a balanced budget, key leaders of your Economic Team will make strong public statements opposing the amendment. Secretary Rubin will appear as the lead Democratic witness testifying the amendment in the Senate on January 17. We will also look for opportunities for Director Raines to make public appearances opposing the Amendment. These statements by members of your economic team will help make clear to outside groups and our allies on the Hill that we are unified in opposing the Amendment.

III. **<u>You</u> Make Calls to Swing Members.** John Hilley has provided you with a list of swing Members that we recommend you call as soon as you can, consistent with your prep for the Inauguration. The calls are important not just for influencing their positions, but also for groups to know that we are taking key steps to defeat the amendment. At the same time, we are not recommending that you go out of your way to make strong public statements opposing the Amendment at this time. Such statements might overly antagonize the Republicans, who would gear up for a larger fight, and heighten their rhetoric. We recommend that you save your public statements for now for stressing the importance of balancing the budget.

IV. **Internal Plan.** We will continue to develop our Balanced Budget Amendment strategy in our principal budget strategy group. Barbara Chow, in John's shop, will lead a legislative working group to work on legislative strategy and coordinate message with allied members. I will also be asking the NEC to help Barbara co-lead this group and coordinate outreach with groups and constituents.

DECISION: _____ **Proceed** _____ **Discuss Further**

Chron

Mike Cohen

To Bruce / Re letter - what about this? DK

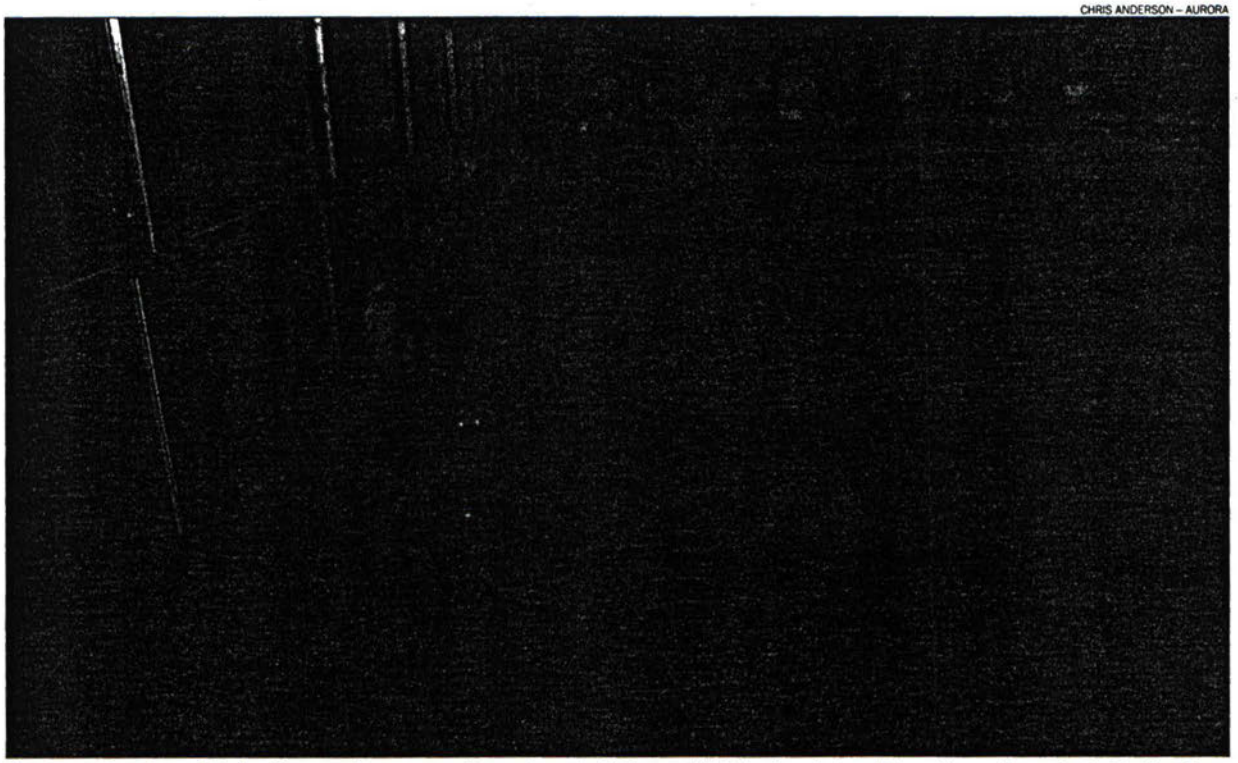
■ OUTLOOK 1997

THE PRESIDENT HAS SE
1-14-97

20 SILVER BULLETS

How to fix our schools, the CIA, baseball, the Internet, rush hour, Third World woes–and more

CHRIS ANDERSON – AURORA



The morning bus ride is the most unencumbered part of these kids' school day. Then the rules start closing in.

Bureaucracy is choking public education to death. So contract out the schools

Imagine a school system that is truly accountable for what your children learn, free from expensive bureaucracy and stifling rules. Now, imagine that it's a *public* school.

That is the vision of Paul Hill, a political scientist from the University of Washington and author of *Reinventing Public Education: How Contract Schools Can Transform American Education.* Like virtually all school reformers, Hill sees an immovable centralized bureaucracy as a major obstacle to real change. But he has come up with an enterprising solution, one that gets rid of the bureaucracy but keeps public accountability. The idea is to hand over control of individual schools to independent contractors who are legally bound to deliver results – educated children and satisfied parents – or the deal is off. School boards, rather than administrators, would contract for everything from teachers to lunches. In this micromanagement-free zone, argue Hill and co-authors Lawrence Pierce and James Guthrie, more funds would find their way into schools, where they could pay for everything from longer school days to better learning tools.

These contract schools would be required to spell out their mission, financial plan and measures of failure and success. They would have control over funding, programs, hiring and firing. No other proposed reform attempts to erase wholesale the excessive rules that smother innovation while still protecting the basic openness of public education.

To Sawyer/USC — What about this? Re

The popular idea of vouchers won't work, says Hill, because giving children money to attend private schools merely increases demand for private education without necessarily creating better classrooms. Site-based management offers teachers, principals and parents the chance to run their schools day to day but leaves top management untouched. The "charter schools" movement so much in the news (individual schools created and run by groups with government's blessing) is a smaller-scale, ad hoc version of Hill's more sweeping idea.

In a contract-school system, local residents would vote for the types of schools they want. They might include, for example, a preschool, three elementary schools with different focuses and two middle schools—one traditional, one progressive. The local school board and superintendent would solicit contractors to run these schools. Just about anyone could toss in a bid—from teacher-parent alliances to fringe religious groups; the board would choose among them.

Parents would decide what kinds of schools they want for their kids and then contract out the work.

The results could be eclectic. Head Start might run the nursery. A local teachers' college could operate the technology and arts elementaries. A national Hispanic advocacy group might run the bilingual school. (A local toothpaste maker's offer to operate the traditional school might make parents nervous; the board could opt for a safe choice like a contract with university and business leaders.)

As a fantasy, all this is tantalizing. As a reality there are big risks, especially political corruption. What if school board members sign backroom deals with their biggest supporters, or the powerful teachers' union throws its weight around in elections and then wins a contract? Or what if fringe groups or big companies use their contracts merely to make money or spread their gospel? These problems can be averted, says Hill, only if parents take seriously their responsibility to choose school board members who understand the stakes for education. In Hill's world, votes will count, and so will the choices of the people put in charge. ■

BY LYNNELL HANCOCK

THE PRESIDENT HAS SEEN
1-14-97

Want peacekeepers with spine? Hire the world's fiercest mercenaries

When it comes to preventing mass slaughter of civilians, the United Nations guard dog often seems less Rottweiler than Chihuahua. The world body does a fair job of policing quiet borders in places like Cyprus or trucking in food and supplies to starving refugees. But it has proved itself woefully incompetent at stopping wars and genocide in places like Rwanda and Bosnia. The reason is obvious: The U.N. relies on member states to supply its soldiers, and no country wishes to place its best troops in harm's way merely to defend the refugees of a foreign land. So the U.N. tends to send into war zones professional but cautious European and often ill-trained Third World troops without the equipment and rules of engagement needed to impose order. Interventions are often much too little, much too late and much too poorly executed.

The commonly heard solution to this dilemma is to give the U.N. a permanent, professional rapid reaction force. But that solution runs up against another dilemma: How can member states equitably share the burden of policing the world? Major powers like the United States certainly would be reluctant to contribute any troops to such an effort. Just think of the public outrage at the Somalia fiasco, when the naked corpse of a U.S. Ranger was dragged through the streets of Mogadishu. On the other hand, while developing nations like Bangladesh and Fiji are often eager to provide soldiers for the sake of the generous remittances, these raw troops are generally little more than cannon fodder.

STEVE MCCURRY—MAGNUM



Would you want to face this soldier in battle?

Where, then, to find highly professional, strictly apolitical, combat-hardened soldiers willing to risk their lives at a moment's notice? At the top of the world, among the Himalayan peaks of Nepal.

Warrior tradition. For nearly 200 years, Nepalese Gurkhas, who were first recruited by the British Raj from martial hill castes such as the Gurungs and the Rais, have been celebrated as some of the finest warriors in existence. Trained to exacting British military standards, they developed a worldwide reputation for ferocity, valor and discipline. Yet from a World War II peak of a quarter-million men, the Gurkhas serving in the armies of Britain, Nepal and India have been reduced to a few thousand. This is because of the lack of a mission, not a dearth of eager, able recruits. At the annual competition for enrollment in the elite corps, some 10,000 applicants vie for 150 prized slots.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 01/14/97

TO: AMANDA CRUMLEY

FROM: **Staff Secretary**

1/14/97
S. prepared Buckslip

This was received in this office via our fax machine.

I am forwarding to you to prepare a reply.

Thanks.

1-13-97
TODD. This came in over our fax.
Give to Sosnik, Sky, Forster for reply
yes
S.

CLIFFORD HUDSON
1525 CLASSEN DRIVE
OKLAHOMA CITY, OKLAHOMA 73106
405/236-2016

January 13, 1997

'97 JAN 13 PM6:08

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Re: Chair of the Democratic National Committee

Dear Mr. President:

I am writing to you as a strong Bill Clinton supporter and as a DNC Trustee.

In your consideration of the new Chair of the Democratic National Committee, I would like to voice my whole-hearted support for Ray Mabus. I know you have considered a number of strong candidates, but I believe Ray Mabus has a clear advantage over the other candidates.

My belief is that we need someone with a strong reputation for honesty and integrity who can implement necessary controls within the party and, as the same time, develop the party in a manner to help you and to help elect other Democrats.

Ray Mabus can do this and more. He can do this because:

1. he has shown himself loyal to you;
2. his stature as a former Governor and Ambassador will assist with public perception, as well as his performance of the job;
3. his experience working with the officials of various state parties throughout the United States in the recent past will help him with the position and should increase the comfort level of state party officials;
4. his Harvard Law Degree will assist both in public perception of him, as well as his ability to analyze the needs of the party;

5. his experience as former State Auditor of Mississippi will help him understand the prior practices and the needs of the DNC.

Having someone of Mr. Mabus's character, quality and stature would encourage people like me to continue with the level of support I have offered the DNC in the past. This element will be critical, it seems to me, in being able to solve its current financial problems.

I hope you will give him your utmost consideration.

Sincerely,

Clifford Hudson

SONIC
SONIC CORP. & Subsidiaries

TELEFACSIMILE

'97 JAN 13 PM6:08

DATE: January 13, 1997

FAX TO: The Honorable William J. Clinton
COMPANY: President of the United States
FAX NO.: 202-456-2215
PHONE NO.:

FAX FROM: Clifford Hudson
COMPANY: SONIC CORP.
FAX NO.: 405-280-7503
PHONE NO.: 405-280-7654

COMMENTS:

This fax consists of 3 pages including cover. If all pages are not received, please contact Renee Chapman at 405-280-7654.

THE WHITE HOUSE
WASHINGTON

DATE: 1/14/97

NOTE FOR: Secretary Donna Shalala

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

THE HONORABLE DONNA SHALALA
DEPARTMENT OF HHS

VIA SPECIAL MESSENGER

THE PRESIDENT HAS SEEN
1-14-97



ANDREW LICHTENSTEIN – SYGMA FOR USN&WR

Vincent Rescigno and Jean Miccio look more like neighbors than members of the same HMO.

Old and frail and on their own. Expand barter systems for elderly health care

Everyone knows someone like Jean Miccio. In her 70s, she lives alone in a Brooklyn, N.Y., apartment. Most of her family is upstate; a couple of grandkids live nearby, but they work and are very busy. Several months ago, Jean fell while trying to catch a bus and now walks only with great difficulty. She can't do her own shopping or much of anything that requires getting around.

Society has no idea how to help folks like Miccio, and their ranks are growing fast. Some 34 million Americans are over the age of 65 today, a number that has doubled in the past 30 years and will double again by the year 2030, when most baby boomers will be in retirement. Thanks to Social Security, among other things, the vast majority of the elderly today live in their own homes. But many encounter problems like Miccio's; about 20 percent are substantially disabled.

Fortunately, there are also more and more folks like Vincent Rescigno. A retired electrical worker who just turned 70, he's trim and spry. He's among the 60 percent to 80 percent of retirees who are basically healthy. In addition, he has time on his hands and a desire to help. "There are givers and takers," he says, "and I prefer to give."

Hmmmm?

The obvious solution here is to devise a system that links up the Miccios with the Rescignos. Such a system used to exist. It was called neighborhoods and "extended families." Now, new versions are evolving in various incarnations around the country (box, Page 74). It was an insurance company, oddly enough, that brought Rescigno and Miccio together. Both belong to a health maintenance organization called Elderplan, which has embraced an approach to care that is as radical as it is ancient. At this HMO, the members help take care of one another. Passive recipients of expensive medical services become active providers of help and care. Soon after Miccio's accident, Elderplan's Member to Member program dispatched Rescigno to lend her a hand. Now, once a week, he drives her to the supermarket or wherever else she needs to go.

At Elderplan, fixing a broken towel bar counts as health care. It was a broken hip waiting to happen.

Caring chits. Elderplan has tapped a vast underused resource – the desire of older Americans to be useful and needed – and turned it into a way to cut the cost of medical care. The program is based on a concept called care-sharing or service credits. For each hour that members serve, they get a credit, which they "bank" in Elderplan's computer. The volunteers can "spend" those credits when they need help themselves. Before her accident, Miccio used to take another member shopping. Now Rescigno helps her; and she in turn provides telephone reassurance to a lonely shut-in. One day, Rescigno, too, may be on the receiving end. Elderplan's care bank has about 125 participants, who log over 800 hours per month. They help keep members out of hospitals and nursing homes, and this translates into savings for the HMO – and better care to boot. Consider the man in his 90s who broke the towel bar that he used to get in and out of the bathtub. The man was beside himself with worry. He couldn't afford the repair, and most older people don't like strangers in the house anyway. It was a broken hip waiting to happen until a fellow Elderplan member, a retired contractor, fixed the bar. That simple repair became Elderplan's home-repair service, which is now evolving into a safety inspection program – all run by volunteers.

It's difficult to reckon all the savings from such simple acts of neighborliness, but evidence from elsewhere is suggestive. At another "social HMO" in California – which, like Elderplan, supplements medical care with some social support services – members have en-

Some other ways volunteers assist "aging in place"

Growing numbers of frail elderly people are living longer and living alone. Nearly 9 out of 10 say they prefer to live in their own homes. More and more are getting their wish to "age in place," thanks to an explosion of community-based programs that rely largely upon an inexpensive but plentiful resource—volunteers. Here are three examples:

■ **Living at Home/Block Nurse Program.** This St. Paul, Minn., program recognizes that older people, like 80-year-old Mary Knight, are more likely to trust someone from the neighborhood than an unfamiliar social worker. Volunteers, like next-door neighbor Ann Cohen, check in daily with Knight, driving her to her suburban doctor or even to the nearby bank (the three blocks is too far for Knight to walk since her recent leg surgery). A "block nurse," JoAnn Mason, who lives just three blocks away, visits regularly to check Knight's medications and coordinate her care. And a nursing assistant—provided by the neighborhood association for $17 a visit—arrives every Friday to help her with light housework and bathing. Volunteers cleaned rooms that the reclusive Knight concedes had gotten "dirty and dusty" and unhealthy to live in after her surgery. Says Knight, from the living room of her home of 50 years: "Hopefully I can avoid a nursing home for the rest of my life."



Beyond creating community, reliance on volunteers keeps down costs for the care that, when provided by private agencies, quickly becomes very expensive. The 15 neighborhoods that run the Living at Home/Block Nurse Program rely on donations from individuals, foundations and even money raised at bake sales.

■ **Faith in Action** taps into the charity of church volunteers. Since 1993, the Robert Wood Johnson Foundation has given $25,000 in start-up grants to nearly 450 churches, synagogues and social-service agencies to create volunteer networks that serve 1 million elderly persons.



In Arizona's rural Yavapai County (roughly as large as Massachusetts but with only 135,000 residents), Faith in Action volunteers deliver medications and groceries to the isolated elderly who may live 70 miles from the nearest grocery or pharmacy.

■ **Senior Companion Program**, one of the oldest such programs, is run by the federal Corporation for National Service. The original idea in 1974 was to help the poor by hiring them for a small stipend to do chores for homebound seniors. But the program quickly grew into an effective way to cut down on the high cost of institutional care. Senior Companions of Decatur, Ala., estimates that its 25 volunteers save taxpayers more than $2 million annually by keeping 60 seniors out of nursing homes. The $3,800 stipend paid to each volunteer is less than a tenth of the cost of a year of nursing home care. Nationally, some 13,000 Senior Companions serve 35,000 elders. That kind of math has led to a proposal, currently under consideration at the White House, to substantially expand the unheralded national service program.



BY JOSEPH P. SHAPIRO

tered nursing homes at about half the rate of Medicaid recipients nationally. And that's without the kind of volunteer effort Elderplan has mustered. If programs like Elderplan can help keep significant numbers of the elderly at home and out of nursing homes, the potential savings could be substantial. America spends over $75 billion every year on nursing homes, a tab that's projected at $180 billion a year by 2005. Yet 10 percent to 20 percent of current nursing home occupants have no significant medical problem, according to surveys by Brant Fries of the University of Michigan.

Charity's dividend. Research has shown that isolated older folks are less healthy and use more medical care than those who are socially engaged. Rescigno can attest to that. He hasn't had more than a cold since 1992. "The only reason I am as healthy as I am," he says, "is that I'm so busy helping other people."

Among those he helps is a member who was deeply depressed. One day Rescigno accompanied the man to a car repair shop and noticed that his spirits lifted when he got away from the house. Now they meet weekly at a diner, and the man no longer talks about suicide. Too often today, the medical system treats the elderly's problems only with drugs, which often spawn more problems. Some 32,000 hip fractures and 16,000 car accidents each year can be traced to the use of prescription drugs to treat the elderly.

Expenditure leads to more expenditure. Yet sometimes all people need is a friend. Indeed, sometimes all they need is to *be* a friend. Elderplan Senior Manager Mashi Blech tells the story of a double amputee, partly paralyzed by a stroke, who spent his days alone in his apartment. Social workers decided he needed home visits, but when Blech called to match him with a volunteer, she found that he was "full of life and energy and enthusiasm. Instead of sending him a volunteer, I asked him to be a team coordinator." So the man, a former real-estate salesman, became leader of a team of volunteers. He helped with paperwork in the office and trained to become a telephone counselor. The man was certified as eligible for a Medicare-paid nursing home, which would have cost the system some $35,000 per year. Instead, he spent his final days lighting people up with his humor and zest. ■

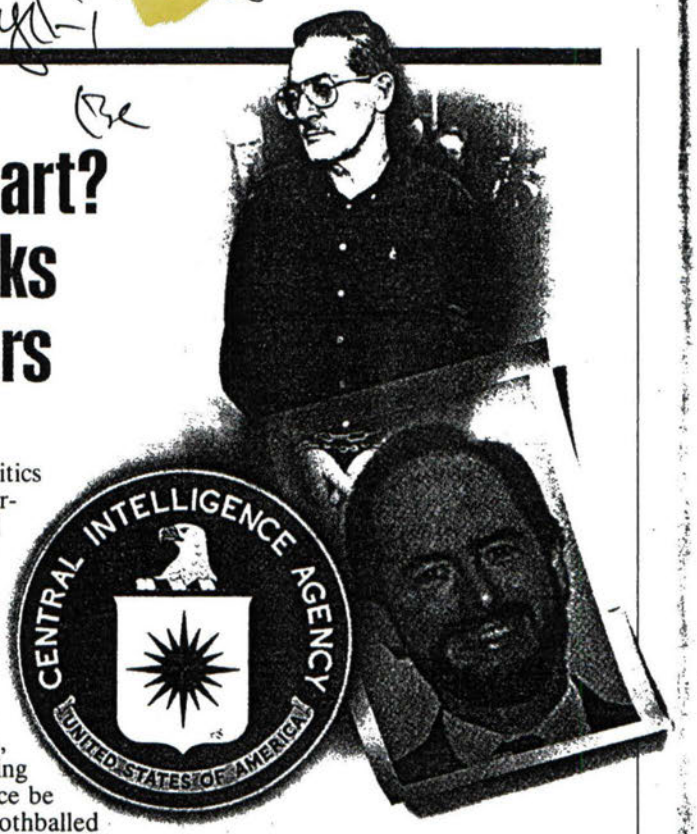
An amputee could have gone into a nursing home at $35,000 a year. Instead, he became a telephone counselor.

BY JONATHAN ROWE

ILLUSTRATIONS BY JOSEF GAST FOR USN&WR

1-14-97
THE PRESIDENT HAS SEEN

Can intelligence get smart? If we separate the spooks from the mischief makers



The CIA will be 50 years old in 1997, and the agency, like some battered old dreadnought with a fire in its powder magazine, staggers toward its golden anniversary through a sea of troubles. Yet another member of the once proud Company is accused of selling out to the wily and resilient Russian intelligence service that the CIA defeated, but clearly did not sink, in the cold war. Meanwhile, the agency is accused of such preposterous activities as smuggling crack cocaine into slum neighborhoods.

The drumbeat of scandal and recrimination is sure to continue. Many sensible Americans believe that a secret intelligence service is a constitutional anomaly that has no place in an open, democratic society. Less rational critics think that the CIA is incurably evil by nature and practice. A Washington journalist, meeting me for the first time, felt perfectly comfortable comparing my cold war service in the agency to a record as a child murderer. In such an atmosphere, the question is, can the listing flagship of U.S. intelligence be salvaged, or should it be mothballed and replaced by a state-of-the-art vessel better adapted to 21st-century realities? Even some of the CIA's best friends might well answer that the agency has outlived its era. No new attempt at internal reform is likely to cure the problem because the CIA is handicapped by a basic design flaw. The architects of the National Security Act of 1947, working in the immediate aftermath of World War II, wanted to make sure there would never be another Pearl Harbor by providing the president with timely, reliable intelligence about the capabilities and intentions of potential enemies. America's first peacetime intelligence agency was originally envisioned as a clearinghouse for information—all kinds of data, from all kinds of sources, including spies.

Fateful afterthought. In the end, however, covert units left over from wartime operations of the Office of Strategic Services were tacked on to the fledgling agency. These specialists in stealing secrets and sowing havoc became the CIA's clandestine services, and while there is a place for such operatives in a dangerous and unpredictable world, it was a fateful mistake to enfold them in a secret organism personally controlled by the president. By providing presidents—and, worse, their underlings—with the irresistible option of covert action, the creation of the clandestine services opened up a Pandora's box of secret little conflicts fought for secret little causes in faraway places where the world's greatest democracy would mostly have been better off defending its principles and its friends in the full light of day.

As its checkered history demonstrates, the Company is capable of making its own mistakes. But in a larger sense its

PHOTO ILLUSTRATION BY DOUG STERN - USN&WR
PHOTOS: LUKE FRAZZA - AFP, AP

AMERICA'S #1 MONEY FUND

BASED ON YIELD AS OF 11-26-96

For the 7 days ended 11-26-96, the **Strong Heritage Money Fund** ranked #1 for yield among the 223 General Purpose money funds tracked by the *IBC's Money Fund Report*,™ a service of IBC Financial Data, Inc. To keep shareholder costs low, a $25,000 minimum initial investment is required. Call for the Fund's most recent yield and free prospectus kit.

An investment in this Fund is neither insured nor guaranteed by the U.S. government, and there can be no assurance the Fund will be able to maintain a stable $1.00 share price.

7-Day Yields*
(Annualized as of 11-26-96)
5.55% Current Yield
5.70% Effective Yield
Yields vary

▪ ***100% No-Load*** ▪ ***Call 24 hours a day***

**Performance and rankings are historical and do not represent future results.*
The advisor is currently waiving management fees of .45% and absorbing expenses of .11%. Otherwise, the current and effective yields would have been 4.99% and 5.12%, respectively. For more complete information, including management fees and expenses, call Strong Funds Distributors, Inc. for a free prospectus kit. Please read it carefully before you invest or send money. 4192K96P

STRONG **Strong Funds**
1-800-368-1233
http://www.strong-funds.com

reputation was laid waste by providing "plausible deniability" to presidents and their chamberlains who wished to carry out dubious foreign adventures without submitting to the normal restraints of democratic process. In practice, deniability has seldom been plausible, and the results of letting presidents behave like willful monarchs have often been as grim as they were unpredictable.

Two cheers. Calamities and paranoia aside, the CIA has probably been worth what it has cost in money and angst. If there has not, after all, been another Pearl Harbor, part of the reason must be the round-the-clock, 50-year watch the agency has mounted on the entire world. Perceptions to the contrary notwithstanding, the CIA has generally supported good causes and good men. Petty tyrants, sometimes—though there were many more of those on the other side in the cold war. But many staunchly democratic individuals, movements and organizations (some belonging to the democratic left) also benefited from CIA seed money, advice and contacts.

Yet the original, basic flaw persists, and so long as it does there can be no guarantee that we will not see another failed invasion, another disastrous coup or assassination, another pratfall in the back alleys of history. Attempts to fix the problem by such expedients as the 1991 Intelligence Oversight Act—requiring that presidential authority for covert actions be put in writing beforehand—have not succeeded. As the Iran-Contra affair reminded us, ingenious aides can almost always find a way to shield a president and themselves from blame for operations gone awry.

The results of letting presidents act like willful monarchs have been as grim as they have been unpredictable.

If in an age of terrorism and renegade nations the United States must have a covert-action capability, then the president should deal with those who carry out secret operations overseas in the same way that he deals with, say, the Army's special forces—through a chain of command that can put his orders to the test of legality instead of obeying them even when they are unspoken.

Congress should take the clandestine services away from the president and reorganize them as an entity separate from the rest of U.S. intelligence. Then, on the theory that sound intelligence is at least as important to the nation as sound money, Congress should transfer responsibility for intelligence policy and analysis from the president to a new independent agency modeled on the Federal Reserve Board. This new clearinghouse for all U.S. intelligence should be run by an independent board of governors and a chairman appointed by the president and confirmed by the Senate—an arrangement that might mitigate, if not eliminate, the abiding suspicion that the cloth of intelligence is cut to make the coat of presidential policy. To encourage continuity of experience, terms of office should be not less than 10 years.

And one more thing: Let this new agency be housed in a modest building and be served by a small, overworked staff. That handsome edifice in Langley, Va., is proof written in stone of the proposition that dying institutions tend to build monuments to themselves. ■

BY CHARLES MCCARRY

THE MONTGOMERY GROWTH FUND REACHES FOR THE STARS.
AND IT RECENTLY GOT FIVE OF THEM.

☆☆☆☆☆

Morningstar Rating for three years ending 9/30/96 against 1708 equity funds.

18.74% ONE YEAR 27.27% LIFE OF FUND (9/30/93)

Average annual total returns for the period ending 9/30/96.

A five-star rating from Morningstar is a pretty good indication that you've probably been on the right track. But as pleased as we are to receive this honor, we're just as proud of the three-year numbers this fund has posted. And, although past performance is no guarantee of future results, we believe The Montgomery Growth Fund is an excellent long-term investment.

We'd be pleased to send you details. For a prospectus, simply contact us by phone or through our web site.

ONESOURCE FROM SCHWAB 1-800-5-NO-LOAD

(800) 572-3863
www.xperts.montgomery.com/1

THE MONTGOMERY FUNDS
Invest wisely.

Return and principal value of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Morningstar proprietary ratings reflect historical risk-adjusted performance. Its one-year rating ending 9/30/96 is four stars based on its performance against 3006 equity funds. Ratings are subject to change monthly. Morningstar's ratings are calculated from the funds' one, three, five, and ten-year average annual total returns (if available) in excess of 90-day Treasury bill returns with appropriate fee adjustments and a risk factor that reflects fund performance below 90-day T-bill returns. 10% of the funds in an investment category receive five stars. The Montgomery Growth Fund is 100% no-load with a $1,000 minimum initial investment. For complete information, including charges and expenses, call for a prospectus to read carefully before investing. Montgomery Securities, Distributor (11/96).

Charles Schwab & Co., Inc. (Member SIPC/NYSE) provides recordkeeping and shareholder services for shares purchased through its Mutual Fund OneSource.®

hour; more expensive nickel metal hydride batteries could increase the range by 50 percent. Electric scooters will cost more than gasoline models, but reduced fuel costs should offset some of the sticker price; electric power runs only one fifth to one tenth the cost of gas.

Manufacturers already are gearing up to meet the challenge. In Taipei, Unique Mobility has teamed up with Kwang Yang Motor, the island's biggest scooter maker, and the optimistically named investment company Turn-Luckily Technology. They are now building a factory to mass-produce motors and digital electronic parts for scooters that will be sold throughout Southeast Asia and China. Ovonic Battery Co., of Troy, Mich., developer of advanced nickel metal hydride batteries, has licensed manufacturers in Hong Kong, Taiwan, Korea, Japan and Russia to build scooter batteries. Ovonic is also working on electric models with Piaggio of Italy, builder of the ubiquitous Vespa scooters. Indian manufacturers of motorized rickshaws are experimenting with electric versions.

It will take a lot of electric scooters to make a dent in urban pollution. But if they work as well as their proponents claim, and if governments crack down on pollution, we may soon see some blue peeking through the clouds. ■

BY WILLIAM J. COOK

TO Swirsky-Fyfe PK THE PRESIDENT HAS SEEN 1-14-97

How to tackle the Third World's massive travails? One small piece at a time

Hunger. Infant mortality. Environmental degradation. Disease. Taken together, the plagues of the developing world sometimes seem insurmountable. But in fact, behind the sad headlines, Third World experts are having some success chipping away at parts of these massive problems. Here are some examples:

■ **Nutritional plants.** Researchers have long worked to combat continuing food shortages by breeding high-yield varieties of rice and grain. But the problem goes beyond mere calories. Iron deficiency is severe enough to cause 1.2 billion people to suffer from anemia, and experts are also troubled by chronic vitamin A, iodine and zinc deficiencies. Researchers are now working to improve Third World diets by breeding nutrients right into the food people already eat—rather than by distributing vitamin pills. The effort could take a decade to produce results, but researchers are heartened by a successful experiment in Australia. The Australians were exploring the selective breeding of zinc-rich crops for a very different reason: It turns out that the high-zinc crops are themselves healthier, meaning they yield more food than average.

■ **Potable water.** Clean drinking water is one of the Third World's scarcest commodities. Half of the world's population is exposed to contaminated water, and, in India alone, as many as 300,000 children die every year from infected drinking water. Ashok Gadgil, a physicist at California's Lawrence Berkeley National Laboratory, has helped develop a $500 device that purifies water using ultraviolet light. Made mostly from sheet metal, it channels water past a UV lamp and can disinfect 1 metric ton of water each hour. This means it costs only 7 cents annually to disinfect a typical villager's daily drinking water. The old-fashioned method of boiling water requires 20,000 times as much energy.

CHRISTOPHER PILLITZ / NETWORK – MATRIX



Those aren't the bubbling springs of Perrier.

M&E BERNHEIM – WOODFIN CAMP



The amber waves of multivitamins

■ **Pesticide control.** Many South American farmers are so afraid of losing their crops that they habitually shower fields with toxic chemicals, unaware of perils to both health and environment. Experts estimate that some 1 million cases of pesticide poisoning occur each year. Researchers in Colombia have developed a simple method to teach farmers when they can refrain from spraying their crops. A bean grower in southern Ecuador will take a weekly walk through his crops with a jar and a pocketful of beans. Stopping to inspect 50 plants, he will place a bean in the jar every time he sees three or more insects on a plant. If there are fewer than 12 beans in the jar at the end of the inspection, no spraying will be needed. The method varies by crop and location, but it has been shown to reduce the number of sprayings per season from as many as eight to two or three.

BY KEVIN WHITELAW

THE PRESIDENT HAS SEEN
1-14-97

JODI COBB – NATIONAL GEOGRAPHIC



Inefficient and filthy, gasoline-powered scooters vastly outnumber cars and trucks in most of Asia's clogged cities.

Nothing but blue skies over Jakarta? They're just an electric scooter ride away

Asia's silver economies have a cloudy lining: Many prosperous workers are becoming the first in their families to afford a motor vehicle, and the results are clogged streets and – worse – cities shrouded in a deathly miasma of lung-searing pollutants. Two thirds of the pollution choking New Delhi is caused by vehicles. In Jakarta, Indonesia, the air is so bad that traffic cops can work only short shifts.

The worst polluters are motor scooters and three-wheeled motorized rickshaws – the ubiquitous "golf carts" that serve as taxis and small trucks in Asian cities. Most burn a mixture of oil and gasoline in small, inefficient engines that emit clouds of noxious exhaust. Because they are cheap, their numbers are increasing at a rate three times that of cars and trucks. In India, for example, there are now 18 million scooters and motorized rickshaws; that figure is expected to jump to over 40 million in five years. Prosperous Taiwan has 4.7 million cars and 12.5 million scooters. As China's economy grows, it could become the largest builder of two-wheelers, with upward of 100 million motorcycles and scooters on its streets within little more than a decade, making its already bad air much worse.

But the heyday of the smog machine may be over. As a start, Taiwan recently ruled that by the turn of the century, 2 percent of new scooters must emit no pollutants. And other governments are beginning to look hard at regulations to reduce vehicular pollution. India's new regulations, going into effect in 1998, will require substantial reductions in emissions from two- and three-wheelers. Indonesia's government this fall introduced its "Blue Skies" program to reduce urban pollution by phasing out leaded gasoline and introducing taxis and buses powered by compressed natural gas. India, Thailand and Nepal all have experimental projects to develop electric vehicles.

Pollution-free scooters are technologically feasible. Now governments must make them essential.

Sporty, too. With no fuel tank and no piston engine – just a battery, electronic controls and a motor – electric scooters are superior to gasoline machines by almost every measure. These zero-polluters are virtually noiseless, and much quicker and smoother in the cut-and-weave of dense traffic.

The usual Achilles heel of electric vehicles, limited range, is less of a problem with scooters than with cars. Because they are used mostly for short trips in urban areas, batteries can provide sufficient range on a single charge for most purposes. With inexpensive lead-acid batteries – similar to those found under the hood of cars – a scooter could go more than 60 miles at 35 to 40 miles per

hour; more expensive nickel metal hydride batteries could increase the range by 50 percent. Electric scooters will cost more than gasoline models, but reduced fuel costs should offset some of the sticker price; electric power runs only one fifth to one tenth the cost of gas.

Manufacturers already are gearing up to meet the challenge. In Taipei, Unique Mobility has teamed up with Kwang Yang Motor, the island's biggest scooter maker, and the optimistically named investment company Turn-Luckily Technology. They are now building a factory to mass-produce motors and digital electronic parts for scooters that will be sold throughout Southeast Asia and China. Ovonic Battery Co., of Troy, Mich., developer of advanced nickel metal hydride batteries, has licensed manufacturers in Hong Kong, Taiwan, Korea, Japan and Russia to build scooter batteries. Ovonic is also working on electric models with Piaggio of Italy, builder of the ubiquitous Vespa scooters. Indian manufacturers of motorized rickshaws are experimenting with electric versions.

It will take a lot of electric scooters to make a dent in urban pollution. But if they work as well as their proponents claim, and if governments crack down on pollution, we may soon see some blue peeking through the clouds. ■

BY WILLIAM J. COOK

THE PRESIDENT HAS SEEN
1-14-97

How to tackle the Third World's massive travails? One small piece at a time

Hunger. Infant mortality. Environmental degradation. Disease. Taken together, the plagues of the developing world sometimes seem insurmountable. But in fact, behind the sad headlines, Third World experts are having some success chipping away at parts of these massive problems. Here are some examples:

■ **Nutritional plants.** Researchers have long worked to combat continuing food shortages by breeding high-yield varieties of rice and grain. But the problem goes beyond mere calories. Iron deficiency is severe enough to cause 1.2 billion people to suffer from anemia, and experts are also troubled by chronic vitamin A, iodine and zinc deficiencies. Researchers are now working to improve Third World diets by breeding nutrients right into the food people already eat—rather than by distributing vitamin pills. The effort could take a decade to produce results, but researchers are heartened by a successful experiment in Australia. The Australians were exploring the selective breeding of zinc-rich crops for a very different reason: It turns out that the high-zinc crops are themselves healthier, meaning they yield more food than average.

■ **Potable water.** Clean drinking water is one of the Third World's scarcest commodities. Half of the world's population is exposed to contaminated water, and, in India alone, as many as 300,000 children die every year from infected drinking water. Ashok Gadgil, a physicist at California's Lawrence Berkeley National Laboratory, has helped develop a $500 device that purifies water using ultraviolet light. Made mostly from sheet metal, it channels water past a UV lamp and can disinfect 1 metric ton of water each hour. This means it costs only 7 cents annually to disinfect a typical villager's daily drinking water. The old-fashioned method of boiling water requires 20,000 times as much energy.

CHRISTOPHER PILLITZ / NETWORK – MATRIX



Those aren't the bubbling springs of Perrier.

M&E BERNHEIM – WOODFIN CAMP



The amber waves of multivitamins

■ **Pesticide control.** Many South American farmers are so afraid of losing their crops that they habitually shower fields with toxic chemicals, unaware of perils to both health and environment. Experts estimate that some 1 million cases of pesticide poisoning occur each year. Researchers in Colombia have developed a simple method to teach farmers when they can refrain from spraying their crops. A bean grower in southern Ecuador will take a weekly walk through his crops with a jar and a pocketful of beans. Stopping to inspect 50 plants, he will place a bean in the jar every time he sees three or more insects on a plant. If there are fewer than 12 beans in the jar at the end of the inspection, no spraying will be needed. The method varies by crop and location, but it has been shown to reduce the number of sprayings per season from as many as eight to two or three.

BY KEVIN WHITELAW

Care
Care
Care
Care
Care
Care
Care
Care
Cure

Who knows what a little care can turn into.
The Leukemia Society supports patients with leukemia, lymphoma, multiple myeloma and Hodgkin's disease.

Call 1-800-955-4LSA for free information

REACHING OUR GOAL
Cure2000
leukemia society of america

Publish Your Book
75-year tradition of quality. Subsidy book publisher offers publishing services for books of all types. For *Author's Guide* write or call Dorrance—USNEWS, 643 Smithfield, Pittsburgh, PA 15222 or 1-800-695-9599.

THE PRESIDENT HAS SEEN
1-14-97

How to reduce deaths from tobacco? Duh. Take the toxic stuff out of cigarettes

RON HAVIV – SABA



More deaths than from AIDS, car crashes, alcohol, homicide, drugs, suicide . . .

When the Food and Drug Administration this summer announced that it was claiming jurisdiction over the regulation of tobacco products, the tobacco industry hit the roof. It argued in court that the move was illegal, poured millions of dollars into the coffers of pro-tobacco politicians and lobbied Congress to block the move.

To the casual bystander, the industry's panic might have seemed wildly disproportionate to the reasonable-sounding restrictions laid down by the FDA. They include a ban on vending machines that are accessible to kids and limits on advertising in publications popular with the young. Philip Morris, after all, had already consented to many of the youth-marketing restrictions—provided the FDA didn't do the regulating.

But what the industry was really worried about was what the FDA might someday do with its new power: namely, tell tobacco companies that they must start producing safer cigarettes.

By law, the FDA may already be required to certify FDA-regulated cigarettes as safe—a test that present-day cigarettes surely fail. From a public-health perspective, in any case, that kind of mandate would make sense. Tobacco products kill more than 400,000 people each year. That's more than the combined deaths due to AIDS, car accidents, alcohol, homicide, illegal drugs, suicide and fires.

Assuming the FDA will be permitted by Congress and the courts to keep its jurisdiction over tobacco, it seems likely that the agency will eventually tell tobacco companies what they may (and may not) put in those cigarettes. When that day comes, the FDA commissioner may want to talk to John Slade.

Slade is an associate professor of medicine at the University of Medicine and Dentistry of New Jersey and chairman of the nicotine-dependence committee of the American Society of Addiction Medicine. For the past several years, he has

been spending much of his time trying to help regulators figure out how to force tobacco companies to make safer cigarettes. Someday, he hopes, the industry will sell methadonelike products that satisfy cigarette smokers' nicotine craving without killing quite so many of them.

The obvious way to do that is to force manufacturers to reduce the amount of harmful substances in their products. The chief known culprit is soot. (Slade prefers this term to "tar," which technically includes some ingredients, like glycerin, that don't seem especially harmful.) "You could set ceilings for permissible levels of toxins," Slade says. In the case of soot, the ideal level would be zero. A less draconian (and probably less effective) alternative would be the "market approach" now in vogue with regulators. Government, Slade says, could impose

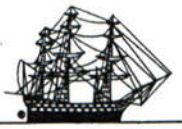
Don't think tobacco. Think factory soot. And formaldehyde and carbon monoxide and benzene. Eeesh!

heavier taxes on sootier cigarettes than on less sooty cigarettes. A tax might also be used to discourage high levels of certain chemicals Slade and other experts view as worrisome, such as carbon monoxide, benzene and formaldehyde.

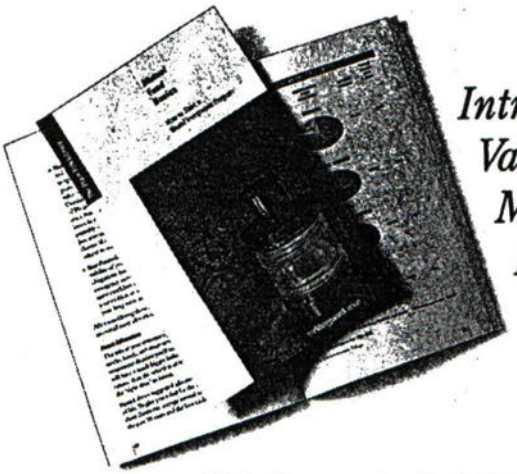
Making safer cigarettes is obviously not as good as getting smokers to kick the habit altogether. But banning cigarettes—or banning nicotine—would just create a black market for addicts. Part of what makes Slade's methadone-style solution appealing is that it is a nightmare for tobacco companies. But antismoking activists aren't thrilled with it, either. They point out that filter tips, low-tar cigarettes and other gimmicks dreamed up by tobacco companies in the past have done little to curb cigarettes' lethality.

Slade concedes the point. Tobacco companies have never had much incentive to develop products that have low toxicity because smokers prefer the taste of sooty cigarettes. But the companies would if government were to demand fewer toxins. Auto companies came up with new technologies for cleaner-running cars only after the government set tight auto emissions standards. If General Motors can build electric cars, Philip Morris ought to be able to come up with a decent-tasting, nonlethal cigarette. ■

BY TIMOTHY NOAH



Successful investing begins with the basics.



Introducing Vanguard Mutual Fund Basics.

Whether you're just starting to invest or looking to refresh your skills, the best place to begin in the mutual fund market is with *Mutual Fund Basics*. This easy to read booklet from the Vanguard Plain Talk™ Library offers a wealth of information that won't overwhelm you.

We've tried to take an approach that's simple and straightforward. No convoluted language. Just clear, concise, realistic terms. What are the risks and rewards of mutual funds? How do you select the right funds? How do you make money from investing in mutual funds?

There's a good chance you know more than you think you do. You can gauge your knowledge with our Mutual Fund Literacy Survey and see where you stand among the nation's investors.

Mutual Fund Basics is available free. Just call us. Or, if you wish, you can read it online.

We think you'll find that the more you know about investing, the more you'll want to know about us.

Call: 1-800-420-2675.

Or visit us on America Online, Keyword: Vanguard or at http://www.vanguard.com

THE Vanguard GROUP
the more you know™

©1996 The Vanguard Marketing Corp., Distributor. Funds are offered only by prospectus, which contains more complete information on advisory fees, distribution charges and other expenses. Please read it carefully before you invest or send money.

THE PRESIDENT HAS SEEN
1-14-97

MARK PETERSON – SABA



More than 15,000 registered lobbyists push their special agendas in the halls of Congress.

Bigfooting in Gucci loafers. Let's have the voters do more lawmaking at the ballot box

The complaint is familiar: Americans have lost faith in government because Washington is dominated by special interests and craven politicians who avoid tough decisions. The cynicism is not unfounded. Whether it's budget-shattering entitlement programs, loopholes in campaign finance laws or unimpeded immigration, the political establishment has shown a singular lack of courage in dealing with many of the most vexing public issues.

The answer? As the Sixties radicals used to say, power to the people – in this case, through a binding system of national citizens' initiatives and measures referred directly to voters by Congress. This process of direct democracy would change American politics more than anything since the advent of television and, at a minimum, force politicians to address issues they would love to ignore.

True, there are monstrous problems with the initiative process in some states. Special interests in California, for instance, have dominated plebiscites for years by manipulating the electorate with expensive TV ads. Few voters manage to keep up with the debate over the dozens of measures on each ballot – just as the framers feared when they created our representative democracy. The results are often shoot-yourself-in-the-foot measures like Proposition 13, which forced cuts in property taxes in 1978 and decimated funding for California municipalities and public schools.

Californians love referendums. The state's a useful model for how not to design a national plebiscite.

Yet it's hard to see how special interests could do any more damage than they're already doing in Washington. And, on the wisdom scale, the average state initiative or referendum compares reasonably well with the average Washington law. In Colorado, for instance, voters in the 1970s passed a variety of good-government measures like sunshine laws to require open meetings and consumer-rights propositions. And in November, voters in Arizona and California liberalized the use of marijuana, defying those who disparage initiatives as a mere tool of the right.

California provides a valuable lesson in how *not* to set up rules for a national initiative process. Lesson No. 1: Avoid voter overload. To even qualify, a national ballot measure should first garner petition signatures of at least 10 percent of eligible voters in two thirds of the states. Only the two issues with the most petition signatures would be allowed on the ballot. Lesson No. 2: Make sure the propositions are constitutional. The two most controversial recent California initiatives, Prop. 187 (on immigration) and Prop. 209 (on affirmative action), are now stuck in court. Had these initiatives been more soberly written, they might have provided voters with more effective and less draconian ways to vent their frustrations. The U.S. attorney general should have the power to throw out any national ballot measures that he or she determines to be unconstitutional. And a supermajority of the popular vote in two thirds of the states should be required for passage.

A few national politicians – including Newt Gingrich – are mulling over the idea of a national plebiscite, just as many bold leaders have done in the past. Sen. Robert La Follette, the progressive who successfully pushed for state-level initiatives, initially suggested a national referendum process in 1916 on whether the nation should declare war. La Follette's "war referendum" was never enacted. But his argument, that everyday people should "decide whether they shall spill their blood out upon murderous battlefields," makes just as much sense today as it did 80 years ago. ■

BY KENNETH T. WALSH AND LINDA KULMAN

THE PRESIDENT HAS SEEN 1-14-97

Making mean streets nice. Computer maps that take the 'random' out of violence

In New York City, where fear has long been a way of life, the statistics are shocking: Serious crime in Gotham dropped 27 percent between 1993 and 1995, in contrast to the national decline of only 2 percent over the same time period. Longer prison terms, the waning of the crack epidemic and the settling of turf wars among rival gangs certainly contributed to the decline. But experts also believe that some of the answer has been on display at 7 a.m. every Wednesday and Friday since 1994, deep within the New York City Police Department's command-and-control center. There, precinct commanders are grilled by their superiors while a series of neighborhood diagrams appear on a video screen above, using multicolored dots, ovals and crosses to plot everything from shooting locations to subway stations, from drug markets to methadone clinics.

The process—known as Compstat, for "compare statistics"—represents the latest in American law enforcement: the use of lightning-fast, multifaceted computerized mapping programs that enable cops to ask more focused questions about crimes on their beats—and to come up with more creative strategies to fight them block by block. And while New York leads the way, cops in Chicago, San Diego, Edmonton, Alberta and many other cities are adopting the new technology. Computerized crime mapping, says criminologist John Eck, "is probably the greatest technological innovation to hit policing in decades."

LES STONE—SYGMA FOR *USN&WR*



Crime is rarely haphazard. But it's much easier to spot patterns in visual displays.

Police departments have always had access to reams of crime data, but in the past the beat cops made little use of the information in day-to-day policing decisions. At the NYPD, for example, it took three to six months to produce useful crime statistics. "So we wouldn't know until winter what had happened in the summer," says Sgt. Eugene Whyte of the Compstat unit. Police departments would put together crude, labor-intensive pin maps—"the same way Hannibal did in 218 B.C.," says former NYPD Deputy Commissioner Jack Maple.

Dallas cops mapped a rash of recent rapes against the residences of prison parolees. Gotcha!

Nefarious patterns. But over the past decade or so, advances in computer-aided dispatching systems and mapping-software programs, coupled with the increasing power of personal computers, have put computerized mapping within the grasp of even smaller police departments. The beauty of the mapping programs is that they allow for easy merging of disparate sets of data. As a result, they provide a far more sophisticated understanding of what's happening on the streets. Cops using the programs have Eureka! moments when crime trends and clusters seem to jump off the screen. "Some patterns the human mind can grasp easily," says Eck, "but no one can keep track of hundreds of events, so you need some way of logging and portraying the data."

With crime data displayed in meaningful patterns, cops can deploy personnel where they are most needed. In Dallas, for instance, police mapped a series of rapes against the residences of parolees, and quickly found their suspect. In Chicago's 22nd Police District, officers investigating a rash of school burglaries saw a clear pattern when they mapped the time and location of the crimes; they adjusted their surveillance and soon nabbed a burglar fleeing a school. In New York, Compstat maps revealed that cops were making drug arrests where they were easiest rather than where most citizens complained of drug sales, in hard-to-infiltrate public-housing complexes; vice cops were reassigned to respond to the community's concerns. The maps also allow before-and-after assessments of initiatives like neighborhood drug sweeps.

Crime mapping is becoming so popular so rapidly that the technology may soon be as much a part of the cop's toolbox as the ubiquitous nightstick. And it may actually do more to reduce crime and fear on the streets of America's cities. ■

BY GORDON WITKIN

THE PRESIDENT HAS SEEN
1-14-97

They're toking up for algebra class. Teenagers need incentives to keep it clean

Will today's grade-school students be the potheads and coke fiends of the early 21st century? That's the fear of crime watchers, who see few good new ideas to stop the drug abuse numbers from creeping upward. A new federal report says drug use among secondary-school students rose again last year, including a near doubling in the total who smoke marijuana daily. While "get tough" advocates continue to lobby for stiffer penalties—as Bob Dole did during the presidential campaign—supporters of prevention efforts emphasize the need for speedy treatment and preaching against the perils of narcotics. Those policies all have merit, but largely missing from the debate are practical, positive incentives for teens to take a pass.

NINA BERMAN – SIPA



More teens are inhaling, and neither preaching nor punishment is dissuading them.

One emerging idea is to use drug tests as the basis for competitions that would recognize teens who stay clean. "Let's generate social pressure in schools to reward non-drug use instead of focusing on penalizing abuse," suggests Roger Conner of the Washington, D.C.-based American Alliance for Rights and Responsibilities. As he envisions it, schools would require or at least encourage students to take drug tests. The schools would be scored, and those posting the best records would get awards—something akin to the hoopla that surrounds National Merit Scholarships. The psychology is to emphasize group pride—much the way builders promote safety by calling attention to sites' injury-free streaks. But individuals could profit, too.

Modest experiments are underway. In a Dallas program called D-FY-IT (Drug Free Youth in Texas), 10,000 students have taken drug tests voluntarily. Those who pass get cards entitling them to discounts of 10 to 50 percent at 150 local businesses. Working with leaders of the Rotary Club, coordinator Gloria Terrell is talking to firms about providing college scholarships for students at the cleanest schools. Little Rock, Ark., Rotarians plan their own discount program soon.

Drug testing in the schools gives fence-sitters an excuse to fend off peer pressure to get high.

At least two incentives are at work, experts believe: Students who are enticed by merchandise discounts and help with college might nudge fence-sitting friends away from drugs. Similarly, the threat of tests might help students fend off peer pressure to get high. "Students tell friends, 'Our school tests for drugs, so I can't try this or I'm going to get caught,'" says Raymond Kubacki, whose Boston-based Psychemedics Corp. has contracts with 21 schools to test hair samples for drug use. Terrell cites examples of impact in Dallas, such as a high school boy who once belonged to a youth gang but who credits D-FY-IT with getting him on track to attend college. An evaluation should show in a few years whether D-FY-IT has brought drug abuse down.

Roadblocks ahead. Costs and civil liberties concerns may hold back significant expansion of these pilot programs. It's not clear right now who would pay for the tests—not to mention the treatment and counseling that would be offered to those who failed. Hair can be analyzed for drug use patterns for as little as $40; urine, for as little as $5. Advocates argue that the costs, paid by Rotarians in Texas, are modest compared with the damage that drug addicts do.

The legal concerns about mandatory drug testing await a test case. It could happen in New Orleans, where District Attorney Harry Connick has called for drug tests in local schools. Students who tested positive would be offered treatment but would not be prosecuted. Still, educators are balking, afraid that families and civil libertarians will object to the intrusion on students' privacy. But the Supreme Court has approved compulsory drug tests for student athletes, and Connick believes the principle could be extended. A possible compromise might be mandatory but anonymous tests, which would provide schoolwide incentives without risking false accusations against individuals. Only more experiments will show whether incentives tied to drug tests can help turn the narcotics plague around. When you're losing a war, no strategy should go untried. ■

BY TED GEST

THE PRESIDENT HAS SEEN
1-14-97

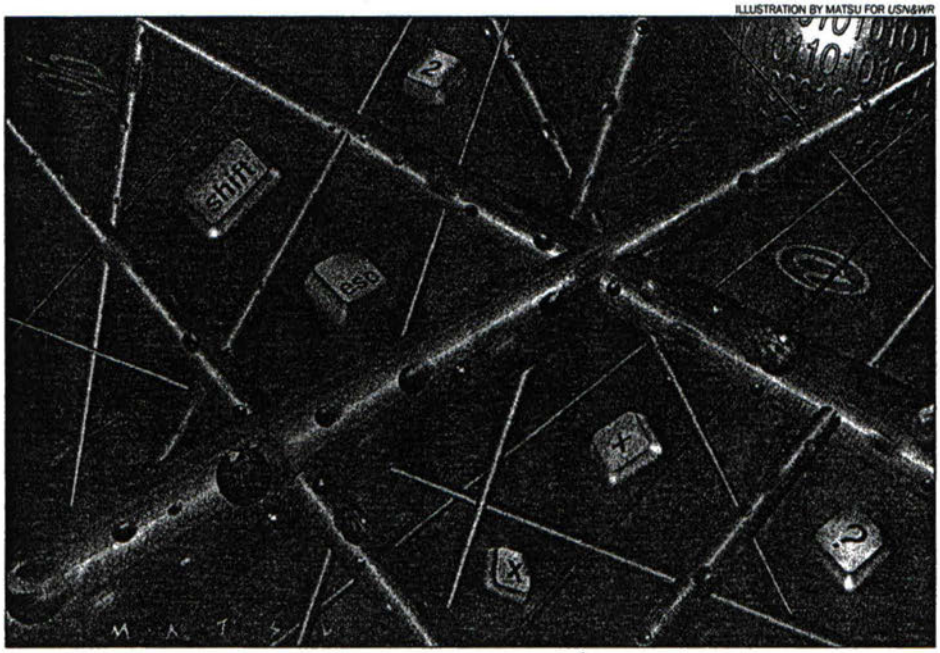
Waiting to download. Only market forces can unclog the Internet

Visit "Pez Land" to witness firsthand why the Internet is lurching toward doom. Each day, thousands of Web surfers flock to this popular site, posting messages and trading E-mail about those little candy tablets and their cartoonish plastic dispensers. It would be just another goofy roadside attraction on the digital superhighway, except for these numbers:

Every 30 seconds, nearly 20 Internet novices log on to the global network to explore such arcana for the first time. That translates into a doubling of Net users in the last year alone – to nearly 40 million worldwide, a number that's expected to double again this year. In addition, every 10 minutes a new corporate or academic network is added to the maze of digital byways. These large network subscribers mushroomed from 48,000 to more than 100,000 last year. And thanks in large part to the multimedia lure of the World Wide Web, data traffic has risen by some 300 percent, putting an unwieldy burden on a shaky infrastructure.

Anyone who has prepared a four-course meal while downloading a file from the Net knows how infuriating cybercongestion can be. While the Internet has narrowly avoided the apocalyptic crash some skeptics predicted, a sobering number of blackouts and brownouts have embarrassed its providers. In the past year, MCI, Netcom On-Line, America Online and AT&T's WorldNet have seen their services go on the fritz, leaving customers disconnected for several hours to a couple of days. Worse, as much as a tenth of data simply disappears during peak hours. Gone, into the cybervoid.

ILLUSTRATION BY MATSU FOR USN&WR



In face of this overburdening growth, industry and government leaders are already talking about building Internet II. But that's a decade away, at least. Meanwhile, there's a fix for the hobbled old Net, but it has nothing to do with technology. It's economics.

Internet users doubled their ranks to 40 million this year. Coming in 1997? An additional 40 million.

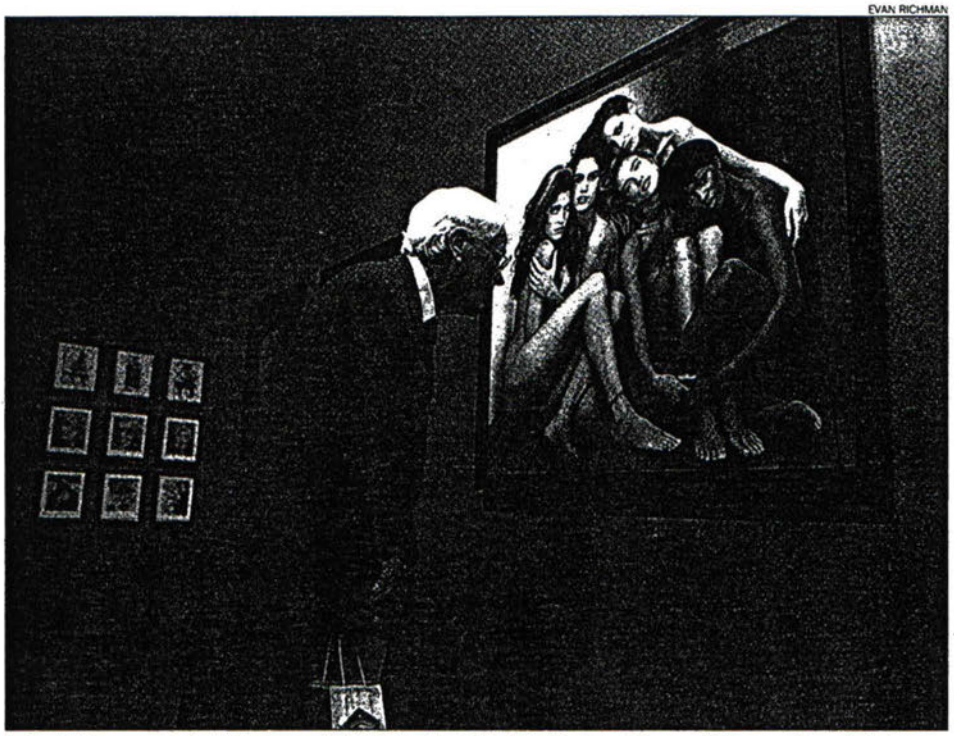
Pay to ride. The Internet's problem is that it's too cheap. This thriving global marketplace was originally a small, noncommercial entity run by the government. As a result, it has never created a rational economic model for itself. But pricing controls behavior, notes Prof. Joseph Bailey of the Massachusetts Institute of Technology, co-editor of *Internet Economics*, who argues that service providers need to be more intelligent about how they price their resources. For instance, he points to the disturbing trend toward charging customers a flat fee. Under such plans, consumers pay about $20 a month, regardless of the amount of bandwidth they use or the number of hours they stay online. What incentive is there for the truly addicted nethead to log off after his 10th hour playing interactive video games online? None. The same goes for all those marketing firms that dispatch heaps of "spam," netizen argot for junk E-mail. Why stop?

To correct this economic perversion, Bailey and MIT colleague Lee W. McKnight suggest a new calculus: It's called "usage-sensitive pricing," a multitiered model in which data packets are tagged and prioritized – much in the same way that the U.S. Postal Service classifies mail. A small business, for instance, might pay $40 per month for "priority" transmissions, plus a premium for higher bandwidth services like videoconferencing. A consumer who chooses to pay the basic $20 per month fee would get "second class" service – slower E-mail and little in the way of electronic razzmatazz.

Straightening out the economics of the Net could also spur technological innovation. To be competitive, most providers have lowered their fees and are now financially strapped. More-rational pricing will bring in desperately needed capital, which could be reinvested in infrastructure. Innovators are already concocting a variety of remedies, including "gigabit ethernet," a technology that ushers data through the Net at a blistering billion bits per second. But it will be awhile before this wizardry actually succeeds in sparking the lethargic Net. For now, the best bet for easing congestion is to ratchet up the fare for those frivolous forays into "Pez Land." ■

BY JOHN SIMONS

Portrait of the artist as a young waiter. Feed the muse from a real endowment



EVAN RICHMAN

I don't know art, but I know what I like. And that's the problem with an arts ministry.

The National Endowment for the Arts, our federal funding agency for culture, has an anomaly in its name: the word *endowment.* Since it was founded in 1965, the NEA has never been a true endowment – that is, a huge fund whose earnings in interest and dividends are used to support the arts. Rather, it is funded like most other government agencies, through annual appropriation by Congress. This affords conservative lawmakers a yearly opportunity to grandstand about the occasional bizarre NEA-sponsored work of art as a pretext for slashing the agency's funding. Consequently, the NEA's budget has plummeted from $176 million in 1992 to under $100 million today. The only way to stop this death spiral is to abandon the NEA and create a true endowment, funded by a short-term tax on entertainment, including the cultural corner that conservatives complain about most: Hollywood.

Two states have already started in this direction. Missouri and Texas have begun building $200 million endowments, which eventually will generate enough cash to remove arts funding from the state budget entirely. Eight other states are also creating more-modest endowments to supplement appropriations.

Both Missouri and Texas are building their endowments by combining tax revenues and private donations. In Missouri, one quarter of the money will come from a state income tax on visiting artists and athletes, and three quarters from private fund-raising. In Texas, the public portion will come from taxes on amusements, cigarettes, hotel occupancy and gasoline; the private portion, from fund-raising and merchandising.

Who could argue? Tax Snoop Doggy Dogg and Stallone to fund children's theater and Beethoven's Ninth.

Entertaining taxes. We should follow this model of public-private partnership. In her book *Art Lessons,* Alice Goldfarb Marquis suggests a ½ percent federal tax on commercial entertainment and professional sports; even such a tiny tax, authorized for only three years, would bring in $6 billion. A private campaign over those three years could generate an additional half billion from foundations, corporations and individuals. At 6 percent interest, a $6.5 billion endowment would earn $390 million per year. Plowing $50 million back into the principal would leave $340 million a year for arts funding – nearly double the NEA's budget in its most beneficent years. To maximize growth, the new endowment should be invested not in government bonds but in equities, which are riskier but offer higher returns. The investment should be managed by professionals in the private sector.

It will be a political challenge to persuade Congress to hand over $6 billion in tax dollars to a private organization – with no federal strings attached. But the strategy is designed to appeal to a broad range of lawmakers. There's the obvious appeal of taxing controversial entertainment like gangsta rap and adult fare from Hollywood in order to support arts institutions like symphonies and theaters. In fact, the tax could be structured as a "disincentive" to "immoral" culture by having it fall heaviest on adult entertainment. The endowment's charter also could be structured to allow funds for institutions rather than individual artists. (The NEA is already moving this way.) Fiscal conservatives should also be attracted to the idea of levying one small tax for just three years. And few lawmakers will resist ending the bitter budget fights, contentious government oversight and the politicizing of the arts.

So let the government collect a tax, then get out of the way. The creation of a true arts endowment can be a real collaboration between the people and their government – just once, but forever. ■

BY JOSEPH WESLEY ZEIGLER
Zeigler is an arts consultant and author of Arts in Crisis: The National Endowment for the Arts Versus America.

THE PRESIDENT HAS SEEN
1-14-97

Ignoring the solution. Jury's in: Needle exchanges slow the spread of AIDS

JOEL STETTENHEIM – SABA



Critics don't want to feed a nasty habit. But junkies will shoot up clean or dirty.

AIDS was once the scourge of the gay community. Soon, it will be largely a drug addict's disease. Scientists believe that 50 percent of all new HIV infections occur among intravenous drug users, with an additional 20 percent or so occurring among junkies' sex partners. The syringe is the Typhoid Mary of the 1990s.

Yet what worked best in curtailing the spread of HIV among homosexuals – mass-education campaigns promoting safe sex – has been ineffective with drug addicts lurking in society's shadows. What does seem to work is giving drug users clean needles. Since 1986, some 100 small needle-exchange programs have sprouted up around the country, through which used syringes are traded for new, sterile ones – no questions asked. Often run by private groups with limited funds, these experiments have been the object of intense scrutiny by major universities and federal health agencies. The conclusion? The programs work. Studies have shown up to a sevenfold reduction in all blood-borne diseases, a 33 percent projected drop in HIV infections and 25 percent fewer cases of dangerous behavior, such as needle sharing.

Besides saving lives, these needle exchanges deliver a huge financial payoff. Consider the case of an HIV-positive addict who infects eight others in a one-year period (a very modest estimate). If each turns to Medicaid to pay his or her lifetime medical costs (at an average $119,000 plus), that's about a $1 million burden for taxpayers – money that could have been saved if the one addict had been in a needle-exchange program.

Critics are purists when it comes to their 'just say no' message. Purity of needles is less important.

Evidence for the effectiveness of needle exchanges is not airtight. Drug users who participate in needle exchanges may be more safety conscious and thus at less risk of contracting HIV in the first place. But studies also show that those who participate improve their own behavior over time. So evidence that needle exchanges have at least some positive effects is strong.

High-level conflict. On balance, the studies are persuasive enough that physician Scott Hitt, chairman of President Clinton's Advisory Council on HIV/AIDS, rebuked his own president for banning the use of federal AIDS funds for needle exchanges. Hitt is joined in the endorsement of needle exchanges – and the call for more federal involvement – by the National Academy of Sciences, the Centers for Disease Control and Prevention and the General Accounting Office.

The administration worries that needle exchanges might increase drug use. It's a reasonable fear but one not borne out by research, according to the CDC. Only a handful of needle-exchange studies have tracked drug use, but their conclusions jibe with anecdotal evidence and common sense: While addicts prefer clean needles, they will eagerly opt for the abundant supply of dirty ones in the face of a monstrous drug craving.

Some worry that needle exchanges are the classic "Band-Aid" – dealing with HIV infection but not the underlying drug addiction. But needle exchanges have actually worked as a bridge into real treatment. One program in Tacoma, Wash., made nearly 1,000 referrals to drug treatment programs in two years. Others worry that needle exchanges, cheap as they are, will siphon funds from zero-tolerance treatment efforts. But the real problem is that all anti-addiction programs are woefully underfunded.

It's hard to avoid the suspicion that these concerns have less to do with science or public health than with politics: specifically, a reluctance to muddy the "just say no" message.

But there's another message leaders should heed – that no one has to die needlessly. Peter Lurie, a leading University of California researcher, estimates that nearly 10,000 lives could have been saved over the past few years by an aggressive expansion of needle-exchange programs. Wasn't the war on drugs supposed to be about saving lives? ■

BY JOSHUA WOLF SHENK

THE PRESIDENT HAS SEEN
1-14-97

Bo Stanley - can Rei happen more
timely? Bc

from neighborhood associations that fear a decline in property values. As a result, a balm for the country's housing crisis—a sort of Swiss Army knife of multiple benefits for a variety of housing conundrums—has been left on the shelf, used sparingly.

Entrance in back. Yet the few communities that do allow accessory apartments, such as North Babylon, do not seem the worse off for it. Drive the streets of this working-class suburb, where the small lawns are well tended and American flags flap in the breeze and basketball backboards stand like sentinels in the driveways, and you'd never know that 25 percent of the homes have accessory apartments. Local zoning rules are written to keep it

How could they afford to pay more rent and shoulder the costs of raising a newborn? They couldn't.

that way. Apartment entrances must not be visible from the street, and the homes must be owner-occupied, which gives landlords a powerful incentive to pick tenants of good character. (Worried neighbors often soften their objections once they get to know the new renters.)

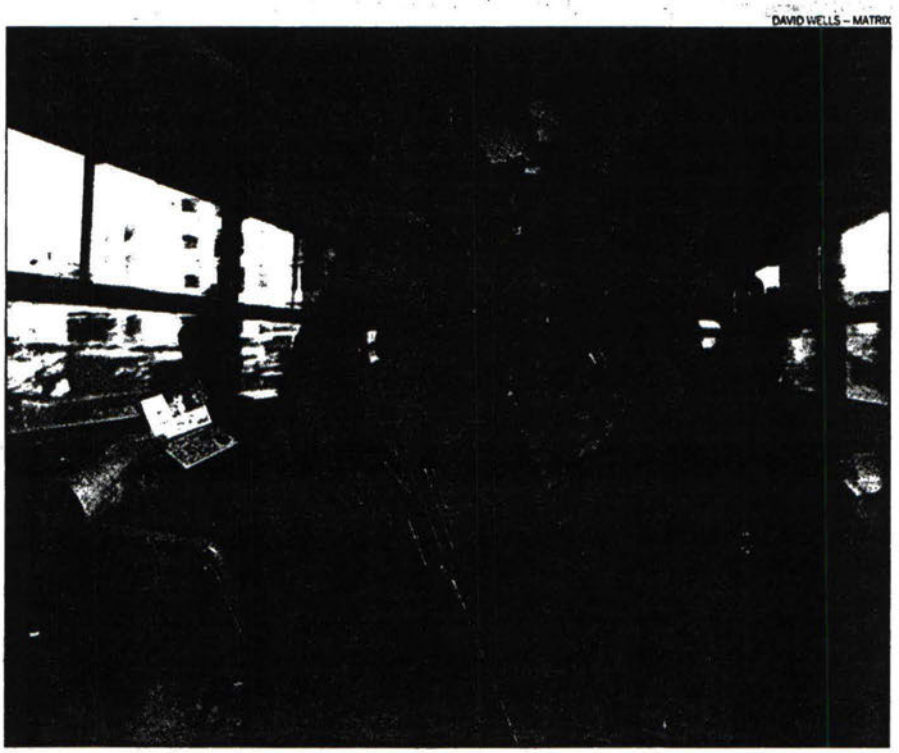
In other countries, accessory apartments are not just tolerated but encouraged. Britain and Germany, for instance, offer tax breaks to homeowners who rent out portions of their houses. In 1991, a federal commission under former Housing Secretary Jack Kemp recommended removing zoning restrictions on accessory apartments. The Clinton administration did not carry through on the recommendation.

But the cresting of the baby boom may provide the demographic oomph that's needed to make accessory apartments a national reality. The oldest boomers are turning 50, and their kids are starting to leave home. Many are loaded with debt and have college tuition bills to face, as well as elderly parents to help support. "The time is ripe," says George Gaberlavage, a senior analyst for the American Association of Retired Persons, which is preparing to launch a lobbying drive for accessory apartments in 1997. "This is one area where something could happen without huge amounts of federal money." ■

BY PETER MAASS

Jump-starting the Middle East peace process: Start with a paycheck, food on the table

DAVID WELLS – MATRIX



Israel's sophisticated intelligence system is good at weeding out security risks.

The Middle East peace process isn't quite dead. But it's gasping. Since the terrorist bus bombings inside Israel in February and March and the election last May of Binyamin Netanyahu, the United States has tried everything from a White House summit to shuttle diplomacy in hopes of jump-starting the process. But to little effect. A U.S.-sponsored (and long-delayed) accord on an Israeli pullout from the West Bank town of Hebron is still possible. But Netanyahu's recent decision to reinstate aid to Jewish settlers in the West Bank has exacerbated tensions.

If anything, positions seem to be hardening on all sides. That's partially for economic reasons. Palestinians had expected to see their standard of living rise after the signing of the Oslo agreements. Instead, they've seen their average income drop at least 23 percent. This is in large part because Israel, understandably fearful of terrorists, has severely limited the flow of Palestinian workers across the border. Tough economic times have the potential not only to boost cynicism but also to strengthen Hamas and other radical groups, who argue (with much resonance in the souks of Gaza and the West Bank) that Yasser Arafat's peace deal has done nothing for Palestinians. If this cynicism spreads, it will be that much harder for Arafat to make concessions—over such vexing issues as water rights and the future of Jerusalem—that are the price of peace.

Something similar is happening in Jordan. King Hussein sold the 1994 peace treaty with Israel to his skeptical public by claiming there would follow a peace dividend in the form of higher living standards. Yet the average Jordanian's income is stagnant since the signing of that treaty and unemployment is at least 18 percent. Jordan's economic troubles are linked to the gulf war. Close to 300,000 Jordanians worked in the gulf

states before the war. Their remittances kept Jordan afloat. But during the gulf crisis, King Hussein made the blunder of his political life by being seen as rooting publicly for Saddam Hussein. Saudi Arabia and other gulf states repaid his apostasy by booting out Jordanian guest workers; they've not been invited back. The result has been economic turmoil in Jordan and popular support for radical Islamists in the Jordanian legislature, who want King Hussein to repudiate the separate peace he signed with Israel.

nomic benefits. If Jordanians and Palestinians could return to the gulf at the levels of the late 1980s, it would mean an extra $1 billion plus a year to the economies of Jordan and the Palestinian Authority—significantly more than the international community's annual assistance to the Palestinians.

Remittances from the gulf would be the biggest windfall, but placing more workers in Israel would also help. Terje Larsen, former U.N. special coordinator for the occupied territories, says for the first time since Iraq invaded Kuwait, Saudi Arabia's King Fahd agreed to receive Jordan's King Hussein. Saudi-Palestinian ties have also improved in the wake of the 1993 Oslo agreements. And Arafat, who is eager for a guest-worker deal, has also met with Fahd recently. Kuwait will be trickier, but the Kuwaiti foreign minister has recently talked of the need for closer ties with Jordan. Gulf state leaders remain understandably bitter about reports that some Palestinians gave the Iraqis detailed information on where and how Iraq could attack oil lines during the gulf war. These leaders will no doubt put careful screening procedures in place before allowing in additional Palestinian guest workers.



YURMAN – GAMMA / LIAISON

Hebron is simmering. Another assault on Israeli settlers could derail the peace process.

Such screening has worked surprisingly well against terrorists in Israel. None of the suicide bombers has been a certified worker, and Israeli intelligence has become quite sophisticated at weeding out high security risks, including counterfeiters who attempt to cross over with daily workers. Moreover, by letting in more guest workers, Israel would gain control over a resource of great value to the Palestinian authorities—the wages of Palestinian guest workers—which Israel could turn on and off depending on how well Arafat polices areas under his control. And Israel would gain in the deal by reducing dependence on about 250,000 foreign workers from Eastern Europe and East Asia—more than half of whom are in the country illegally and are creating social problems in Israel.

For this whole package of labor reforms to work, gulf Arabs say Jordanians and Palestinians may have to eat some humble pie and publicly apologize for their leaders' past support of Saddam Hussein. In an open letter to King Hussein written earlier this year in the newspaper *Al-Watan,* Kuwaiti lawyer Walid Bou Rabba expressed a widely held sentiment when he wrote: "We cannot forget what you did. You will never have a place in the heart of the ordinary Kuwaitis. It is the duty of every Jordanian and everyone who supported the states that opposed [Kuwait] to apologize in person to every Kuwaiti citizen. Then, perhaps, we can begin to forgive." ■

Since so much of the drag on the peace process is economic, it makes sense to use economic incentives to spark the talks back to life. Rethinking the punitive bans on foreign laborers may be the best way to demonstrate that peace is linked—firmly and demonstrably—to the economic prosperity of households and nations.

Pink slips. Consider the numbers. During the 1980s, more than 500,000 Jordanians and Palestinians held jobs in such oil-rich gulf states as Kuwait and Saudi Arabia. There are half that many today. An additional 120,000 Palestinians worked in Israel. But that number dropped to zero this past spring after a series of suicide bombings in Israel led Israeli authorities to close the checkpoints. Netanyahu has since edged up the number of Palestinian guest workers to 50,000, still well below the historic peak.

Providing work permits for additional workers would yield tremendous economic benefits. Calculations show that every 10,000 Gaza workers allowed to work in Israel each year would add $20 million to the Palestinian coffers.

Saudi Arabia alone already has 6.2 million foreign laborers and dependents from countries such as Pakistan. Some would obviously be displaced if more Jordanians and Palestinians were let in. The loss of those workers' livelihoods is no small thing. But the potential benefit is a comprehensive Middle East peace. That's no small thing either.

And it is politically feasible. In August,

Half a million Palestinians and Jordanians once worked in the gulf. Half as many do today.

BY DAVID MAKOVSKY IN JERUSALEM

THE WHITE HOUSE

WASHINGTON

DATE: 1/14/97

NOTE FOR: Andrew Cuomo

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

THE HONORABLE ANDREW CUOMO
DEPARTMENT OF HUD

VIA SPECIAL MESSENGER

1-14-97

THE PRESIDENT HAS SEEN



ALEX WEBB – MAGNUM FOR USN&WR

James and PeggyAnn Powers (and James Jr.) live on the top story of PeggyAnn's folks' home.

How to make housing affordable: Let people subdivide their homes

James and PeggyAnn Powers were getting by. She was a dental assistant; he was a shipping clerk. Together they could afford the $825 monthly rent for their one-bedroom apartment on Long Island. Until the baby came along. Suddenly, they needed a bigger place—and that caused problems. How could they afford more for rent and shoulder the costs of raising a child—especially if PeggyAnn quit her job to care for the baby? They couldn't.

James and PeggyAnn faced a common working-class dilemma of the 1990s. Stagnant wages and rising rents have brought on a new housing crisis. Five million poor families—2 million of them led by full-time wage earners—pay more than half their pretax income for housing, and the number of families in that position is rising rapidly. James and PeggyAnn don't consider themselves poor. But staying in their old apartment on James's salary alone would have meant devoting 45 percent of his income to housing. (The federal government considers shelter "affordable" if rent and utilities do not exceed 30 percent of income.)

Fortunately, PeggyAnn's father, Richard Schneider, came up with a wonderful alternative. A retired truck driver, Schneider lives with his wife, Mary, in a tidy two-story house in North Babylon, Long Island. With a $32,000 bank loan, Schneider turned the top floor of the house into a two-bedroom "accessory apartment," complete with its own kitchen and separate entryway. James and PeggyAnn moved in and pay for utilities and interest on the loan. Instead of shelling out nearly half of James's income for a cramped one-bedroom apartment, they pay a quarter of his income for a two-bedroom spread. Thanks to the savings, PeggyAnn is a full-time mom, taking care of the lively and inquisitive James Jr. And there's an added bonus: The 2-year-old gets to play with his adoring grandparents every day.

There's only one small hitch with this idea. It is illegal almost everywhere in the country.

Dear landlord. Accessory apartments (sometimes called "granny flats") could provide millions of families with moderately priced rental housing and ease the affordability crisis at virtually no cost to the taxpayer. They could also offer valuable opportunities to landlords. A recent divorcee struggling to pay the mortgage solo could solve her financial problem—and give herself a measure of personal security—by renting part of her home to someone she trusts. An aspiring young couple eager to buy their dream house could qualify for a loan by adding to their incomes the rent from an accessory apartment.

Or consider Hilda and Laurence Seibel of Somerset, Md., senior citizens whose children have grown up and moved out. Suffering health problems a decade ago, the Seibels did not want to be alone in their house but did not want to move into an apartment or retirement home either. They got a permit for an accessory apartment in their basement—over the objections of several neighbors—and haven't had a regret. Their current tenant is a classical musician who gets a break in the rent in exchange for helping with chores around the house. Says Hilda Seibel: "It's nice to know that someone is there, and I do enjoy the income, though it's not a lot."

Granny flats are one of those ideas so obviously sensible that you'd think no one could object. But they do, big time. Such apartments are illegal in most parts of the country, because of zoning ordinances that prohibit single-family homes from being "duplexed." Attempts to change these ordinances usually meet with implacable resistance

THE PRESIDENT HAS SEEN
1-14-97

from neighborhood associations that fear a decline in property values. As a result, a balm for the country's housing crisis—a sort of Swiss Army knife of multiple benefits for a variety of housing conundrums—has been left on the shelf, used sparingly.

Entrance in back. Yet the few communities that do allow accessory apartments, such as North Babylon, do not seem the worse off for it. Drive the streets of this working-class suburb, where the small lawns are well tended and American flags flap in the breeze and basketball backboards stand like sentinels in the driveways, and you'd never know that 25 percent of the homes have accessory apartments. Local zoning rules are written to keep it

How could they afford to pay more rent and shoulder the costs of raising a newborn? They couldn't.

that way. Apartment entrances must not be visible from the street, and the homes must be owner-occupied, which gives landlords a powerful incentive to pick tenants of good character. (Worried neighbors often soften their objections once they get to know the new renters.)

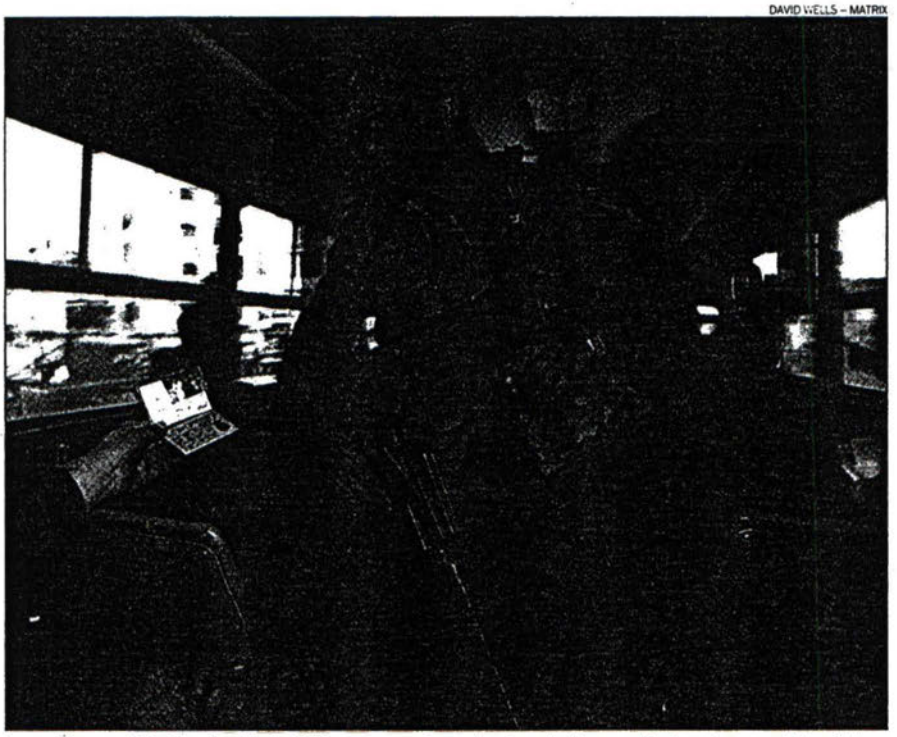
In other countries, accessory apartments are not just tolerated but encouraged. Britain and Germany, for instance, offer tax breaks to homeowners who rent out portions of their houses. In 1991, a federal commission under former Housing Secretary Jack Kemp recommended removing zoning restrictions on accessory apartments. The Clinton administration did not carry through on the recommendation.

But the cresting of the baby boom may provide the demographic oomph that's needed to make accessory apartments a national reality. The oldest boomers are turning 50, and their kids are starting to leave home. Many are loaded with debt and have college tuition bills to face, as well as elderly parents to help support. "The time is ripe," says George Gaberlavage, a senior analyst for the American Association of Retired Persons, which is preparing to launch a lobbying drive for accessory apartments in 1997. "This is one area where something could happen without huge amounts of federal money." ■

BY PETER MAASS

Jump-starting the Middle East peace process: Start with a paycheck, food on the table

DAVID WELLS – MATRIX



Israel's sophisticated intelligence system is good at weeding out security risks.

The Middle East peace process isn't quite dead. But it's gasping. Since the terrorist bus bombings inside Israel in February and March and the election last May of Binyamin Netanyahu, the United States has tried everything from a White House summit to shuttle diplomacy in hopes of jump-starting the process. But to little effect. A U.S.-sponsored (and long-delayed) accord on an Israeli pullout from the West Bank town of Hebron is still possible. But Netanyahu's recent decision to reinstate aid to Jewish settlers in the West Bank has exacerbated tensions.

If anything, positions seem to be hardening on all sides. That's partially for economic reasons. Palestinians had expected to see their standard of living rise after the signing of the Oslo agreements. Instead, they've seen their average income drop at least 23 percent. This is in large part because Israel, understandably fearful of terrorists, has severely limited the flow of Palestinian workers across the border. Tough economic times have the potential not only to boost cynicism but also to strengthen Hamas and other radical groups, who argue (with much resonance in the souks of Gaza and the West Bank) that Yasser Arafat's peace deal has done nothing for Palestinians. If this cynicism spreads, it will be that much harder for Arafat to make concessions—over such vexing issues as water rights and the future of Jerusalem—that are the price of peace.

Something similar is happening in Jordan. King Hussein sold the 1994 peace treaty with Israel to his skeptical public by claiming there would follow a peace dividend in the form of higher living standards. Yet the average Jordanian's income is stagnant since the signing of that treaty and unemployment is at least 18 percent. Jordan's economic troubles are linked to the gulf war. Close to 300,000 Jordanians worked in the gulf

THE WHITE HOUSE

WASHINGTON

DATE: 1/14/97

NOTE FOR: Rodney Slater

The President has reviewed the attached, and it is forwarded to you for your:

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

The Honorable Rodney Slater
Department of Transportation

VIA SPECIAL MESSENGER



energy into expanding the frontiers of knowledge. Fantasy College would hire with the understanding that its professors are being paid to teach. They can research and write on their own time.

■ **It's a school, not a resort.** Let's say you were planning a vacation, and you heard about a hotel that offers three gourmet meals a day, an Olympic-size swimming pool, an 18-hole golf course, indoor tennis courts, a skating rink, a first-class health club, spectator sports, free movies, ISDN phone lines, E-mail, voice mail, free Internet access in every room, lectures and concerts by nationally renowned figures and unlimited medical care, including psychotherapy. Wouldn't your first thought be, "I couldn't possibly afford such a fancy place"?

Much or all of the above is standard fare at colleges, and, because it's such a buyer's market, the amenity level is getting higher, not lower, even as everyone grumbles about tuition increases.

Fantasy College would be a relatively spartan place: simple dormitories, decent food, a few playing fields and a good library. The extreme example of the direction we'd move in is Cooper Union, a first-rate, bare-bones architecture, art and engineering school in New York City where students' modest tuitions are totally paid for out of the college's endowment. We'd jettison, in other words, the resort function of higher education. If our students want to belong to a health club, they can go join one—providing it isn't our job to run it.

■ **Gold-plate the placement and admissions offices.** There are hundreds of colleges that fit the basic design principles of Fantasy College. But they can't compete for students with the high-priced schools because they lack prestige. At Fantasy College, we'd win the prestige wars in guerrilla fashion. We'd work fanatically to get the best possible students and then, when they are seniors, to get them the best jobs and grad school slots. By so doing, we'd convince consumers that we could provide the main benefit that people expect from $25,000-a-year schools, without charging for extras.

If you truly believed that your future would be as enriched by attending Fantasy College as it would be by attending Williams, wouldn't it diminish your willingness to pay an arm and a leg to support a tennis complex and faculty monograph-writing? If the honest answer is no, then stop complaining about college costs: The truth is that it costs that much because you want to pay that much. ■

BY NICHOLAS LEMANN
Lemann, of the Atlantic Monthly, *is writing a book about education.*

THE PRESIDENT HAS SEEN

Message in a bottleneck: It's time to start charging rush-hour commuters

PETER ESSICK—AURORA



Where gridlock rules: rush hour on the San Diego Freeway in Los Angeles

It's not your imagination. Every year, your commute to work probably *is* taking longer. Since 1986, car travel has increased almost 40 percent, while highway capacity has barely grown. As a result, most interstate routes in major metropolitan areas are jammed during rush hours. Gridlock costs Americans roughly the equivalent of $51 billion a year in lost wages and wasted fuel. And the situation is only going to get worse.

But there may be a way to avoid total gridlock: "peak-period pricing," or, in plain English, tolls. Now, the government gives away precious road space for free, virtually guaranteeing backups. Charging drivers during peak times would naturally reduce the traffic.

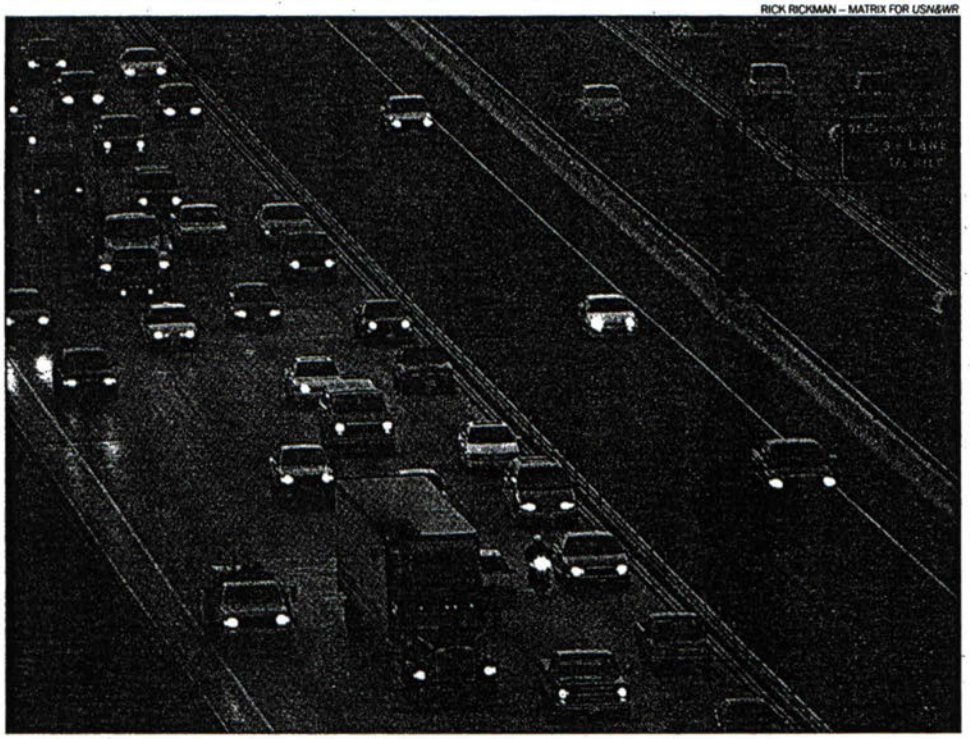
At last count, Americans were idling in traffic to the tune of $51 billion in lost wages and fuel.

This simple idea isn't new. But it hasn't been adopted on a single public road because politicians know it would be career suicide to force Americans to pay for something they've long had for free. Instead, they embrace solutions that are more politically palatable than they are effective. They include:

■ **Building more roads.** Sounds good. But additional roads inevitably produce what traffic expert Anthony Downs in his book *Stuck in Traffic* calls "triple convergence." More commuters come—from other roads, from mass transit and from new developments. Soon, the new roads are as crowded as the old. Los Angeles is a monument to this phenomenon.

■ **Bolstering mass transit.** Even if Americans could learn to rely on buses and trains—and that's a huge *if*—work-

RICK RICKMAN – MATRIX FOR USN&WR



Speed for sale. Can you guess which of these lanes has the toll?

places are now so spread out in the suburbs that connecting all the dots with buses or other transports in affordable and convenient routes is nearly impossible. This makes perfect sense. Suburbs were designed with drivers in mind. If the number of mass-transit users miraculously doubled, they still would constitute only 10 percent of commuters.

■ **Developing "smart cars" and highways.** The federal government is spending millions a year to develop an intelligent-vehicle highway system. It would involve a network of road sensors and computers that would feed traffic information to car TV screens, warning of trouble spots. Sounds impressive, in a Jetsons sort of way. But its limitations are obvious: Drivers will head for open roads, relocating but not reducing congestion.

Which brings us to the more drastic solution of putting a price on the rush-hour commute. Peak-period pricing would turn all major metropolitan arteries into toll roads, with prices high enough to keep traffic moving steadily. During slow times, tolls would be cut or eliminated. Tolls could be collected easily, thanks to new technology that lets sensors read signals from small transponders inside the car. Fees would be debited from prepaid accounts. In theory, drivers who didn't want to pay would change their commuting hours, car pool or use mass transit.

Think of the benefits. Congestion and pollution would be reduced. Use of mass transit would increase. Productivity would grow. Corporations would take even greater advantage of flextime. Governments would save zillions in no longer needed road-expansion projects.

OK, that's utopia. The reality is that commuters would blow their gaskets—at least initially. The effects on surrounding free roads could also be devastating, as motorists sought to drive around the tolls. Even advocates like Downs acknowledge that a complete toll system—such as the one in practice in Singapore—is at best many years away in this country.

But the bugs of the system are being worked out, and the criticisms of naysayers answered on a new road in Southern California. About a year ago, a 10-mile, four-lane, fully automated toll road (the nation's first) replaced the median on the 91 Freeway in Orange County, one of the busiest roads in the country. With a peak one-way toll of $2.50, the privately operated 91 Express Lanes are some of the most expensive 10 miles of road to travel in the United States. Yet they attract roughly 30,000 cars a day and have produced some surprising results.

Rather than becoming "Lexus Lanes" for well-off commuters, as expected, express lanes are a mirror of the freeway as a whole, attracting drivers from all income brackets, according to surveys by the California Private Transportation Co., which built the $126 million road. For many working parents, a $2.50 toll is preferable to steep overtime charges for day care. The fast lanes also are popular with independent contractors and other workers who are paid by the job. True, some low-income workers can't afford the toll. But if the system were public, the government could subsidize their commutes with deposits into their toll accounts drawn from toll proceeds.

CPTC also found that commuters use the toll road even when the free lanes are uncongested. Apparently, drivers like knowing they won't encounter a backup around the next bend—or if they do it will be cleared quickly. They also like the security of being heavily monitored by the closed-circuit cameras set up to nab cheaters. (An easy sentiment to understand in Los Angeles, land of freeway terrorism.) Several local companies have endorsed the system by footing the bill to get their employees to work faster. (A smart move, since drivers are more inclined to use the toll roads to get home faster.)

The pay lanes on 91, which are free to car pools of at least three and to handicapped drivers, have helped ease congestion on the adjacent free lanes. That's made the regular commute a little easier, though those lanes are still among the most maddeningly crowded stretches of pavement in the country. Yet, as commuters sit paralyzed in bumper-to-bumper traffic, watching toll payers whoosh by, their resistance to the notion of paying for the right to drive diminishes. Slowly. ■

BY BETSY STREISAND IN LOS ANGELES

Bumper-to-bumper crop

Here's how much time drivers waste each year sitting in traffic in the nation's most congested cities.

CITY	HOURS LOST
Washington, DC	70
San Francisco–Oakland	66
Los Angeles	65
Houston	60
Detroit	57
Atlanta	53
Boston	44
New York	39
Chicago	34
Philadelphia	23

Source: Texas Department of Transportation

charge so much is that they can. The most affluent parents see a Harvard or Princeton degree as an extremely valuable credential. Footing the bill is their way of willing their economic status and prestige to their children.

What the elite schools do with their money, largely, is support research by the faculty. The system doesn't make sense in any straightforward way – parents are paying for scholars their children will rarely see – but it works, because the prestige of a top-rank faculty's publications somehow adds perceived value to an undergraduate diploma. What the pricey but nonelite schools do with their tuition money is try to entice potential customers by offering features associated with educational prestige: everything from faculties with Ivy League Ph.D.'s to big-time sports. Having attracted and accepted applicants, they then cut the sticker price in order to get them to enroll.

For an existing institution, it's difficult to cut tuition in any significant way without also cutting back on the kinds of services that bring good ratings from

Fantasy U. would be a spartan place. Simple dorms, decent food, a few playing fields and a good library

U.S. News, and hence applicants. That's why it would be easier to solve the tuition problem by starting a college from scratch, the main purpose of which would be to offer a top-flight undergraduate liberal arts education at a reasonable price, let's say $15,000 a year. If it succeeded, especially in attracting lots of high-achieving applicants who otherwise would have gone to the Ivy League, its example would have a tremendous effect on the way everybody else operates. The high-tuition system is extremely shaky right now, and it wouldn't take much to topple it.

So we will create Fantasy College. How will it be able to charge so little?

■ **No tuition discounting.** At Fantasy College, we'd do essentially what Muskingum College in New Concord, Ohio, did in the current academic year: Cut the advertised tuition by 29 percent at a stroke simply by eliminating discounting except in cases of genuine financial need. It raised Muskingum's applications enormously and eventually produced 102 more freshmen than the year before.

■ **No research faculty.** At the most expensive colleges, typical faculty teaching loads are four or five one-semester courses a year; full-time (though hardly oppressive) teaching would mean eight one-semester courses a year. Instructional costs are the biggest line item in any college's budget – about 40 percent; a significant increase in the teaching load of the faculty would mean a significant decrease in the size of the faculty, and therefore in the cost of an education.

Teaching loads are low in order to provide professors with time to engage in research, but, rationally, every college professor doesn't need to put his main

THE PRESIDENT 1-14-97

Buy now, don't pay later. Bonds that take the worry out of tuition inflation

It's not just the cost of college that gives parents anxiety attacks. It's not knowing what the price will be when the kids finally get there. With that in mind, many states have launched programs that let parents buy a bond good for tuition at that state's public colleges or universities years later. Last year, Congress made the bonds even more attractive by deferring taxes on the interest, which is continually plowed back into the bond to enhance its value.

In Florida, for example, parents of a newborn can pay $5,785 – or $48 a month – for guaranteed tuition and fees at any of Florida's four-year public schools in 2015. (Based on current costs, four years at Florida State University would run $7,528.) Such programs take the guesswork out of saving. But because the bonds are redeemable only at specific schools in the state, parents are stuck if a child chooses a private school not covered or goes out of state – or skips college altogether. (Some states will refund the principal investment adjusted for inflation but not the interest.)

What if Congress were to give the same deferred tax treatment to all bonds for all private schools, or better still, make all the bonds tax free? Schools with similar tuition and reputations could form consortia and offer bonds good for tuition and fees at member colleges. The bonds could be sold through an installment plan financed and insured by a bank, and parents could trade or sell them.

If current programs are any indication, a private market would be most attractive to middle-class Americans, rather than the very rich or the working poor. The institutions most likely to take part would be good but not elite private colleges and universities, which scramble annually to fill seats. If expanded nationally, this college quasi-futures market would increase incentives for parents to save while reducing one of their greatest anxieties.

JOSE PELAEZ – THE STOCK MARKET



Creating a futures market with real futures at stake

BY STUART BUTLER
AND JOHN S. BARRY
The authors are on the staff of the Heritage Foundation.

The popular idea of vouchers won't work, says Hill, because giving children money to attend private schools merely increases demand for private education without necessarily creating better classrooms. Site-based management offers teachers, principals and parents the chance to run their schools day to day but leaves top management untouched. The "charter schools" movement so much in the news (individual schools created and run by groups with government's blessing) is a smaller-scale, ad hoc version of Hill's more sweeping idea.

In a contract-school system, local residents would vote for the types of schools they want. They might include, for example, a preschool, three elementary schools with different focuses and two middle schools—one traditional, one progressive. The local school board and superintendent would solicit contractors to run these schools. Just about anyone could toss in a bid—from teacher-parent alliances to fringe religious groups; the board would choose among them.

Parents would decide what kinds of schools they want for their kids and then contract out the work.

The results could be eclectic. Head Start might run the nursery. A local teachers' college could operate the technology and arts elementaries. A national Hispanic advocacy group might run the bilingual school. (A local toothpaste maker's offer to operate the traditional school might make parents nervous; the board could opt for a safe choice like a contract with university and business leaders.)

As a fantasy, all this is tantalizing. As a reality there are big risks, especially political corruption. What if school board members sign backroom deals with their biggest supporters, or the powerful teachers' union throws its weight around in elections and then wins a contract? Or what if fringe groups or big companies use their contracts merely to make money or spread their gospel? These problems can be averted, says Hill, only if parents take seriously their responsibility to choose school board members who understand the stakes for education. In Hill's world, votes will count, and so will the choices of the people put in charge. ■

BY LYNNELL HANCOCK

THE PRESIDENT HAS SEEN
1-14-97

Want peacekeepers with spine? Hire the world's fiercest mercenaries

When it comes to preventing mass slaughter of civilians, the United Nations guard dog often seems less Rottweiler than Chihuahua. The world body does a fair job of policing quiet borders in places like Cyprus or trucking in food and supplies to starving refugees. But it has proved itself woefully incompetent at stopping wars and genocide in places like Rwanda and Bosnia. The reason is obvious: The U.N. relies on member states to supply its soldiers, and no country wishes to place its best troops in harm's way merely to defend the refugees of a foreign land. So the U.N. tends to send into war zones professional but cautious European and often ill-trained Third World troops without the equipment and rules of engagement needed to impose order. Interventions are often much too little, much too late and much too poorly executed.

The commonly heard solution to this dilemma is to give the U.N. a permanent, professional rapid reaction force. But that solution runs up against another dilemma: How can member states equitably share the burden of policing the world? Major powers like the United States certainly would be reluctant to contribute any troops to such an effort. Just think of the public outrage at the Somalia fiasco, when the naked corpse of a U.S. Ranger was dragged through the streets of Mogadishu. On the other hand, while developing nations like Bangladesh and Fiji are often eager to provide soldiers for the sake of the generous remittances, these raw troops are generally little more than cannon fodder.

STEVE MCCURRY—MAGNUM



Would you want to face this soldier in battle?

Where, then, to find highly professional, strictly apolitical, combat-hardened soldiers willing to risk their lives at a moment's notice? At the top of the world, among the Himalayan peaks of Nepal.

Warrior tradition. For nearly 200 years, Nepalese Gurkhas, who were first recruited by the British Raj from martial hill castes such as the Gurungs and the Rais, have been celebrated as some of the finest warriors in existence. Trained to exacting British military standards, they developed a worldwide reputation for ferocity, valor and discipline. Yet from a World War II peak of a quarter-million men, the Gurkhas serving in the armies of Britain, Nepal and India have been reduced to a few thousand. This is because of the lack of a mission, not a dearth of eager, able recruits. At the annual competition for enrollment in the elite corps, some 10,000 applicants vie for 150 prized slots.

Those who don't make the cut are forced to work as laborers in one of the world's poorest nations.

If you go to the mountains of Pokhara, you'll see why the Gurkhas have little trouble with the rigors of military life. Wiry porters haul bone-crushing burdens up 40-degree hillsides, wade barefoot through rivers of snowmelt, brave altitudes that make hearty mountaineers collapse in agony – all for the equivalent of $5 a day. Suddenly, Serb irregulars don't seem quite so intimidating.

Refugee calculus. The idea of a Gurkha U.N. rapid reaction force is not new: It comes up every time Western powers find themselves caught in a military morass they can't avoid and won't win. British Prime Minister John Major put the idea before the U.N. in 1991, but it was

Let's hire the nerves-of-steel warriors who defended the Raj to do the world's dirty work in Bosnia and Rwanda.

deemed too expensive. Since that time, Bosnia, Somalia, Rwanda, Haiti and now Zaire have proved how much cheaper prevention is than cure. The world community has been paying $300 million per year to run camps in Zaire for 1.1 million refugees who need never have been refugees. Canadian Gen. Romeo Dallaire, who commanded U.N. forces in Rwanda, has said that a mere 2,500 crack troops (half the 5,000-man unit that experts propose) could have nipped this genocide in the bud.

Naysayers contend that a rapid reaction force would get involved in too many conflicts it couldn't handle and then draw the United States in to bail it out. But any such unit would be deployed only on the orders of the U.N. Security Council (on which the United States has a permanent veto). Critics also insist that the U.N. bureaucracy is not competent to manage any military operations at all. Perhaps, but U.N. impotence is an argument for reform rather than retreat. Like it or not, a force of peacemakers is coming: The world community won't accept gut-wrenching television footage of slaughtered innocents, but no government wants to send its own soldiers to end the carnage. The animal will be bred. Should it be a lap dog or a doberman? ■

BY JONAH BLANK

Jonah Blank is the author of Arrow of the Blue-Skinned God.

Yawn. What inning is it? How to give our sleepy national pastime a future

JOSE AZEL – AURORA



Baseball's antsy young fans, raised on the postmodern tempo of MTV and X-Men

Just because baseball players and owners signed a labor pact in December, ending (for a few years anyway) the threat of another strike, it does not mean America's national pastime has solved all its ills. Aside from soaring superstar salaries and attendance that is still below prestrike levels, baseball has to face an unpleasant truth: The game is too damned slow for today's audience.

Purists don't want to hear this. They insist that baseball's leisurely pace – it is the only major sport without a time clock – is still its greatest asset, a welcome relief from the rhythms of postindustrial life. But tell that to kids enamored of today's NBA basketball, with its shot clocks and fast breaks. Even as the tempo of daily life accelerates, the pace of baseball, almost perversely, has moved in the opposite direction. In the mid-'70s, the average game was played in under 2½ hours, but this past season – thanks to an ever shrinking strike zone, among other things – the average American League game lasted two hours and 55 minutes. Extra-inning games can easily push on toward midnight, a disincentive for parents of young fans (the longest game on record went 25 innings and lasted eight hours and six minutes).

A year-old effort to speed up the game shows that baseball officials recognize tedium as a real problem. But the measures they have taken – shortening the time between half innings and allowing the batter to step only 3 feet from the batter's box between pitches – have had no appreciable impact. "The results have been negligible," admits Richard Levin, executive director of public relations for Major League Baseball. "We want to get the average length of a game down to two hours and 30 minutes."

If baseball is really serious about speeding up the game, here are five simple rule changes and three radical ones that will do the job:

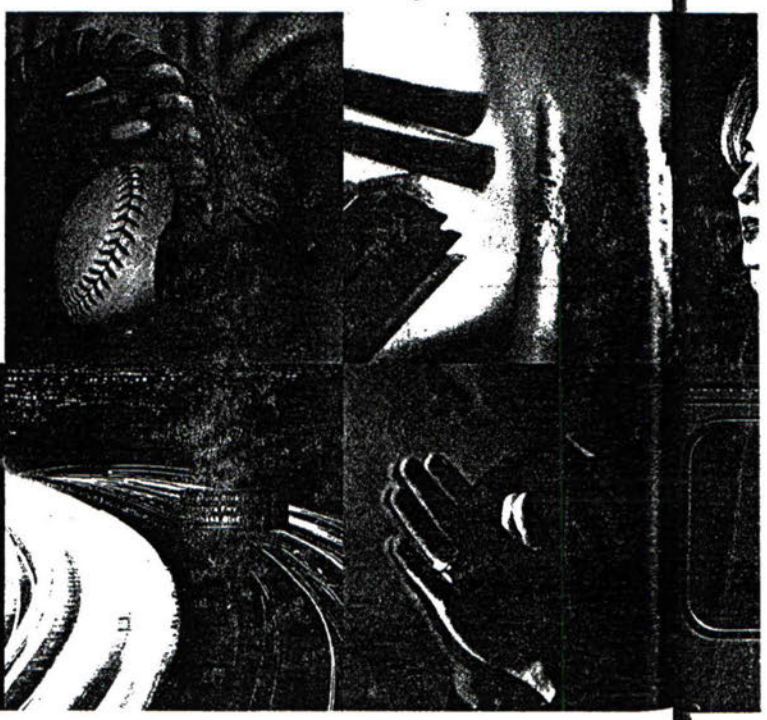
■ **Add a time clock.** That would enforce the existing, but typically ignored, rule

Breed / Gingrich / Rubin / McLean (Mark Penn)
Soon very interesting ideas
Some really worth pursuing

THE PRESIDENT HAS SEEN
1-14-97

COVER STORY

OUTI



Ask a group of reporters about journalism's greatest achievements, and the answers are likely to sound like those the police would give. We found a problem, and we brought the culprit in. A free press, many journalists believe, proves its value through the injustices it uncovers and helps end. A century ago, the heroes of the trade were muckraking journalists who exposed the power of the oil and rail monopolies, showed the pathos of immigrant life in slaughterhouse and sweatshop, prepared the way for sweeping reforms of the Progressive era. A generation ago, the standard setters were investigative reporters who revealed why thalidomide was dangerous, dug for the truth about the My Lai massacre, and stood up to the government in publishing the Pentagon papers and in discovering the Watergate saga.

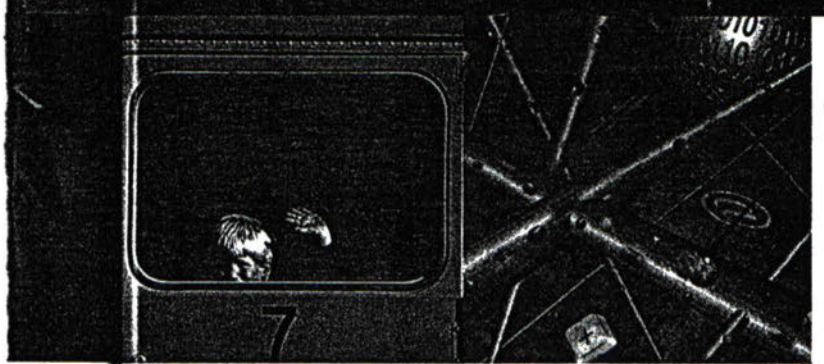
Recently as well, in the eyes of many journalists, the mainstays of the press have proved themselves and their trade indispensable with a continuing parade of exposés. Boesky and Packwood. Rostenkowski and Hubbell. Tailhook, redlining and—depending on your taste—Newt Gingrich's Go-Pac or Bill and Hillary Clinton's Whitewater.

19

PHOTOS (TOP, LEFT TO RIGHT): VERA STORMAN – TONY STONE; NICK DOLDING – TONY STONE; (BOTTOM) STEVE STARR – SABA; PETER ESSICK – AURORA; PHOTO ILLUSTRATION BY JOANIE SCHWARZ FOR *USN&WR*

LOOK





997

The self-image of the press as a kind of civilian inspector general is revealed in the annual awards given by journalists for outstanding work in the field, many of which go to stories that identify wrongdoers and lead to their punishment. It is also revealed when journalists express their regrets. Ask reporters about the press's big failures, and the answers are likely to involve scandal stories that they missed. They berate themselves: Why were we so slow to catch up with political moneymen like John Huang?

This part of journalism's function is essential and was part of what the framers of the Constitution had in mind when writing a First Amendment that guaranteed freedom of the press. For all its complaints about an overaggressive press, the public would miss the revelations, and the chastening effect that fear of exposure has on the powerful, if exposés were not aired. But the widespread assumption



PHOTOS (TOP, LEFT TO RIGHT): DAVID BURNETT – CONTACT; OWEN FRANKEN – TONY STONE; RON HAVIV – SABA; (MIDDLE) IMAGE BANK; ILLUSTRATION BY MATSU FOR USN&WR; (BOTTOM) STEVE MCCURRY – MAGNUM

that journalism's function is primarily to root out problems has left the press unfit for another important part of its job.

When people decide to watch, read or listen to the news each day, they are not only looking for a summary of what has gone wrong in the world. Sometimes they would like an idea of what might be done to fix a problem. The average journalist, normally so directed and morally self-confident, shrinks instinctively from considering "solutions." To the extent reporters have thought about the distinction, they are likely to say that only problems—not solutions—are appropriate objects of their attention. Yes, a tough-minded correspondent may report on action plans or "model programs" that politicians propose: That's news. But to assess and speculate about which solutions would work best, which might work if applied broadly and which have been overlooked—that is "advocacy," not journalism, and must be avoided.



Tough-mindedness about solutions. There is something prissy and unrealistic about this reasoning. Problems have "advocates" promoting them as often as solutions do. No reporter would ignore incriminating documents about a political candidate simply because they came from an adversary's opposition-research unit. Nor would the reporter accept the documents at face value. He or she would study them, interpret them, check them out, and publish only what seemed persuasive. In theory the same reporting standards could be applied to potential solutions. Why is this so rarely done?

Understanding why certain efforts succeed is as important as knowing why others fail.

Perhaps journalists are reluctant to write about solutions because they no longer believe in them. In the past half century, most Americans, reporters among them, have come to doubt the ability of any large institution, but especially the government, to select the right goals or achieve what it sets out to do. When Americans were asked, in John F. Kennedy's day, whether they trusted the federal government to do the right thing, huge majorities said they did. Those people had World War II in mind. Today's Americans, schooled by the Vietnam War and assorted social mishaps, reject that notion by equally crushing margins.



Yet this view of the modern age as a blighted period in which negative appraisals are the only honest ones is wrong. The past half century has also been a time of amazing accomplishment—and not simply in the areas where almost everyone agrees that miracles recur: medical research and high technology.

Some examples of triumph are familiar, if often ignored—like the GI Bill (which Robert Maynard Hutchins, president of the University of Chicago, warned would turn campuses into "hobo jungles") and the building of the interstate highway system. Others are as impressive but little known. Before World War II, the standard period for home mortgages was 20 years. At government urging, the 30-year mortgage, with dramatically lower monthly payments, became the norm after the war. New home loans more than doubled the first year that 30-year mortgages were available, and America became a nation of middle-class homeowners. Foreign economists may complain that our country devotes too much of its wealth to housing, but a policy intended to expand homeownership clearly worked.

The U.S. Public Health Service began experiments 50 years ago to see whether fluoridated water would protect teeth against cavities. Since then, the rate of tooth decay has been cut by more than half, at huge savings in cost. (Each year, fluoridation costs 50 cents a person, versus about $50 for an average filling.) Seat belt use increased dramatically from the early 1980s to the mid-1990s because of changes in laws and public-education campaigns. During that time, seat belts saved more American lives than were lost in the Vietnam War. The foster-care system has greatly expanded since the 1960s, and every newspaper reader is aware of its problems. But as the conservative analyst Douglas Besharov recently reported, overall deaths from child abuse have fallen by at least half in the past 20 years.

Even Social Security and Medicare, widely derided for pressures they put on the current federal budget, have been hugely successful in their stated goal: getting old people out of poverty. When the teenage Bill Clinton shook JFK's hand in the Rose Garden in 1963, to be old was to be poor. Now those over 65 are, on average, the richest age group.

The point of remembering these achievements is not to weigh the 20th century's good against its bad but to illustrate the limited curiosity of journalism. Understanding when and why public and private efforts succeed should be as important as reporting how they fail. Today it's not. Reporters will toil around the clock, and squeeze their sources, and try to find an analysis that will impress their colleagues when it comes to explaining a corporate or political failure. But when they have good news to serve up, they often feel compelled to do so in a condescending and cutesy way, as if this were not "real" journalism.

This special issue aims to take the same journalistic tools, ingenuity, and toughness of mind we routinely apply to failure—and use them in plumbing potential successes. The "silver bullets" that writers discuss here are ideas with the potential to cut through difficult problems, as the GI Bill and Medicare cut through problems in their day. The recommended solutions vary in theme, gravity and the likelihood of being adopted. Some will strike most readers as persuasive; others may seem merely provocative. But they share a valuable trait: Each correspondent has applied his or her talents to considering what might work. ■

BY JAMES FALLOWS

PHOTOS (FROM TOP): ALBERTO PIZZOLI – SYGMA; SUSAN MAY TELL – SABA

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1/14/97

Copy to Clerk per Phil 1-14-97

TO: Don Baer
Michael Waldman
faxed* 65709 7:35 pm Sew

FROM: Staff Secretary

Draft Dole citation. Need your edits, if any, by 10:00 am tomorrow morning.

Phil Caplan

Draft Bob Dole Medal of Freedom citation
1/14/97

In a lifetime of service to the United States, Senator Robert Dole has time and again demonstrated that his courage and love of country are second to none. Struck down in battle, he stood tall in the Congress for the disabled and America's farmers, while championing civil rights, preserving Social Security, and strengthening our global leadership. As the longest-serving Senate Republican Leader in our history, he earned wide respect for his skill, integrity and sense of purpose. A true hero of the heartland, he has created a record of achievement that will forever stand as tribute to the strengths and values that have made America great.

'97 JAN 14 PM 7:41

faxed

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1/14/97

TO: Don Baer
Michael Waldman ✓ FAX 65709

FROM: Staff Secretary

Draft Dole citation. Need your edits, if any, by 10:00am tomorrow morning.

Phil Caplan

Draft Bob Dole Medal of Freedom citation
1/14/97

In a lifetime of service to the United States, Senator Robert Dole has time and again demonstrated that his courage and love of country are second to none. Struck down in battle, he stood tall in the Congress for the disabled and America's farmers, while championing civil rights, preserving Social Security, and strengthening our global leadership. As the longest-serving Senate Republican Leader in our history, he earned wide respect for his skill, integrity and sense of purpose. A true hero of the heartland, he has created a record of achievement that will forever stand as tribute to the strengths and values that have made America great.

65709

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1/14

TO: Martha Foley

FROM: **Staff Secretary**

This Nader letter has been
round the block + 5ish.
CEQ (Sholly Fidler) has signed off
on the attached. Ok with you?

Phil Caplan

THE WHITE HOUSE

WASHINGTON

January 10, 1997

Mr. Ralph Nader
Post Office Box 19312
Washington, D.C. 20036

Dear Ralph:

Thank you for your most recent letter regarding the Headwaters Forest in Northern California. I'm sorry I haven't been able to respond sooner.

My Administration shares the view that we must preserve the Headwaters Forest through a long-term strategy that balances the needs of the forest while maintaining economic opportunity for workers in the region. After months of discussions, my Administration signed an agreement on September 28th with Charles Hurwitz and his representatives that should achieve these goals when implemented fully. Since that time, we have been working closely with Mr. Hurwitz's representatives in an effort to carry out the terms of the agreement.

Under the agreement, we would acquire from Pacific Lumber Company approximately 7,500 acres of old-growth redwoods, including Headwaters and Elkhead Springs groves and key buffer acreage. In addition, Pacific Lumber Company is in the process of applying for a habitat conservation plan for its entire holdings pursuant to the agreement. Equally significant, the agreement reached by Mr. Hurwitz and my Administration does not affect lawsuits filed against Mr. Hurwitz by the Federal Deposit Insurance Corporation and the Office of Thrift Supervision -- the suits remain pending and Mr. Hurwitz must still resolve them with these independent agencies.

I am grateful for the benefit of your counsel on this important issue.

Sincerely,

185627

William Jefferson Clinton
President of the United States
1600 Pennsylvania Ave.
Washington, DC 20500

September 9, 1996

President Clinton,

Thank you for your response to my letter regarding the Headwaters Forest in California. I would like to reiterate my concerns about certain government negotiations with Mr. Hurwitz and, in response to some misconceptions expressed by Deputy Secretary Garamendi, suggest several ways to safeguard the Headwaters Forest.

Publicly owned assets like national forests or Treasure Island are beneficial to citizens for a variety of reasons. Whether it is a new lifesaving cancer drug developed at the National Institutes of Health from a plant found on public lands or recreational opportunities available in our national forests, these public assets improve the quality of life for local residents and visitors, offer communities economic opportunity and diversity, and greatly benefit our society.

An important element in the equitable acquisition of the Headwaters Forest is a full review of the financial proceedings against Mr. Hurwitz at the FDIC, OTS and any other relevant agencies. It was this point which Mr. Garamendi had the most difficulty understanding. There are many recommendations and inquiries your Administration can make regarding the proceeding at the FDIC and the possibility of a debt for nature exchange. The concept of two agencies working together cooperatively to solve a problem is certainly not unique (see attached letter to Deputy Secretary John Garamendi), and such an approach would clearly benefit the public interest in this case. Such inquiries and recommendations should be made simultaneously with any other plans for acquisition of the Headwaters Forest.

The economic future of the region's workers must also be taken into account when considering any action on the Headwaters Forest. Like so many changing economies in the West, the opportunity to diversify and strengthen local economies in Northern California

while protecting land, resources and recreational opportunities has never been greater. With the help of the Department of Labor, an economic diversification strategy should accompany plans to acquire the Headwaters Forest.

Along with economic diversification, a long term strategy for the protection of the entire redwoods ecosystem—one of our country's most magnificent and most endangered public assets is necessary. Saving a portion of the Headwaters Forest will certainly serve some aesthetic value, but your actions should also address the broader ecological requirements of keeping this asset intact for future generations.

And perhaps most importantly, any agreement entered into with Mr. Hurwitz, whether to obtain or swap publicly owned assets, must have full public disclosure regarding appraisals and other environmental ramifications, and the agreement should be subject to a public comment period. There are time pressures presently in place, but surely Mr. Hurwitz would not damage the redwoods and diminish the value of the property during a public comment period. Mr. Hurwitz may be the "Houdini of High Finance" as he has been called, but he has shown himself vulnerable to environmental regulation, conservation lawsuits, and the volatility of the timber market, all reasons which make Mr. Hurwitz a willing seller. Your Administration should use all the tools available to make sure that taxpayers' interests are served in the acquisition of Headwaters Forest.

Thank you for you attention to this matter.

Sincerely,

Ralph Nader

Ralph Nader

cc: McCurry

1/14/97

per Helen's instructions

THE WHITE HOUSE

WASHINGTON

January 14, 1997

The Honorable Jamie S. Gorelick
Deputy Attorney General
Department of Justice
Washington, D.C. 20530

Dear Jamie:

I have received your letter of today, and it is with deep regret that I accept your resignation as Deputy Attorney General. I appreciate your generous offer to remain in office for a sufficient period of time to assist the Attorney General and me in replacing you and would be pleased if you would do so.

You have done an extraordinary job in restructuring the Department of Justice and its programs to better protect the American people from the threat of crime, both foreign and domestic. I am grateful for the way in which you were able to forge new relationships and understandings with the Departments of State, Treasury and Defense, and with the intelligence community, to better position the country to respond effectively to the challenges we face. Moreover, I deeply appreciate the way in which you undertook your law enforcement mission with sensitivity for the civil liberties of our citizens.

The wise judgment, managerial skill and enormous energy that you brought to your position will be sorely missed by all of us. I am proud to have had you as a member of my Administration and am very sorry to see you go.

Hillary joins me in sending best wishes to you and your family for much happiness and continued success.

Sincerely,

Bill Clinton

Office of the Deputy Attorney General
Washington, D.C. 20530

January 14, 1997

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

It has been my great honor and privilege to serve as your Deputy Attorney General these last three years. I must now, however, ask that you accept my resignation so that I may return to private life. I will be pleased to remain in office for a sufficient period of time to assist you and the Attorney General in assembling a new team to lead this Department in your second term.

These three years, and the year before that in which I served as General Counsel of the Department of Defense, have been the most interesting and rewarding of my life. I am particularly proud of the way in which your Departments of Justice, State, Treasury and Defense have worked together, and with the intelligence community, to combat transnational crime and terrorism. I, and the entire law enforcement community, appreciate enormously the strong and unflagging support you have given to the efforts of law enforcement to protect the American people both at home and abroad.

I am grateful for the opportunity you have given me to serve my country, and very proud to have served in this Administration.

Sincerely,

Jamie S. Gorelick

Jamie S. Gorelick

THE WHITE HOUSE

WASHINGTON

January 13, 1997

THE PRESIDENT HAS SEEN
1-14-97

Mr. President:

Please note that regarding President Carter and Vice President Mondale (plus one guest each), Harold did include them already in the "inner platform" count as outlined in his January 11 memo that we forwarded to you yesterday.

Phil Caplan

THE PRESIDENT HAS SEEN
1.14.97

'97 JAN 13 AM9:16

10 January 1997

MEMORANDUM TO THE PRESIDENT

CC: Leon Panetta
Erskine Bowles
Nancy Hernreich
Tim Keating

From: Harold Ickes HI

Re: Seating on inner or outer platform at the Monday noon swearing in

Former President Carter and former Vice President Mondale will be attending the swearing in ceremonies on 20 January. It is Tim Keating's strong recommendation that they and their wives be seated on the "inner" platform, which is the platform you will be standing on when you are sworn in.

We need your advice regarding former Senator Mitchell, former Senator McGovern and Mike Dukakis, all three of whom will attend the swearing in ceremonies. We assume they should be seated on either the inner or the "outer" platform for the swearing in. Do you have a strong preference for one or the other?

THE PRESIDENT HAS SEEN
1-14-97

January 11, 1997

MEMORANDUM FOR THE PRESIDENT
THE FIRST LADY

CC: MAGGIE WILLIAMS
NANCY HERNREICH
TIM KEATING

FROM: Harold Ickes

SUBJECT: Seating on inner and outer platforms at Inaugural swearing in Monday 20 January

The 2 key seating locations for the President's swearing in ceremony on Monday 20 January on the front of the Capital are the "inner" platform (where the Vice President and the President take the oath of office); and the "outer" platform which is a semi-circle behind the inner platform.

The JCCIC controls the allocation of these seats.

The JCCIC has given PIC the following seats:

-142 - inner platform
-110 - outer platform

The preliminary "cuts" are:

Inner platform: (142 seats)

14 - President/First Lady/ family
15 - Vice President/Mrs. Gore/family
14 - PIC officials (7 + guests)
71 - Extended Cabinet, (the 14 statutory cabinet agencies, plus EPA, OMB, CEA, CIA, USTR, ONDCP, SBA, FEMA) Panetta/Bowles/McLarty/ Williams/Klain/Hilley/Lindsey + 1 guest per
20 - Assistants to the President, including Rasco (their guests will not sit on either the inner or outer platforms)
10 - Mondale/Mayor Barry/Ms. King/Alma Brown/Harry Thomason + 1 guest per
144 - Total

As currently configured, there are 2 more people than seats.

Outer platform (110 seats):

42 - President's friends (see attached list)
30 - Vice President's friends
10 - President's personal staff (Nancy, Betty, Stephen, et al.)
16 - PIC Vice Chairs
10 - Phil & Linda Lader/Woffard/Golden (NASA)/King (OPM)/Gearan/ Barram/Stephanopoulos/Fowler & guest
108- Total

Issues to resolve: There are a number of issues to resolve.

1. Peter Knight and his wife Gail Britton are included in the President's 14 people. Should they be shifted elsewhere?

2. The 66 people for Cabinet include 1 guest for each of the 33 members of the Extended Cabinet (both incoming and outgoing).

   a) Should spouses/guests be permitted?

   b) Of the 33 members of the Cabinet, 6 are outgoing (Kantor, Perry, O'Leary, Cisneros, Reich, Christopher). Should they be included on either the inner of outer platform?

3. Currently Mayor Barry is seated far away from the center of the activity. Ann Jordan and I urge that he be seated on the inner platform.

4. It is not clear whether Mrs. King will be attending the Inaugural swearing in, but if she does, should she be seated on either the inner or outer platform?

5. We assume that Alma Brown and 1 guest should be seated on the inner platform. She informed us today that she wants 5 seats on the inner platform: herself, a guest, her daughter, son and his wife.

6. All 25 Assistants to the President (including Carol Rasco) without guests will be seated on the inner platform.

7. George Stephanopoulos is on the outer platform.

8. Your personal staff, including Nancy Hernreich, Betty Currie, et. al., will be seated on the outer platform.

9. If members of your personal staff are seated on the inner or outer platform, then does HRC have personal staff in that same category, as well as the Vice President and Mrs. Gore?

10. The 28 Deputy Assistants to the President will not be seated on either platform; rather they will be given good seats in the audience facing the Capital.

11. The following people would not be given seats on either platform; rather they will be given good seats in the audience facing the Capital:

-Debra DeLee
-Ann Lewis
-Fred Duval
-Alan Wheat
-Ted Carter
-BJ Thornberry
-Minyon Moore
-Richard Sullivan
-Brad Marshall
-Deborah Ashford
-Mike Berman

12. Currently no finance people are on either the inner or outer platform. At best, under the current configuration, key finance people will be given good seats facing the Capital. I think that Dan Dutko and others will strongly urge a limited number of key finance people be seated on the inner and outer platforms.

Let's discuss.

******DRAFT******

SWEARING IN CEREMONY

OUTER PLATFORM

Last Name	First Name	# of Seats
Ashby	Kit and Amy	2
Ashley	Liza	1
Aspell	Mauria and Bob	2
Bazcko	Kathy and Joe	2
Begala	Paul and Dianna	2
Blair	Jim and Diane	2
Branch	Taylor and Christie	2
Brown	Alma	2
Campbell	Tom and Jude	2
Campolo	Tony and Margaret	2
Caplan	Tommy	1
Carville	James	1
Cooper	Glenda	1
Crane	Rose and Bob	2
Dangremond	Denise and Robert	2
French	Jim and Kathy	2
Horne	Rex and Becky	2
Huber	Carolyn	1
Jamison	Phil and Susan	2
Knapp	Bill	1
Moore	Jim and Jane	2
Penn	Mark	1
Rogers Nelson	Mary Jo	1
Schoen	Doug	1
Squire	Bob	1
Staley	Carolyn and Jerry	2
Thomason	Danny	1
	Total	42

McD could not come

[redacted]

Wedgmon

Hybels

[redacted]

Greenberg

Green

Biggers

Greenwell

Ht, C, Andy, Hodge, [redacted], Mary, Hoskins, Mike Dinkle, Hodge, Ashley

(Ash Nancy) Pastor + Grace

FROM OVAL

NSC OR

Send to Dorskind for reply?

YES

NO

Original given to NSC

بسم الله الرحمن الرحيم

'97 JAN 11 AM 11:30

Ref.: 68/97

The Embassy of the State of Qatar in Washington, DC presents its compliments to the United States Department of State, Correspondence Office, and has the honor to enclose herewith a congratulatory card from His Highness Sheikh Hamad Bin Khalifa Al-Thani, Emir of the State of Qatar, to the Honorable William J. Clinton, President of the United States of America.

The Embassy of the State of Qatar in Washington, DC avails itself of this opportunity to renew to the United States Department of State, Correspondence Office, the assurances of its highest consideration.

Embassy of the State of Qatar
Washington, DC
January 3rd, 1997

TO RM?

copy to NSC?

I think just send to NSC, let your call S pkwl

Thank you for your kind greetings on the occasion of the New Year which I reciprocate

Hamad Bin Khalifa Al-Thani
Amir of The State of Qatar

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Harold Ickes to POTUS re: Transportation to US Air [partial] (1 page)	01/11/1997	b(7)(E)

COLLECTION:
Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 8789

FOLDER TITLE:
Chron Files: Tuesday, January 14, 1997

2019-0774-S
rs3348

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

PRESIDENT WAS SEEN
1-14-97

97 JAN 11 PM 5:50

January 11, 1997

MEMORANDUM FOR THE PRESIDENT

CC: LEON PANETTA
EVELYN LIEBERMAN
ERSKINE BOWLES
ANDREW FRIENDLY
PATRICK STEEL

FROM: Harold Ickes

SUBJECT: Transportation to US Air for the Gala on Sunday 19 January

This is a follow up to my prior memorandum, part of which discussed the above issue. We strongly recommend that you travel to the Sunday night Gala at the US Air arena on 19 January by helicopter, treating it as if you were flying to Andrews Air Force Base. This means that only one helicopter would go to the US Air arena, departing from the south lawn. (b)(7)(e) All other family members will be transported to and from the US Air arena by ground transport. Attached is a copy of Andrew Friendly's 10 January memorandum to me in this regard.

Please let me know if you disagree or wish to discuss.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. memo	Andrew Friendly to Harold Ickes re: Helicopter to US Air Arena [partial] (1 page)	01/10/1997	b(7)(E)

COLLECTION:
Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 8789

FOLDER TITLE:
Chron Files: Tuesday, January 14, 1997

2019-0774-S
rs3348

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MEMORANDUM TO HAROLD ICKES

From: Andrew Friendly AF
RE: Helicopter to USAir Arena for Inaugural Gala
Date: January 10, 1997

Per our conversation yesterday, I think we should treat the President's trip to the USAir Arena on Sunday night January 19th as if he were flying to Andrew's Air Force Base. Therefore, there would be only one helicopter, departing from the South Lawn (b)(7)(e)

Capricia has told me that arrangements are being made for all of the President's immediate family to drive out to the Gala. Let me know if you have any questions, otherwise I will assume that the above scenario is o.k.

THE PRESIDENT HAS SEEN
1-14-97

THE WHITE HOUSE

WASHINGTON

January 3, 1997

'97 JAN 3 PM3:19

RECOMMENDED TELEPHONE CALL

TO: Representative Tom Lantos (D-CA)

DATE: January 7, 1997

RECOMMENDED BY: John Hilley
Assistant to the President for Legislative Affairs

Jack Quinn
Counsel to the President

PURPOSE: Representative Lantos would like to speak with you about the possibility of an ambassadorial appointment for his son-in-law, former Representative Dick Swett.

BACKGROUND: John Hilley and Jack Quinn will brief you personally on the background for this call.

CONTACT PERSON AND TELEPHONE NUMBER: Representative Tom Lantos (202)-225-3531

DATE OF SUBMISSION: January 3, 1997

ACTION: _____



Pediatric AIDS Foundation

Hope for Children with AIDS

BOARD OF DIRECTORS

Paul M. Glaser
Chairperson
Susan DeLaurentis
Chief Executive Officer

Peter Benzian
Bob Burkett
Marlene Canter
Philip A. Pizzo, M.D.
Susan Zeegen
Lloyd S. Zeiderman

Elizabeth Glaser
1947–1994

EXECUTIVE ADVISORY BOARD

HONORARY CO-CHAIRS
President and Mrs. Ronald Reagan

Mrs. William E. Brock
Alfred A. Checchi
Kathryn D. Checchi
Kitty Dukakis
Michael D. Eisner
Susie Field
Senator Paula Hawkins
Elton John
Michael S. Ovitz
Steven Spielberg
Jonathan M. Tisch
Alexander Vreeland
Mrs. Pete Wilson

HEALTH ADVISORY BOARD

Mary G. Boland, R.N., M.S.N.
Children's Hospital of New Jersey
Yvonne J. Bryson, M.D.
UCLA School of Medicine
Mark Feinberg, M.D., Ph.D.
National Institutes of Health
Michael S. Gottlieb, M.D.
Cedars-Sinai Hospital, California
Margaret C. Heagarty, M.D.
Columbia University, Harlem Hospital
David D. Ho, M.D.
Aaron Diamond AIDS Research Center
Anna Belle Kaufman, M.F.A., M.A.
Clinical Art Therapist
Daniel V. Landers, M.D.
Magee Women's Hospital
Michael McCune, M.D., Ph.D.
Rockefeller Institute, UCSF
James Oleske, M.D., M.P.H.
New Jersey Medical School
Catherine S. Peckham, M.D.
Institute of Child Health, London
Philip A. Pizzo, M.D.
Harvard Medical School/Children's Hospital
Paolo Rossi, M.D.
University of Rome and Karolinska Institute
Arye Rubinstein, M.D.
Albert Einstein College of Medicine
Gwendolyn B. Scott, M.D.
University of Miami School of Medicine
E. Richard Stiehm, M.D.
University of California, Los Angeles School of Medicine
Lori Wiener, Ph.D., A.C.S.W.
National Institutes of Health
Bernard Fields, M.D.
1956–1995

January 10, 1997

1-13-97

President and Mrs. Bill Clinton
c/o Betty Curry, President's Office
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

To Scheduling?
Yes ____
No ____

Dear Mr. President and Hillary,

As the new year begins, we at the Pediatric AIDS Foundation are approaching yet another milestone in this battle that we began in 1988. On the evening of March 4, 1997 we will be holding our awards ceremony at the grand opening of Morton's Restaurant in Washington, D.C., to name the five 1997 *Elizabeth Glaser Scientists*.

The *Elizabeth Glaser Scientist Award* program gives us the opportunity to truly change the future of pediatric AIDS. So much has already been accomplished, and we see the results first hand every day as Jake enters into a healthy and happy adolescence.

Dr. David Ho, Time Magazine's Man of the Year, will join us at the awards ceremony to talk about the current state of the epidemic. David has been a close friend and advisor to us for many years.

It would mean so much to us if you would attend and participate in this very special night. You've always spoken so eloquently about Elizabeth and the work of the Foundation, and we can't think of a more meaningful way to honor these amazing scientists -- who will carry on Elizabeth's name and vision -- than to have you there to celebrate with us.

We are busily making the final arrangements for the ceremony and it would be great to know as soon as possible whether you will be able to attend.

We send you and Chelsea our love and wishes for a new year filled with hope and new discoveries.

Warmest regards,

Paul Glaser
Chairman of the Board

Susan DeLaurentis
Co-founder

CO-FOUNDERS: Susan DeLaurentis/Elizabeth Glaser/Susan Zeeger
1311 Colorado Avenue, Santa Monica, California 90404
TEL: (310) 395-9051 FAX: (310) 395-5149

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 1/14

Pat Lewis

TO: Mike McCurry
Don Baer

FROM: **Staff Secretary**

These are POTUS' final changes on Washington Times piece.

THE PRESIDENT HAS SEEN
1-19-97

Hopes and Goals for the Next Four Years

President William J. Clinton

America stands poised today on the threshold of the 21st century, a nation strong and full of promise. It is the commitment to fulfilling that promise that stands behind the theme of our inauguration: "An American Journey: Building a Bridge to the 21st Century." My overriding goal for the next four years is to prepare the nation for the new century by building that bridge. My one great hope is that we will accomplish our journey in the right spirit, with civility, respect and with all our citizens feeling that they are part of our national community.

The challenges we face today are immense. The global economy is transforming the way we live and work, and the way we will govern. Families and local governments now have access to information that once was the sole province of major corporations and the federal government. The distances between goods, information and people are collapsing, providing great opportunities and demanding even more responsibility.

In the coming years, we must focus attention on what is necessary to enable Americans to make the most of these changes. Our children deserve the best education we can provide. That means high standards for students and teachers, real reforms like charter schools, and opening the door of college to all who are willing to work for a world class education. Our parents deserve our support as they work to succeed both at home and at work. That means

extended family leave and flex time, help in saving for retirement, education, health and homebuying; and support in the battle to raise children safely, without harmful cultural influences. Everyone needs the opportunity to become part of the economic mainstream, just as everyone should be able to live in a neighborhood free from crime. That means incentives to move people from welfare to work, to invest in our poorer areas and completing our agenda to roll back crime.

We must work to renew our democracy, and restore the American people's confidence in their government. That means first and foremost campaign and finance reform. And we must continue our mission of building new structures of peace and security around the world, (and freedom prosperity!) fighting terrorism, halting proliferation of chemical & biological weapons, and expanding trade.

These goals are critical to our future. Most of us agree on them, but we must decide how we are going to achieve them. In what spirit will we build our bridge to the next century?

Differences of opinion are a vital and healthy part of any great democracy. Our nation is no stranger to fundamental disagreements, nor should it be. We have a system that allows us to reconcile these differences, come to an agreement, and move forward. Our ability to do this will determine how our history is written. Will our children and their children look back at these years with dismay at the rancor and divisiveness that defined the public debate? Or will they be able to take pride in the way we brought our differences to the table, argued our positions, and crafted an honorable consensus that continued to move our nation forward?

I believe that to most Americans, the long battle over the proper role of government has been resolved. They have told us, and I agree, that the government's role is not to solve all problems. But neither do they want it to simply turn its back, leaving people to fend for themselves. Our government must be a partner in our common endeavor to provide citizens,

families and communities with the tools they need to succeed.

Today thousands of people will visit our nation's capital for the first time. The District of Columbia is a unique city, with a noble history. But it is going through a time of distress. It must become an example of our new partnership. By working together, Democrats and Republicans, private and public communities, we are formulating a response that can revitalize Washington. The spirit in which we are making this effort will be visible during the inaugural celebrations; I hope it will remain with our residents and their guests for many years to come.

As we debate our nation's future, let us be ever mindful of the need to respect our differences, to draw strength from our diversity. Today we celebrate the life of a man who challenged us to do just that in our drive. Dr. Martin Luther King showed us that we can define ourselves by our hopes and not our fears. Our nation is made up of scores of racial, ethnic and religious groups. Perhaps the most important decision facing us today is whether we can find a way to affirm our own basic beliefs, yet still work together in mutual respect. We must find a way to continue to strengthen the spirit that makes America unique, to remind the world and ourselves that to be an American is to share the ideals set forth more than 200 years ago. With these ideals, we faced the staggering challenges of the 20th century, and made it an American century. With these ideals and a clear vision of our future we seek to create, we can cross our bridge into a new American century stronger than ever.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN

January 13, 1997 1-14-97

MR. PRESIDENT:

Don Baer has signed off on the attached.

McCurry would like you to approve it so that the Washington Times can have it first thing in the morning.

Phil Caplan

Phil

Baer

Mc Curry

BC

THE PRESIDENT HAS SEEN
1-14-97

THE WHITE HOUSE
WASHINGTON

'97 JAN 13 PM4:55

January 13, 1997

copies to
Mc Curry
Baer
Chron

MEMORANDUM FOR THE PRESIDENT

FROM : MICHAEL MCCURRY MM

SUBJECT : COLUMN FOR *THE WASHINGTON TIMES*

The Washington Times has requested, and we have agreed to provide, a bylined column from you to publish in their special inaugural day edition on January 20.

A final draft is attached. Much of it draws on your remarks at the ecumenical breakfast and to the Democratic Leadership Council.

The Times' deadline is tonight.

Hopes and Goals for the Next Four Years
President William J. Clinton

America stands poised today on the threshold of the 21st century, a nation strong and full of promise. It is the commitment to fulfilling that promise that stands behind the theme of our inauguration: "An American Journey: Building a Bridge to the 21st Century." My overriding goal for the next four years is to prepare the nation for the new century by building that bridge. My one great hope is that we will accomplish our journey in the right spirit, with civility, respect and with all our citizens feeling that they are part of our national community.

The challenges we face today are immense. The global economy is transforming the way we live and work, and the way we will govern. Families and local governments now have access to information that once was the sole province of major corporations and the federal government. The distances between goods, information and people are collapsing, providing great opportunities and demanding even more responsibility.

~~There are a number of areas where we need to focus attention in the coming years.~~ Our children deserve the best education we can provide ~~and their~~ parents deserve our support as they work to succeed both at home and at work. Everyone needs the opportunity to become part of the economic mainstream, just as everyone should be able to live in a neighborhood free from crime. We must work to renew our democracy, and restore the American people's confidence in their government. And we must continue our mission of building new structures of peace and security around the world.

I believe there is a lot of agreement that these goals are critical to our future. ~~But at least as important as identifying what needs to be done, is deciding~~ how we are going to ~~get there~~. In what spirit will we build our bridge to the next century?

Differences of opinion are a vital and healthy part of any great democracy. Our nation is no stranger to fundamental disagreements, nor should it be. We have a system that allows us to reconcile these differences, come to an agreement, and move forward. ~~The time we are living in is one in which the~~ ability to do this will determine how our history is written. Will our children and their children look back at these years with dismay at the rancor and divisiveness that defined the public debate? Or will they be able to take pride in the way we brought our differences to the table, argued our positions, and crafted a consensus that continued to move our nation forward?

I believe that to the American ~~people~~, the battle over the proper role of government has been resolved. They have told us, and I agree, that the government's role is not to solve all problems. But neither do they want it to simply turn its back, leaving people to fend for themselves. Our government must be a partner, helping to provide families and communities with the tools they need to succeed.

Today is ~~the first time~~ thousands of people will visit our nation's capital, ~~a city~~ ~~that is a good example of how we can be that partner~~. The District of Columbia is a unique city with a noble history. But it is going through a time of distress. By working together, Democrats and Republicans, private and public communities, we are formulating a response that ~~I believe~~ will revitalize ~~this all important place~~. The spirit in which we are making this effort will be visible during the inaugural celebrations; I hope it will remain with our residents and their guests for many years to come.

As we debate our nation's future, let us be ever mindful of the need to respect our differences, to draw strength from our diversity. Today we celebrate the life of a man who challenged us to do just that in our drive. Dr. Martin Luther King showed us that we can define ourselves by our hopes and not our fears. Our nation is made up of scores of racial, ethnic and religious groups. Perhaps the most important decision facing us today is whether we can find a way to ~~hold on to~~ our basic beliefs, yet still ~~find the grounds for~~ mutual respect. We must find a way to continue to strengthen the spirit that makes America unique, to remind the world and ourselves that to be an American is to share the ideals set forth more than 200 years ago. If we can solve our problems and hammer out agreement in a spirit of reconciliation, with civility and respect, then we will move into the 21st century stronger than ever.

With these ideals we faced the staggering challenges of the 20th century and made it an American century.

With these ideals and a clear vision of the future we seek to create, we can build a new American century stronger than ever.