Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Carole Bayer Sager to POTUS [partial] (3 pages)	01/30/1997	b(6)

COLLECTION:
Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 9349

FOLDER TITLE:
Chron Files: Friday, February 14, 1997

2019-0774-S
rs3354

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]

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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]

Withdrawal/Redaction Sheet
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2-14-97

Carole Bayer Sager

THE PRESIDENT HAS SEEN
2-14-97

January 30, 1997

President Bill Clinton
The White House
1600 Pennsylvania Avenue West Wing, 1st floor
North Washington DC, 20500-2000

Dear President Clinton;

Firstly, Bob joins me in congratulating you on your re-election. We are filled with hope for our country and world as we move into the next century with you as our President.

The reason for my letter also concerns moving into the next century. It involves something you mentioned in your inaugural address, the growing world of young people benefiting from the many new technologies, specifically the "Internet" and personal computers.

(b)(6)

Mr. President, these are important and impressionable years for our children. The idea that our children's understanding of their own sexuality or the sexual behavior of others being influenced by these images is unconscionable.

THE PRESIDENT HAS SEEN
2-14-97

J Podesta
I guess we need to have the VP's technology folks do a more detailed letter for me for Carole & the principal — we are looking at a V chip I think.
-BC-

J. Podesta --

I sent her a note.
Need to have the
VP's technology
folks do a more
detailed letter for me
for Carole and the
principal -- we are
looking at a V chip
I think.
-BC-

(b)(6) It is important to understand that a child whose home computer is not blocked, can call up their service from a remote location and still have access to this kind of material even if you have a blocked your computer. America Online and The Microsoft Network are obviously making attempts at being responsible, however, they do not go far enough.

Finally, if a child has direct access to the Internet there is even less ability for a parent to exercise any control of their Online experience.

I believe the responsibility is upon us to regulate the Internet in a way that makes it impossible for this kind of pornography to fall into the hands of children

Bob, who shares all of my same concerns, pointed out the irony of his having to put ratings on television shows like, "Friends" because a man and a woman kiss, while images such as the ones I have referred to are freely available for children to download on their computers. As a songwriter, I have spent most of my creative life fighting for no censorship, but as a parent my feelings have now dramatically changed.

Mr. President, I am prepared to do anything and everything to insure that our children are allowed to remain children and that they be protected by us from images that can shape and damage them throughout their lives.

I sincerely hope that you can assist me in my efforts. I am certain that you and Mrs. Clinton share the same concerns as Bob and I.

(b)(6)

Reveta Bowers, who was so concerned that she wrote a letter to all of the parents. I am enclosing that letter for you to read as well.

I am most grateful for your taking the time to read these letters and I am deeply appreciative of Jack Valenti for delivering them to you.

Most Sincerely,

Carole Bayer Sager

CBS/lg

THE CENTER FOR EARLY E

IMPORTANT INFORMATION ENCLOSED

Wednesday, January 29, 1997

563 N. ALFRED STREET
WEST HOLLYWOOD
CA 90048
PHONE 213 651 0707
FAX 213 651-0860

Dear Parents,

Recently it has come to my attention from families within our school community that a number of students have accessed the Internet and the WEB and have downloaded hard core pornography in the form of photos and other materials. They have gained access to these materials from their home computers, printed them out and shared them with friends.

It is critical that you take precautions to "block" your child's access. If your home computer has access to the Internet and the WEB you should do the following:

1. Speak with your service provider, (America OnLine, Netcom, Prodigy, Compuserve, Microsoft Network, etc.) and make sure that you have ways to "block" the things you do not want your child(ren) to be able to access.

2. Monitor your child's time and activities on your computers. Check in with them often and become more knowledgeable yourself about what they are doing when they are on the computer.

3. Make sure that if your child is visiting someone else's home, that home is aware of your preferences regarding computer use and that they have appropriate blocks in place on their computers.

4. Understand that children whose home computer is not blocked can call up their own service from a remote location and still have access to this kind of material even if you have blocks on your computer.

5. If you discover that your child has these materials in his/her possession, take the time to not only talk to your child but to the parents of any other children who may be involved.

6. Be aware of older brothers and sisters who may not be as closely monitored with regard to their computer use and access.

7. Be aware of any "chat" groups that your child may be participating in and sharing this kind of information or material with others.

8. **Take this seriously**.

These are important and impressionable years. Don't allow your children's understanding about their sexuality or the sexual behavior of others influenced by this kind of hard core pornography. I cannot begin to tell you how perverse and obscene some of these photos and other materials are. Don't allow this to continue under some sort of misguided 'code of silence.' Be aware of the

NURSERY
ELEMENTARY
EXTENDED DAY

potential danger and harm to your child(ren) and take the necessary precautions and put in place the appropriate supervision to nip this in the bud!

If you have any questions that we can be helpful in answering, please do not hesitate to contact us. Despite the fact that this is not going on at school, we felt it incumbent to inform you and we will be forever grateful to the concerned parents who called it to our attention and allowed us to make you aware of the situation.

Sincerely,

Reveta Bowers
Head of School

2/14/97

THE PRESIDENT

2/14

Dear Carole -

Thank you for writing. Your story is very disturbing and unfortunately is coming to us from many concerned parents.

I'll do some more work on this and get back in touch. You may know that, because of the problem of controlling access to pornography, a bipartisan bill to ban it on the Internet is in the courts and may be thrown out. Meanwhile we're trying to find a solution. Sincerely, Bill Clinton

Carole Bayer Sager
c/o Dick Guttman
Guttman Associates
118 South Beverly Drive
Beverly Hills, CA 90212

THE PRESIDENT HAS SEEN
2-14-97

McCurry, Ruwelts

Fyi - 3 good pieces - Maybe
honeymoon session in
press corps would have
courage to read them!

BC

THE PRESIDENT HAS SEEN
2-14-97
from Sid

SENT BY:

2-12-97 ; 4:24PM ; NEW YORK OBSERVER→ 202 882 4534;# 1/ 1

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JOE CONASON

Why Did McDougal Change His Bloody Tale?

After all the money and time devoted to investigating Whitewater, the only serious allegation against the President is David Hale's charge that sometime early in 1986, Bill Clinton "pressured" Mr. Hale to approve a $300,000 loan to his and his wife's Whitewater partners, James and Susan McDougal. A perjurer and convicted con man, Mr. Hale has peddled this story for years in the hope of coaxing leniency from a prosecutor. Contradicted by a videotaped deposition from Mr. Clinton, as well as by Mr. McDougal's own denial, Mr. Hale's testimony was given little credence by the jurors who convicted the McDougals of fraud and conspiracy charges last July.

But now, according to James Stewart's report in the Feb. 17 *New Yorker*, Mr. Hale's loan fable has been confirmed, after a fashion, by Mr. McDougal, who also is cooperating with Mr. Starr. Which is to say that the word of one unreliable witness is buttressed by a second who is even less believable.

In discussing Mr. McDougal's turnabout, Mr. Stewart strives to provide a balanced assessment of this swindler's credibility—a painful task, considering how eagerly he accepted Mr. McDougal's earlier assertions in his best seller *Blood Sport*. Some of the *New Yorker* article is recycled from his book to create a context for the current dispute between the chatty Mr. McDougal and his ex-wife, who is in jail for disdaining Mr. Starr's grand jury. Yet there are certain *Blood Sport* anecdotes Mr. Stewart elides, now that his source has rolled.

JAMES MCDOUGAL

Notably, these involve Mr. McDougal's sanity. If he ever testifies against the Clintons, the defense surely will depict him as a ranting, twisted, grandiose piney-woods loon. Was he overdosed with psychoactive drugs, or hooked up to jumper cables? While the *New Yorker* story mentions that he was "diagnosed as manic-depressive" and takes Prozac, that scarcely completes the work-up. In *Blood Sport*, Mr. McDougal tells a Clinton friend that "everybody on his mother's side of the family had been alcoholics, and everybody on his father's side had been manic-depressives. He was both, he said. Now he was taking both lithium and Prozac." The man who heard this sad genealogy naturally "wondered how firmly planted McDougal was in reality."

Another salient passage, now omitted, dates back to 1993, when Mr. Hale first began trying to save his own hide by implicating the Clintons. He secretly taped a conversation with Mr. McDougal while trying to "get McDougal to corroborate his story" about Mr. Clinton and the fraudulent loan. "But McDougal begged off, saying he remembered almost nothing from those months of 1986, not long before he blacked out and had to be taken to the hospital." With the prospect of an 84-year maximum sentence, Mr. McDougal's recollection has marvelously improved.

To season his proffer to Mr. Starr, he now recalls an intimate phone conversation between "Susan and Bill," which led him to conclude they were lovers. That alleged erotic connection is supposedly why she has refused to testify. Susan McDougal calls this a sick fantasy, and it seems just as fair to assume that as a jilted girlfriend, she would have strong motives to disparage rather than protect the President. Mr. Stewart's interview with her, while dwelling on personal entanglements, suggests she has better reasons not to testify—namely, fear of retribution from the independent counsel if she says under oath that she knows nothing damaging to the Clintons.

If James McDougal ever testifies, the defense will depict him as a ranting piney-woods loon.

Perhaps the most confusing aspect of the Hale-McDougal story is what happened to that $300,000, the proceeds of a Federal small business loan engineered by Mr. Hale (who defrauded the Government of millions). Mr. Stewart has helped cloud the issue. Although Ms. McDougal used the money to purchase additional land in the name of the Whitewater company, that property was swiftly transferred to another outfit owned solely by the McDougals. In other words, Mr. McDougal left the Clintons liable for the mortgage on a property in which they held no interest-- a classic rip-off. Mr. Stewart, however, still insists that the Clintons "stood to benefit, at least briefly, from the illegal loan proceeds," which is why Mr. Starr professes such keen interest in the Hale tale.

The relevant document here is the two-volume exegesis of Whitewater prepared for the Resolution Trust Corporation by the Republican law firm of Pillsbury, Madison & Sutro. After a sweeping investigation completed in December 1995—just before *Blood Sport* went to press—the Pillsbury report found nothing to support Mr. Hale's allegations. It said "there is no basis to assert that the Clintons knew anything of substance about the McDougals' advances to Whitewater [or] the source of the funds used to make those advances . . ."

Few in the national media, including Mr. Stewart, have bothered to quote the report's conclusion: "On this record, there is no basis to charge the Clintons with any kind of primary liability for fraud or intentional misconduct," nor for "any claim of secondary or derivative liability for the possible misdeeds of others." And today, after 14 months of further probing and millions of dollars spent, there is still no such evidence—unless one accepts whatever emerges from the mouths of two men subordinated by fear to the will of a partisan prosecutor.

O R K E R ' S D I A R Y

cosmetics industry, to the clothing industry, to the fitness industry, to the marriage canopy, which is itself connected to your bank of choice.

In the Victorian glory days, children were considered innocents. They were not treated very well, of course, the poor were worked and starved and the rich were ignored in distant nurseries, but no one imag-

Skepticism: A most valuable tool

Gene Lyons

Sen. Eugene McCarthy once compared the nation's political press to a flock of blackbirds sitting on a telephone wire. "When one flies up," he said, "they all fly up."

Maybe that helps account for the general failure to make the most obvious connection of the week: the one between bogus rape accusations against Dallas Cowboys wide receiver Michael Irvin and the media's born-again fascination with Paula Jones.

No, one widely hyped accusation against a public figure—one with whom Bill Clinton would hardly wish to be associated—doesn't disprove a widely hyped charge against another. But it should remind everybody of two basic facts of life every cub reporter and rookie cop used to learn by hard experience: Anybody can say anything about anybody else; also, it's logically impossible to prove a negative, i.e. what *didn't* happen.

Anyhow, those are two big reasons why skepticism used to be one of a journalist's most valuable tools. For a variety of causes, including the competitive demands of a 24-hour-a-day news cycle, that's no longer so. Political reporters are more apt to have spent their formative years in graduate school than slogging it out on the police or courthouse beat. High-toned, moralistic rhetoric is more their style.

Actually, it's sports coverage that's really taken on a Sunday school tone of late, but that's another topic. Anyhow, since it's almost impossible for a public figure like the president to sue for libel, and since another fact of life is that almost anybody can file a lawsuit against anybody else, the temptation with a case like *Paula Corbin Jones vs. William Jefferson Clinton* is to take the accusations in her complaint and run with them. "Moralize now, apologize later" has become the rule, particularly when the charges involve sex, everybody's favorite topic.

That's pretty much how the Paula Jones story was handled at first, but the public wasn't buying. Many in the media found aspects of her story dubious as well.

If, as Jones contended, she had been slandered by David Brock's article in *The American Spectator* in which Arkansas state troopers described her as hot to trot in a hotel room encounter with then-Gov. Clinton, why sue Clinton, but not the authors of the slander? Why announce that claim on the same stage with the troopers themselves at a right-wing PAC gathering at which an 800 number was set up to solicit cash for a "Troopergate Whistle-Blower Fund"?

Why, if Jones and her lawyers were innocent of political motives, did she put in an appearance on Jerry Falwell's almost insanely scurrilous, not to mention entirely fictive, videotape, "The Clinton Chronicles"? Why go on TV with Pat Robertson? Jones' general demeanor as what *Newsweek's* Evan Thomas described as "some sleazy woman with big hair coming out of the trailer parks" did her no good, either.

That two of the troopers themselves were found to have wrecked a patrol car at 3 a.m. admittedly lied about it, then swore to a completely different version in a lawsuit rather diminished their credibility, as did local reporters' inability to verify any of a number of highly improbable tales they'd told.

Troopers Roger Perry and Larry Patterson later joined the Vince Foster conspiracy industry, describing a phone call that allegedly came to the Arkansas Governor's Mansion from a distraught White House aide hours *before* Foster's body was found—a tale they'd neglected to tell *The American Spectator* shortly after it supposedly happened, and which almost nobody believes, not even Republicans on the Senate Whitewater committee, who decided not to hear their testimony.

An affidavit sworn by trooper Danny Ferguson in June 1994 did Jones' own credibility no good. He denied telling Jones that Clinton wanted to meet her. Rather, Ferguson said, she pestered him for a private meeting with the governor, stressing "Clinton's good looks and sexy demeanor." So, he said, he took her upstairs at the Excelsior Hotel, pointed out a room and left her there in the hallway.

A couple of weeks later, Ferguson swore, Jones showed up at the governor's office in the state Capitol and "asked for a piece of paper and a pen and wrote down her home phone number and told (Ferguson) to give it to Governor Clinton. She said to tell him that she was living with her boyfriend and that if her boyfriend answered, Governor Clinton should either hang up or say that he had a wrong number."

This account of Jones' behavior squares with what other members of Clinton's staff told *Democrat-Gazette* reporters about her hanging around the governor's office after delivering messages, prattling like a star-struck teen-ager.

None of the information in the preceding few paragraphs, incidentally, all crucial to assessing the credibility of Jones and the troopers, appears in last week's *Newsweek* cover story on her lawsuit. (Accompanied incidentally, by hair, makeup and photo credits.) Almost none of it appeared in Stuart Taylor's article on Jones in *The American Lawyer*, which the newsmagazine cited as highly influencing its coverage.

Instead, *Newsweek* produced an extended apologia for its previous snobbish dismissal of Jones as a trashy redneck. Her accusations against Clinton are highly credible, the editors have now decided, essentially because she told friends and family about them almost immediately after they supposedly happened. Most, but not all, say they believe her story.

Your humble, obedient servant here has no strong opinion about the Supreme Court's dilemma. Clinton's not a king, I'm not sure he ought to be treated like one.

On the other hand, do we really want to open the president to harassment by lawsuit? The motives of Jones' lawyers, one a Republican candidate for Virginia attorney general, are suspect. Isn't their real motive to ask Clinton humiliating intimate questions under oath, then leak his deposition to the press?

But I do have a wholly imaginative theory about what happened to Paula Jones and what's apt to emerge in the still unlikely event this case goes to trial. Could she have been describing something close to what did happen to her in a hotel room but not with Bill Clinton? Did she decide to cover her shame and humiliation, or add drama and self-importance to her life, by bringing in a figure of national prominence?

As the Michael Irvin episode shows, she wouldn't be the first.

Gene Lyons is a Little Rock author. His column appears every Wednesday.

THE PRESIDENT HAS SEEN
2-14-97

Another act in the Whitewater farce

Gene Lyons

For many of us home folks, the greatest irony of the Clinton presidency has been the export of traditional slapstick Arkansas political theater to an unexpectedly gullible nation.

Who would have predicted that characters like David Hale and the inimitable duo of Jim and Susan McDougal would come to occupy center stage in a national melodrama?

What's next? Will Bill McCuen persuade Kenneth Starr that Bill Clinton set up the phantom flag scam that sent him to prison? Will Darrell Glascock confirm his story? Was it really Clinton who wined and dined all those babes on Steve Clark's state credit card? And what about Wayne Dumond's castration? Has Starr checked Hillary Rodham Clinton's alibi?

But there I go again, making light of what the reverend authorities in the national media assure us could become the most solemn constitutional crisis since Watergate.

Maybe so. Maybe Kenneth Starr is sufficiently ruthless and disingenuous to attempt a legal *coup d'etat* against the president based upon the testimony of a pair like David Hale and Jim McDougal.

Starr's office has been hinting as much to its press acolytes for months. Even if sitting through nine days of Hale's testimony at his own trial hadn't told McDougal exactly what he needed to say to save his skin, our old friend James B. Stewart's, "Letter From Little Rock" in the July 15, 1996, *New Yorker* tied it up in a neat package for him.

Accompanied by the usual winking and nudging about sources close to the investigation, Stewart theorized that Bill Clinton may have been involved in an illegal $300,000 loan scheme between Hale's Capital Management Services and the McDougals—the famous Master Marketing scheme that convicted Jim and Susan.

"Clinton's motive," Stewart's *New Yorker* piece theorized, "would have been simple: He would have gained co-ownership of a potentially valuable asset without putting up any additional money. Should this theory be borne out, it would implicate Clinton in a crime: conspiracy to defraud a financial institution."

Now Stewart's back with another *New Yorker* article. He's been all over the TV saying that Clinton's testimony that he never met with Hale and had no knowledge of the Master Marketing loan makes a perjury charge possible—more serious because his statement was videotaped not 10 years ago in Arkansas, but last year in the White House.

The suspect transaction took place in 1986, shortly after Arkansas and federal regulators removed both McDougals from Madison Guaranty S&L for illegalities like insider trading and self-trading.

Jim McDougal had a stroke and a nervous breakdown. Diagnosed with manic-depression, he emerged from the hospital intent upon rebuilding his real estate empire. The supposedly valuable asset that Stewart suspects Clinton coveted was an 810-acre tract the McDougals bought from International Paper, then magically transformed into yet another failed real estate development called Lowrance Heights. IP repossessed the property in 1989.

Then as now, Stewart has simply ignored the abundant documentary evidence that tells another story altogether. Lazy, credulous and judgmental as ever, the rest of the media mob has simply followed.

Yes, McDougal bought the IP property in the name of Whitewater Development Corp. and used $25,000 of the bogus $300,000 Master Marketing loan as earnest money. Most of the rest, he and Susan used to pay bills.

But the McDougals also falsely told IP, which financed the deal, that they were Whitewater's sole owners and proprietors. Unknown to the Clintons, whom Jim McDougal had misled for years about their investment, Whitewater was then but a shell, its properties having been sold for pennies on the dollar. He wrote them two false and misleading letters in late 1986 trying to persuade them to sign over their stock in the company. After they refused, he simply transferred the IP land to another of his real estate companies, leaving Whitewater stuck with the debt.

Whitewater's books make no mention of the IP-Lowrance Heights deal. No letter or document bears the Clintons' signatures or mentions their names.

"The transaction," notes the Pillsbury Report, the eight-volume Resolution Trust Corp. study, "did not benefit Whitewater or the Clintons; in fact, it left Whitewater with a large debt but no corresponding asset, and eventually it led to litigation and the entry of a judgment against Whitewater."

You don't need a CPA to see that the Clintons were the pigeons in a crude real estate scam.

"Why isn't President Clinton on trial?" special prosecutor W. Ray Jahn asked during his closing argument at the Tucker-McDougal trial. "Because he didn't set up any phony corporations to get employees to sign for loans that were basically worthless. He didn't get $300,000 from Capital Management Services like Jim and Susan McDougal did .... The president didn't backdate any leases. He didn't backdate any documents .... He didn't come up with phony reasons not to repay the property. He didn't lie to any examiners. He didn't lie to any investigators."

To be guilty of what Hale and McDougal charge, Clinton would have had to convince McDougal to create a bogus paper trail in 1986. Give me a break. Besides, why would the president risk perjury when a simple evasion would have sufficed? "Sure I put in a good word for Jim McDougal," he could have said. "But I never dreamed he'd misappropriate the money."

In his closing argument, Jahn speculated that the president had simply forgotten what had been to him a trivial meeting with David Hale, which he also described as "non-incriminatory."

So has Kenneth Starr really got the moxie to go after the president? Let's put it this way: Assume that this latest power play by the independent counsel, using an all too willing James Stewart to humiliate Susan McDougal into joining this crusade, actually worked. Who on earth would believe her now?

But I don't think it will work. Of all the lowdown tricks Jim McDougal and his new puppetmasters have pulled since this farce began, accusing his ex-wife of adultery with Bill Clinton has got to be the worst.

Almost whether it's true or false, I take little satisfaction in having predicted to my wife that it would come to exactly this after Susan's appearance on Larry King's show. It was the obvious next chapter in the bad novel called Whitewater.

So, will Susan McDougal turn into Bill Clinton's worst nightmare? No, I think she'll be Kenneth Starr's alibi for failure.

Gene Lyons is a Little Rock author. His column appears every Wednesday.

THE WHITE HOUSE
WASHINGTON

Mr. President,

You should know that this is in formal rule-making process and any substantive comments you may have must be on the record. Bruce

THE WHITE HOUSE
WASHINGTON

February 12, 1997

THE PRESIDENT HAS SEEN
2-14-97

Mr. President:

The attached letter from Dayton Matter concerns the liver transplant issue.

Bruce Lindsey advises that this is in the formal rulemaking process. You should know that any comments -- written or oral -- to HHS would have to be made a part of the record of the proceeding.

Phil Caplan
Phil

Bruce Is there any way we should not get involved in this matter? Should we refer him to HHS? Anything to avoid? BC

You should not make any written or oral comments because it is because this is the rulemaking process. There is not supposed to be any political pressure. Presidents usually do not get involved in rulemaking processes.

Rec'd 2-10-97
10:00am

David M. Matter
501 UNDERCLIFF ROAD • PITTSBURGH, PENNSYLVANIA 15221

THE PRESIDENT HAS SEEN
2-14-97

February 7, 1997

Via Facsimile: 202.456.6703
and Federal Express

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

I'm terribly sorry to add to your unbelievably crowded agenda, but we're at a critical point in the liver transplantation debate within HHS and I'm afraid if we don't act now we may forever lose the opportunity.

As you know, my letter to you on this subject last fall eventually led to three days of public hearings conducted by HHS in December. Donna Shalala promised in her response to me on your behalf to determine on the basis of the public hearings which liver allocation policies promised the best results for the patients of America and to embody that decision in a final rule for submission to OMB.

Simply stated, my fear is that because there are many more small transplant centers than large and each of them has lobbied their Congressmen and Senators in opposition to a policy change and even to HHS's intervention, the Department is beginning to get "cold feet."

After having studied this issue in great detail over the past year, there is absolutely no doubt in my mind that the position of the University of Pittsburgh Medical Center (and several other large transplant hospitals) is the correct one. Allocating livers to the sickest patients first on the widest geographic basis possible is what our national policy should be with respect to the allocation and distribution of human livers.

The private contractor, the United Network on Organ Sharing (UNOS), hired by HHS to operate the organ procurement and transplantation network, is by any other name a trade association controlled by small transplant centers (one center, one vote) operating largely on the basis of self-interest. If they were steel producers or communications executives sitting around the table carving-up the market, the federal government would intervene in a heartbeat. Because they are "medical professionals" HHS seems reluctant to intervene. But if it doesn't no one will, and patients will continue to suffer the consequences.

The facts, as I see them, are pretty clear. HHS has in the past essentially relinquished its oversight and regulatory responsibility with respect to organ procurement, allocation and transplantation to an industry trade group incapable of making a decision without an inherent conflict of interest. UNOS has established liver allocation rules that literally trap organs within artificial geographic boundaries, which has had two profound effects: 1) patients with liver disease who are not hospitalized and are in relatively better health often receive livers in one region when just an hour away by plane a patient lies dying in intensive care; and 2) the number of liver transplant programs has nearly doubled to 119 today, i.e. new programs can start because they know they will have a reliable and predictable supply of organs. It doesn't matter how proficient they are at transplantation or whether having such a large number of centers is an efficient and effective way to deliver health care.

Each of these centers, no matter how few transplants they do or how awful their success rates may be, have the same voice and vote in UNOS as does a major, highly proficient center that does 100 or more transplants a year. Decisions are made by majority vote, so the system will never be changed by a trade association the majority of whose memberships may be disadvantaged by a change. Meanwhile, 50-100 people die unnecessarily each year from liver disease; 2,000 patient life years are lost; and, horrifically unequal waiting times for transplant will continue.

I have enclosed copies of the five part series on organ transplantation published earlier this week in the Cleveland Plain Dealer. They are extraordinarily well-researched and a very important

contribution to the national debate. After reading them, I believe, any fair-minded person would conclude that the system is broken, UNOS does not represent the interests of patients very well, and the federal government has not properly performed its regulatory and oversight role. Although the articles are quite lengthy, I've included them in their entirety and have highlighted several relevant paragraphs in each for easy reference (the first such notation appears on page 11).

I don't want in any way to abuse our friendship over a substantive policy issue, but I feel so strongly about this that I just had to bring it to your attention again with a personal letter. Initially I was dragged into this debate quite reluctantly, but as time has gone on I have come to realize that it may be the most important thing I've done in my life. I'm sorry for the length of this letter and for imposing on you again, but I don't know where else to turn.

Regards,

FIRST ARTICLE

Waiting for the right person to die

One heart patient's Cleveland Clinic drama

First of five articles

By TED WENDLING, JOAN MAZZOLINI and DAVE DAVIS
PLAIN DEALER REPORTERS

For 99 days, Linda Robinson had been waiting for someone to die.

On the night of Aug. 26, as Linda went about the monotony of tidying up her room on the ninth floor of the Cleveland Clinic and preparing for bed, a representative of LifeBanc was phoning Teresa Duke, the Clinic's thoracic organ coordinator. A 44-year-old woman in Columbus had died of a stroke and her family had agreed to donate her organs.

In an act of pure altruism by grieving strangers, a heart, matching Linda's in blood type and size, was being offered to the Clinic for transplantation. The heart was the first match the Clinic had been offered for Linda since her hospitalization May 20.

Although Linda's wait had been shorter than many Clinic heart transplant patients', the uncertainty had become nerve-wracking.

Just three days earlier, doctors had to shock her heart to stabilize her erratic heartbeat. The jolt left scars on her chest and back. It also left an indelible psychological scar, driving home the realization that, after two open-heart surgeries, her 37-year-old heart was not going to last much longer.

She urgently needed a transplant. And although she was not in the habit of wishing ill on others, that meant someone had to die. Soon.

Blind trust

Thirty years after South African surgeon Christiaan Barnard prolonged the life of a 55-year-old man for 18 days by performing the first heart transplant, the American public is as ambivalent as ever about the social, moral and psychological implications of transplanting the living organs of one person into another.

While the wizardry of modern medicine allows doctors to seemingly confer immortality on those whose vital organs have begun to fail, many people — often because of the distrust, ignorance or sheer grief of their survivors — continue to take those organs to their graves.

But while donations have remained relatively stagnant, the number of hospitals performing transplants has more than doubled since 1988. Because transplants have become so commonplace, the number of people who have died waiting for organs has doubled, too.

Hospitals, striving to remain competitive, raise their profiles in their communities and claim a piece of the multibillion-dollar transplant market, have spent millions of dollars to start transplant programs.

SEE LINDA/12-A

2.

LINDA FROM 1-A

Eight years ago, 118 hospitals were doing heart transplants. Today, there are 166. For liver transplantation, the number of programs has grown from 70 in 1988 to 118 today.

Likewise, the number of people waiting for an organ transplant has tripled, topping 50,000 last month.

Like Linda, most of those patients know virtually nothing about the hospitals, surgeons and national organ-allocation system charged with saving their lives, relying simply on blind trust.

"It's amazing to me," said Judith B. Braslow, director of the U.S. Department of Health and Human Services' Division of Organ Transplantation. "You hear people say, 'I heard he was a big doctor.' What's a 'big doctor?' It doesn't mean anything, but the average person doesn't want to know much.

"The average patient wants to go, get their transplant, get better and get off the list. They have one goal."

That's certainly true of Linda. When she entered the Clinic, she didn't know how many heart transplants the Clinic had done, what its survival rate was or how its waiting time compared to other transplant centers.

She also knew nothing about a troubling issue that centers don't discuss with patients: The number of hearts turned down, for medical or nonmedical reasons, that were later transplanted into patients at other centers.

"I just know it's something I've got to do to get out of here," Linda said. "I just want to make sure it's a good match."

Luckily for Linda, her insurance company, Travelers, has a contract with the Clinic's heart transplant program as one of its "centers of excellence." The Clinic has one of the top cardiac programs in the country, and its doctors performed 66 heart transplants in 1995, more than all but three other centers. The national average was 14.

Compared to the other programs, the Clinic also has a better one-year survival rate (89 percent vs. 82 percent), and a reasonable median waiting time (149 days), and turns down almost no organs for nonmedical reasons.

'It's time'

It was 1:20 a.m. on Aug. 27 when a nurse flipped the light switch in Linda's room, rousing her from a deep sleep. A Clinic heart procurement team would be flying to Columbus to take a look at the 44-year-old stroke victim's heart, which had been matched for Linda through the United Network for Organ Sharing. UNOS, an organ databank in Richmond, Va., has the federal contract to distribute organs nationwide.

"I can't believe it! I'm not ready!" Linda stammered as she tried to remember the phone numbers of the people she had promised to call. "I'm so scared. I can't believe it."

There was, of course, her husband, George, who was back in Tyrone, the small central Pennsylvania town in which she had grown up.

Also her mom, Rita Miller, who was staying at the Ronald McDonald House on Euclid Ave.

"George, it's time," Linda said, her voice quivering.

"Are you sure?" he answered, shaking himself awake. He began to cry.

"Please drive careful," Linda said. "I love you. I'll see you when I wake up."

George, 36, a self-avowed "old hillbilly," used to be a long-distance trucker. He quit after Linda was hospitalized, taking a local construction job so that he wouldn't be on the road if something happened.

Being a trucker, George had spent plenty of nights driving in the fast lane. But even making good time, the trip to Cleveland would be 4½ hours. He couldn't be expected to arrive before 6:30 a.m.

In Rita's room, the beeper the Clinic had given her finally went off. By the time a Clinic police officer delivered her to the hospital, she was frantic.

"I know we were waiting all this time, but I'm so scared," she said. "I'm just hoping this heart likes her as much as she likes it."

Even though the hour was late, the ninth floor was abuzz with activity as the nursing staff prepared to move Linda to the cardiac intensive-care unit on the fifth floor.

"I'm hoping it all goes well because she's really a special person," said nurse Jennifer Ullman. "I don't know how I would tolerate being here day after day. She deserves to have a life. She's young."

Marion Grimaldi, another nurse, was beaming.

"For me, it's a really exciting time when somebody gets a heart," she said. "It's like you feel like they're going to have a baby or something. The hair goes up on my arms."

As Linda was being wheeled down the hall, her mind was racing. One foreboding thought lingered: What if this turns out to be a dry run?

A dry run is the ordeal of getting prepped for surgery, only to find out that the organ is unsuitable for transplant. Roughly one-fifth of the trips Clinic heart procurement teams make to inspect donor hearts turn out to be dry runs — the judgment call being made that, upon close inspection, the organ is too marginal to accept.

That's what had happened to Linda's friend, Nancy Vigneau. On Aug. 15, as Nancy, 46, was being prepped for a heart transplant, the Clinic's procurement team leader called from Columbus to inform Nancy's surgeon that the donor heart was damaged.

The psychological effect on Nancy had been devastating. Four days later, the Brooklyn woman suffered a heart attack. She subsequently underwent open-heart surgery in which she received a HeartMate, a mechanical device that temporarily aids the weakened heart in the absence of a donor.

"I wish she'd have got her heart, God love her," Linda said. "I just hope that doesn't happen to me."

The death watch

While the ICU nurses and an anesthesiologist prepped Linda, Rita sat alone in the waiting room, clutching a box of Kleenex.

3.

The clock read 3:10 a.m. A "Taxi" rerun played on the overhead TV set as Rita dabbed at her eyes.

Watching her daughter struggle to live for so many years had taken its toll on Rita. Linda, the eldest of Rita's five children, had been stricken with undiagnosed rheumatic fever as a child and underwent open-heart surgery to replace a valve in 1972, when she was just 13. She subsequently suffered a stroke.

She recovered, but when she had another stroke in 1988, followed again by open-heart surgery and replacement of the same valve, it became apparent to Rita that if Linda was going to outlive her, she would need a new heart.

Linda has viral cardiomyopathy, an enlarging of the heart. It is the most common diagnosis among heart transplant patients, afflicting a little more than half of those who receive transplants.

Worrying about Linda had been enough of a burden, but Rita, who is 55 years old and divorced, also had her own health problems, having recently been diagnosed with cancer of the breast and lymph nodes. That required her to drive the 250 miles back to Altoona, Pa., for her chemotherapy treatments, after which she would return to Cleveland to be by Linda's side.

"This time, I really felt bad," she said of her latest chemo session. "I had to lie down when I got here. Two nurses up there [on Linda's floor] got me a bed."

Since Linda's hospitalization, Rita has been haunted by helicopters, wondering every time she hears the distinctive *whap whap whap* of the Metro Life-Flight chopper whether it carries "Linda's heart."

For some who wait, the death watch becomes a topic of gallows humor, said Teresa Duke, the Clinic's thoracic organ coordinator. A few patients cope with their fear and guilt, she said, by "joking around about sitting at their windows with binoculars, looking for motorcyclists" to crash.

The call

At 5:03 a.m., the phone rang in the ICU. Dr. James McCarthy, the surgeon who had flown to Columbus for the procurement, had bad news. The stroke victim's heart was no good.

In an instant, all the hope, excitement and expectancy of a night of magic were replaced by a sorrow so profound it seemed as though everyone in the room had died at once.

"You're kidding," Rita said as she began to sob. "Oh baby girl, baby girl. . . ."

Linda, the color drained from her face, stared straight ahead. "I've had bad luck for so long, I don't need any more," she said.

As she tried to comfort her mother, Linda thought of George, racing down Interstate 80 in the early-morning darkness, worrying about whether he was going to be late.

"He drove so far for nothing," Linda said. "I don't look forward to telling him. He's going to be so upset."

Room with a view

From the ninth floor of the Clinic's "G" Tower, home to those awaiting heart transplants, patients can contemplate the treetops and rooftops of the city's East Side and watch the traffic on busy Euclid Ave.

The perspective can be frustrating, but for patients who are tethered to IVs and rolling heart monitors, it offers a reprieve from television and the obsessive attention they must pay to their huge daily doses of medication.

But that's not true for Linda, who with help from her mom, transformed the spartan hospital room into a makeshift home. Hundreds of get-well cards, drawings and photographs warmed the walls of G90-26.

"I got that 3-D puzzle," Linda had said on Day 90, pointing to her Cinderella's castle puzzle, one of many she had finished. "I told myself when I finish that puzzle, that night I'll get my heart. Well, that's been finished for a week, and I still don't have my heart."

Improvements in transplantation — new medications and ventricular assist devices, which keep failing hearts beating — have increased the short-term survival rate. Considered little more than experiments 15 years ago, heart transplants are routine enough today that their average $250,000 cost is covered by Medicare, Medicaid and private insurance.

But with donor organs being so scarce, the rapid medical advances have brought with them bigger waiting lists, longer waiting times and a greater chance of dying while waiting for an organ.

Eight years ago, four people died every day waiting for an organ. By 1992, that number was seven. Today, it is above nine.

Currently, more than 3,700 people are waiting for a heart transplant. Only 2,361 received one in 1995, and 770 people died waiting.

'I'm on my way'

Aug. 30 was a sweltering day in Tyrone, and George Robinson couldn't move from the living room couch. He had been thinking about mowing the lawn, but he couldn't snap out of his depression. All he felt like doing was lying around.

Since Linda's hospitalization, her doctors had been forced to shock her heart seven times to keep it going. "The nurses down there said they had never brought somebody back to life that many times," she had told George matter-of-factly.

George was still confident that Linda was in good hands, but she had been waiting in the hospital for a new heart for more than three months now. What if she died waiting? He would be alone.

George and Linda didn't have

4.

children. Linda had learned the hard way that she would never be a mother, having been told only after a miscarriage at age 21 that the blood-thinning medication she had taken made it impossible.

George was getting another ice tea when the phone rang. It was 2:30 p.m.

"Honey, it's time," Linda said, trying to conceal her fear. "Now don't get too excited. Remember what happened last time. They've got another heart, but they have to check it out."

The clock was running. Four-and-a-half hours stood between them, so George didn't waste words.

"I'm on my way," he said. "I love you."

First, George had to pick up Rita. To save time, he decided to take the route that went by Tyrone Area High School. But it was Friday, and the school was playing its arch-rival, Bellwood, in football. It was a big event in the small town, and hundreds of people already had clogged the streets by 3 p.m.

"I told her that when I got the call, I'd be there before they took her in," George said, recalling his late arrival the morning of Linda's dry run. "No matter what, I'd be there."

Code Blue

Farley Lee was filling out paperwork at the Clinic's ninth-floor nursing station when Linda's heart monitor sounded. Linda had been working on another jigsaw puzzle — the same one she had been noodling over for two weeks — when she learned that a heart had been offered for her. Initially, she had taken the news calmly, but within minutes her heart was racing out of control.

Lee reached the room first, finding Linda on the phone.

"I don't feel good," Linda said.

"Get back in bed," the nurse ordered.

Linda's normal heart rate was about 90 beats a minute, but as the Clinic staff rushed into her room, they could see it was at 120 and rising. They put her on oxygen, started an EKG and called a "Code Blue." It was 3:05 p.m.

The nurses knew Linda was in trouble. They also knew there

would be no transplant that night if they couldn't slow her heartbeat.

When Linda's heartbeat reached 150, the paddles were brought out to shock her.

"It's the same rhythm you did last week on us," said Dr. Matthew G. Deedy. "You feeling OK?"

"Yep," Linda said weakly, the oxygen mask muffling her voice.

Linda was anxious, but she also was alert and responsive. Deedy decided to give her heart time to slow itself, rather than shock her or administer drugs. Either one of those measures could jeopardize her chances of undergoing a transplant.

By 4 p.m., Linda's heart rate had dropped to 119. It was a go.

Point of no return

Shortly after 6:30 p.m., the organ procurement team boarded Life-Flight, bound for Youngstown. The team was led by McCarthy, the surgeon who had decided that the heart offered for Linda three days earlier was unacceptable.

In the ICU, doctors and nurses once again began inserting an IV tube into Linda's jugular vein. Linda was awake during the procedure.

"Ben, if the heart's no good, will they electric-shock me again?" she asked Ben Meola, one of her nurses. "I don't want to be shocked."

"They'll make that decision then," he answered gently. "Think positively."

Dr. Robert W. Stewart, head of the Clinic's heart transplant program and the doctor scheduled to perform Linda's surgery, came in to introduce himself and tell Linda a little bit about what to expect.

Transplants are exercises in medical precision — from the seemingly interminable poking and prodding patients endure to the almost military-style police escorts procurement team members receive until the moment they enter the surgery room.

"You try to coordinate everything else so that the minute they're walking in with the [new] heart, we're taking the old one out so that there's an exchange at that time," Stewart said.

"The critical decision is really made by the person who goes to get the heart," he added. "I'm very fortunate to have highly experienced guys like Jim McCarthy. I have no idea how many transplant runs he's been on. He can spot a bad heart at 20 feet. He also knows a good heart. And he knows the heart that isn't perfect, but is going to be good enough for us."

Linda was beginning to get groggy from the medication. Her eyes were slits, but she could still talk.

"I hope they wake me tonight," she said, her voice barely audible through the oxygen mask. "I want to wake up later and have this whole thing be over."

Denise E. Brainard, a transplant nurse who follows patients after surgery, tried to comfort her.

"I talked to Dr. Stewart and he said it looks like a real good heart," the nurse said.

"I don't want a bad heart," Linda told Brainard.

"Oh, we won't give you a bad heart. That's why there are dry runs. When we give you a heart, it'll be a good one."

"They said that other one was from a 44-year-old woman," Linda added. "I don't want a heart from a 44-year-old woman.

6.

After going through all this, I want a young heart. I don't want a 44-year-old heart."

"Well, even if we give you a 44-year-old heart, you can be sure that it will be a good one. You should have a good weekend. What a nice [Labor Day] holiday present."

It was shortly before 8 p.m. when the staff assembled in the ICU to take Linda to the operating room. As they were preparing to move her, George and Rita arrived at the fifth-floor waiting room.

"They're wheeling her to the elevator," a nurse told him. "You can catch her there."

The reunion was brief and frenzied.

This was it, George thought. These were the people who were going to perform a miracle by giving Linda a new heart.

His own heart was in his throat.

"I got to see her for two minutes," he said. "That's all I wanted — just to let her know that we were there, that we love her."

Night owls

The heady success the Clinic's heart transplant program has enjoyed since its inception in 1984 has conferred godlike status on its three surgeons — Stewart, Nicholas Smedira and Patrick M. McCarthy. But it is the tireless and nerve-jangling efforts of Katherine J. Hoercher, the cardiac transplant coordinator; Duke, the thoracic organ coordinator; and the Clinic's organ procurement teams that are perhaps even more impressive.

One of the grim realities of organ donation is that many organ donors die at night, often from homicides or traffic fatalities. That requires Duke, Hoercher and the procurement teams to be available around the clock.

As a result, they learn to take power naps, sometimes aboard Life-Flight.

"Transplants aren't really any fun because they're often in the middle of the night," said Hoercher. "But we're very aggressive. We take a lot of hearts that other programs turn down."

Stewart said the Clinic is acutely aware of the balance of risk factors.

"I will transplant a high-risk recipient," he said. "I will also use a donor that is borderline. But I won't use a borderline heart in a high-risk recipient. Risk is cumulative. And we can neutralize one risk factor by having everything else lined up very nicely."

Patients don't realize it, but even the nation's top transplant centers turn down more than 80 percent of the hearts they are offered, usually because the recipient is too ill or for any of more than a dozen other reasons involving the health and social history of the donor.

The determining factors in who gets transplanted are blood and tissue type, length of time on the waiting list, medical urgency and the distance the procurement team has to travel to obtain the organ.

Hoercher said the Clinic had traveled as far as northern Florida to pick up a heart. Because of the Clinic's willingness to accept hearts that other transplant centers turn down, 60 percent of its hearts come from outside the region.

The Clinic also transplants patients who are on its waiting list but are hospitalized out of state, bringing them in by helicopter for the surgery so that they can be near their families while they wait.

That wasn't possible for Linda, who had to quit her job at Josten's Yearbook Co. in State College, Pa., after she became too ill to work. So instead of being hospitalized in nearby Altoona, she spent her summer in Cleveland, staring out her hospital window and waiting for the death of a stranger.

The turning point

The temperature in the operating room was a cool 60 degrees when Stewart walked in wearing white pants and a white short-sleeved shirt. The call had arrived: The heart was good.

SEE HOSPITAL/14-A

HOSPITAL FROM 13-A

While teams of procurement specialists, who had arrived to claim other organs, hovered over the donor in Youngstown, the Clinic's surgical team readied an unconscious Linda for her five-hour surgery.

The heart is always the first organ to be procured, and doctors have a maximum of six hours after "cross-clamp" — the cutting off of the blood supply to the donor heart — to transplant the heart into the recipient.

By 10:22 p.m., it was clear that the procurement team was running later than expected. Linda's chest was open and Stewart was ready to remove her heart. She had been on the heart-lung bypass machine for 12 minutes.

"They didn't forget where we were, did they?" Stewart joked dryly.

Three minutes later, McCarthy and the procurement team swept into the room, carrying Linda's new heart in an Igloo Playmate cooler.

It took Stewart about three minutes to remove Linda's heart. Simultaneously, two nurses carefully removed the donor's heart — which was suspended in a saline solution — weighed it and prepared it for transplant.

Then the delicate work of stitching the new heart into Linda's chest began.

Stewart said little. Because the Clinic averages more than one heart transplant a week, team members have spent a lot of time working together.

The turning point in the surgery came when Stewart was ready to allow partial blood flow into Linda's new heart. It would either begin beating on its own or he would have to shock it back to life.

Or Linda would die.

The doctor removed the clamp. Immediately, the heart began beating, confirming Stewart's intuition: A perfect match.

"That restores my equilibrium," he said.

He asked a nurse to call George and Rita in the waiting room and tell them the surgery was going well. Rita began to cry. George, for the first time, saw an end to Linda's long ordeal.

"I can't help but think about where the heart came from, and why things have worked out this way," he said, his eyes focused on the floor. "I guess only one Man knows for sure. Still, I think about it, about the family on the other end of this.

"Do you think they would get us in touch with them? If they had hard feelings, I wouldn't want to intrude on them," he said as his eyes welled with tears.

For a moment he could not speak.

"I'd like to let them know what we're like, to thank them very much for the second chance they gave my wife."

The Robinsons know only that Linda's new heart came from a 31-year-old woman who died from a gunshot wound. They now know that at least two other families benefited from the donor family's generosity, with the liver and kidneys also being procured for waiting patients.

Although organ recipients are given no other information about the donor, they are allowed to send a letter, usually relayed through the hospital or organ bank, to the donor's family. The family then chooses whether to respond.

Many don't, preferring their gift to remain a silent, selfless act.

'Bye bye, y'all'

At 1:04 a.m., the surgery ended. Stewart walked into the waiting room and extended his hand to George.

"It went very well," the doctor said. "It was a good match. Best I've seen in some time."

Stewart said he was optimistic about Linda's long-term outlook. Her chance of surviving the first year, he said, was about 95 percent.

"The real question now is what's going to happen to the donor heart, specifically coronary artery disease," he said. "And there's about one chance in three that, five years from now, that will have caused her major problems, either death or re-transplantation."

While those odds may not sound great, most heart transplant patients will take them any day over the immediate alternative — death. Many heart recipients are now living more than 10 years. And the longest-living recipient, a 40-year-old patient transplanted at Stanford University in 1974, has logged more than 20 years.

"Every year, things get a little bit better," Stewart added. "So the outlook's not bad for Linda at all."

Linda's recovery was swift. On Sept. 7, eight days after her transplant, she left G90-26.

She tried not to cry, but even the heavens wept. The rain came in torrents as Linda, Rita and George loaded boxes into George's truck. Linda's nurses, many of whom made it part of their daily rituals to take their breaks in her room, gathered to say goodbye and wish her well.

"It was hard to leave those people," Rita said. "You get really close after being with them all that time."

"I didn't even see my cousins as much as I saw those people," Linda added. "I saw them every day."

And then she left, carrying the heart of a woman she had never known, along with the hopes and fears of a life she almost lost.

All that was left of her 110-day stay at the Clinic was the note she had scrawled on the message board in her room:

"Thanks for all the special care, EVERYONE. Bye bye, y'all."

Back to Tyrone

Nestled in the hollows of central Pennsylvania, hard by the Little Juniata River, Tyrone is a world away from Cleveland.

This mill town of 1,800 residents is where Linda grew up, and where her children would have grown up had her fortunes been different. Lacking though it may be of the amenities she and Rita had grown used to in Cleveland, Tyrone is where her family and her heart is.

For the most part, Linda has been doing well since her transplant. She is also relieved to hear that Nancy Vigneau, her friend at the Cleveland Clinic who was kept alive by the HeartMate, got "her" new heart a week before Thanksgiving, and that Nancy is recovering, too.

Because she has been so fixated on living, Linda has given little thought to what Renee Fox, a professor of sociology at the University of Pennsylvania, calls "the tyranny of the gift" — the inability of organ recipients to ever repay such an extraordinary act of giving. She was allowed only to send a brief thank-you card to the donor's family — who chose not to respond — and that was the end of it.

Like many transplant recipients, Linda expected her life to pretty much return to normal after she came home. It hasn't.

Every day, she checks her blood pressure, temperature and weight, walks 30 laps (five miles) around the interior of the high school and swallows 23 pills, ranging from anti-rejection drugs to Geritol. She returns to the Clinic every three weeks for a biopsy.

"My body's fighting my heart because it knows it's not part of my body; it's someone else's," she

said. "But I didn't think I would have to take all the medicine I take. I take a lot more medicine than I took before, and that bums me out a lot."

But in other ways Linda's life has returned to normal. Sweaters still needed to be cross-stitched for Christmas presents and the many chores associated with maintaining the Robinsons' small trailer home had to be done.

George hasn't been around to help much. After Linda came home, he took a job with a Conrail subcontractor, helping to clean up train-derailment sites. The money's good, Linda said — $10 an hour — but it keeps George away from home a lot.

But there's a more important reason Linda has not had time to convalesce. It is now her turn to take care of Rita, who has been suffering terribly from her cancer.

Since completing her chemotherapy regimen, Rita has been receiving radiation therapy at Altoona Hospital. Every day, a hospital van makes its rounds through the hollows near Tyrone and its surrounding communities, picking up cancer patients and delivering them to the hospital's cancer center.

The patients with early appointments simply sit and wait until everyone is done. Then they are delivered back to their homes, where they wait until the van arrives again the next morning.

Linda vowed that her mom would not be on that van. So, every day, she drives Rita to the hospital, doing her cross-stitching in the lobby while Rita gets her radiation. Then they go bargain-hunting.

"She stayed with me the three months in Cleveland," said Linda. "I think I can get out and take her to the hospital."

These are precious months for Linda and Rita, filled with laughter and Rita's infectious optimism. For the first time in years, it appears that daughter will outlive mother — as every parent knows it should be.

And still, Linda isn't sure she would be willing to endure it all again.

"They say you might have to have another transplant within a certain time, but I don't know if I'd do it again," she said. "I say that now, but when it came down to dying at the hospital, I didn't want to.

"I guess I can say I wouldn't do it again, now that I'm doing so good."

10

FOR YOUR INFORMATION

If you are facing a transplant

When deciding where to go for a transplant, patients should consider the annual number of transplants a center performs, its mortality rate and the surgeons' experience, medical experts say.

Centers that perform large numbers of transplants tend to have better survival rates and are less likely to turn away donated organs matched for patients on their waiting lists, according to Dr. Robert W. Stewart, head of the Cleveland Clinic's heart transplant program.

"Volume almost answers everything else," he said. "If you wanted to pick a transplant center just on the available information, pick the top 20 according to [volume] numbers, and then go down the top 20 and pick them according to survival rates."

Volume and mortality data for transplant centers are published by the United Network for Organ Sharing in its "1994 Report of Center Specific Graft and Patient Survival Rates." The full report costs $115 and can be obtained by calling 1-800-243-6667.

UNOS also provides mortality rates on up to 10 centers free of charge to transplant candidates who send a written request to: UNOS communications, P.O. Box 13770, Richmond, Va., 23225.

Information about a surgeon's experience must be requested from the transplant center.

Additionally, "Transplant News;" an industry newsletter, offers in-depth coverage on the latest issues of interest to patients and transplant professionals. You can subscribe by calling 1-800-689-4262.

And computer users with access to the World Wide Web will find useful transplant information on homepages published by UNOS: *http://www.ew3.att.net/unos* and the U.S. Department of Health and Human Services' Division of Organ Transplantation: *http://www.hrsa.dhhs.gov/bhrd/dot/dotmain.htm*

A look at fragile lives and a medical bureaucracy

The major problem in transplantation, those involved say, is the national organ shortage. That's true. But many people *do* donate, bestowing parting gifts — what biomedical ethicist Thomas H. Murray calls "gifts of the body" — on strangers without expectation of compensation or even thanks.

These gifts give people such as 37-year-old Linda Robinson, whose story appears today, a second chance at life. They also advance the science of one of medicine's most astonishing frontiers.

But there is a dark side to transplantation: A Plain Dealer investigation found wide disparities across the nation in the time patients wait for organs; higher mortality rates, on average, at centers that perform limited numbers of transplants; and centers that frequently reject healthy organs for nonmedical reasons.

The more than 50,000 patients waiting for organs don't have access to that information. The government agency responsible for ensuring an equitable national transplant program, and the contractor that maintains the data, refuse to reveal it. They claim that transplant centers haven't reviewed it, and might be unwilling to provide information in the future if it was disclosed.

The Plain Dealer's series, "Transplanting Life — The Triumphs, The Traps, The Tragedies," begins today and runs through Thursday. We expect it will stimulate debate about the nation's transplant system, which relies on the trust of seriously ill patients and the generosity of strangers whose families have a right to know how their loved ones' gifts of the body are being used.

Tomorrow: Some transplant centers turn down many donor organs for nonmedical reasons.

Tuesday: For almost a year, University of Kansas Medical Center officials misled patients awaiting heart transplants by failing to tell them that the program was dormant.

Wednesday: No issue strikes more at the heart of the dispute over equity in organ transplantation than the gross disparity in waiting times.

Thursday: On average, patients who receive organ transplants at low-volume centers are more likely to die within the first year than those who undergo transplants at high-volume centers. Also, a chart showing the mortality rates, volumes and median waiting times at U.S. transplant centers.

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SECOND ARTICLE

TRANSPLANTING LIFE

THE TRIUMPHS, THE TRAPS, THE TRAGEDIES

ASSOCIATED PR

Chester Szuber embraces his wife, Jeanne, during a news conference at William Beaumont Hospital in Royal Oak, Mich., in 1994 after undergoing a transplant in which he received the heart of his daughter, Patti. Szuber, now 60, was the only one of the 24 patients on Beaumont's waiting list who received a heart transplant that year.

Hospitals reject healthy hearts

Waiting patients not told

Second of five articles

By DAVE DAVIS, JOAN MAZZOLINI and TED WENDLING
PLAIN DEALER REPORTERS

ROYAL OAK, Mich. — The sum of Patti Szuber's donated parts was two eyes, two kidneys, a liver, 30 bone and tissue samples, and one beating heart.

In a wrenching, bittersweet story of love and death, the heart of the 22-year-old nursing student went to her father, and it made Michigan tree farmer Chester Szuber the most famous heart transplant recipient in America.

Patti Szuber's tragic death in a car accident in Tennessee in August 1994 and the transplantation of her heart into the chest of her ailing 58-year-old father also thrust the suburban Detroit hospital at which the surgery was performed into the national spotlight.

Chester Szuber had been waiting four years for a transplant, and William Beaumont Hospital in Royal Oak was inundated with calls from reporters and TV producers who wanted to tell the family's heartbreaking story.

But what Beaumont officials never told Szuber or any of the other 23 patients on their waiting list in 1994 was that the national shortage of donor organs wasn't the only reason they had been waiting so long for new hearts.

That year, Beaumont staff turned down for nonmedical reasons 101 offers of hearts suitable for transplant. The reasons for the turndowns, as reported to the United Network for Organ Sharing by the organ banks that offered the hearts to Beaumont, were either "surgeon unavailable/program too busy" or "administrative."

Another 76 heart offers were turned down by Beaumont administrators in 1994 for medical reasons. They accepted just one — Patti Szuber's.

Beaumont wasn't the only program that was turning down heart offers for nonmedical reasons that year. While transplant professionals were publicly lamenting the shortage of donor organs, 28 of the nation's 167 heart transplant centers refused for nonmedical reasons 20 percent or more of the total heart offers they received during the last seven months of 1994, according to UNOS records. About 97 percent of those hearts were later transplanted into patients at other hospitals, a UNOS official said.

"I'm surprised that the numbers are that high," said Thomas H. Murray, director of the Center of Biomedical Ethics at Case Western Reserve University and one of several ethicists and doctors who said they were unaware of the practice. "You'd like to know what the circumstances were ... but if they can't give

ASSOCIATED PRES

Patti Szuber, 22, died Aug. 18, 1994, in a one-car accident in Great Smoky Mountains National Park in Tennessee.

"You can count me among those who were surprised to hear that it happens at all. I assumed it was extremely rare, and it ought to be extremely rare."

Transplant professionals say a hospital's rate of turning down organs for nonmedical reasons is just one factor that patients should consider when choosing a hospital. Other important factors are a hospital's mortality rate and the median length of time its patients must wait before being transplanted.

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TRANSPLANTING LIFE

THE TRIUMPHS, THE TRAPS, THE TRAGEDIES

Yesterday: When Linda Robinson's 37-year-old heart began to fail, forcing her to take up residence on the ninth floor of the Cleveland Clinic last May, she faced the transplant paradox: For her to live, someone had to die. For Linda and her family, the wait for a new heart was a frightening reminder of the fragility of life and a close-up look at one of modern medicine's most astonishing frontiers.

Tomorrow: During an 11-month period in 1994 and 1995, the University of Kansas Medical Center placed on its heart transplant waiting list, or evaluated for placement, 38 patients without telling them that they had little chance of actually receiving a transplant because internal squabbles had shut the program down. As two state investigations later verified, patients were deceived and university officials failed to act.

Wednesday: If you need a new kidney, the median waiting time for a transplant ranges from less than two months at a hospital in Fort Worth, Texas, to 858 days at a medical center in Hershey, Pa. The median wait for a liver transplant is 18 days at a medical center in New Orleans but 648 days for the Boston hospitals that are served by the New England Organ Bank. In the continuing debate over equity in organ transplantation, no issue strikes more at the heart of the dispute than the gross disparity in waiting times.

Thursday: On average, patients who receive organ transplants at low-volume centers are more likely to die within the first year than those who undergo transplants at high-volume centers. Few patients are aware that they can significantly increase their chances of survival by going to a transplant center that does the risky surgery more frequently.

TURNDOWN FROM 1-A

A center's high nonmedical turndown rate also doesn't necessarily translate into longer median waiting times for patients. In some cases, a high rate of turning down organs for nonmedical reasons simply reflects the size of a program and the resources the hospital has devoted to transplantation.

For example, of the 806 offers of hearts turned away for nonmedical reasons during the last seven months of 1994, many were refused by smaller programs, such as Beaumont's, which has just one transplant team. That means vacations, medical conferences and other cardiac surgeries that might call any member of the team away forced those centers to turn down hearts they otherwise might have accepted for waiting patients.

More recent turndown data could not be obtained because UNOS, the government contractor responsible for allocating donated organs, has refused to give 1995 and 1996 organ turndown figures for individual hospitals to the U.S. Department of Health and Human Services.

UNOS officials claim that transplant centers have not reviewed the figures and that the data may have been inaccurately or nonuniformly reported by the nation's 66 organ banks. They also fear that making the data public would discourage centers from voluntarily providing information, provoke lawsuits and change the way the data is reported in the future, rendering it scientifically useless.

Beaumont — which has done an average of just 2.6 heart transplants a year since its program opened in 1989 — had the third highest percentage of nonmedical turndowns in the country during the last seven months of 1994. During that time, Beaumont turned down 52 offers of hearts for nonmedical reasons, an average of more than two per patient, UNOS records show.

In an interview in October, Beaumont administrators disputed the accuracy of the turndown figures. But last month, after referring the matter to the hospital's peer review committee, they confirmed that the figures were correct.

Hospital officials would not reveal the results of the committee's report, which was completed in December, but said they had addressed the problems and had not turned down any hearts in 1996 for nonmedical reasons.

"Nonmedical turndowns of hearts is something that we don't find acceptable around here, at least anymore," said hospital spokesman Mike Killian. "The issue is that it shouldn't have been done in the first place."

Beaumont administrators attributed part of the problem to the busy schedule of Dr. Jeffrey M.

TRANSPLANT FACTS

Estimated first-year charges per organ transplant, 1996

Heart	$253,200
Liver	$314,500
Kidney	$116,100
Kidney/pancreas	$141,300
Pancreas	$125,800
Heart-lung	$271,400
Lung	$265,900

SOURCE: Milliman & Robertson Inc. Brookfield, Wis. consulting actuaries

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Altshuler, the hospital's only heart transplant surgeon. Altshuler performs about 230 heart surgeries a year, or about four a week. When a heart is offered, he often must be available to remove as well as transplant it.

"The big problem in having one transplant surgeon is when I go on vacation ... what happens to the recipients?" Altshuler said. "We've made arrangements with other transplant programs now that if I'm gone for a week, we call them ... and they will cover for us."

Beaumont officials would not say whether any of the patients for whom hearts had been refused died without receiving a transplant. Because patient information is confidential, The Plain Dealer was unable to identify Beaumont patients or their survivors to interview for this story.

Patients not told

In a practice officials at Beaumont and some other hospitals said was universal, Beaumont did not tell any of the patients on its waiting list about the nonmedical turndowns. That deprived them of the choice of transferring to another heart transplant program.

Patients at Beaumont and elsewhere generally also aren't aware that transplant centers turn down most of the hearts they are offered for important medical reasons, such as the recipient was too ill or the donor's size or weight were incompatible with the recipient.

"There are always exceptions, but as a general practice, patients are not told about [organ] turndowns," said Dr. Leslie Rocher, Beaumont's director of transplantation services. "It doesn't add to their well-being."

Some medical ethicists disagree. Jeffrey M. Prottas, a UNOS ethics committee member, even goes a step further — advocating that patients be given turndown data when they are deciding where to have a transplant, rather than after they are already hospitalized.

"Whenever I have my say on this issue, I say that UNOS ought to be publishing all of this," said Prottas, who teaches health politics at Brandeis University in Waltham, Mass. "It's really unfair. Everybody should know these sorts of things."

But they don't — particularly when organs are turned down for nonmedical reasons. Officials at Ohio State University Hospital, Vanderbilt University Medical Center and other transplant centers around the country all said they don't tell patients about nonmedical turndowns.

As a consequence, patients at Vanderbilt didn't know in 1994 that 41 percent of the heart offers were being turned down for nonmedical reasons while the head of the Nashville, Tenn., hospital's heart transplant program, Bill Frist, was campaigning for the U.S. Senate.

Vanderbilt refused 93 offers of hearts in the last seven months of 1994, 46 of them for nonmedical reasons, according to UNOS data.

Frist, who was elected to the Senate that year, declined to comment for this story. Since becoming a senator, he has remained involved in transplant issues and, along with Ohio Sen. Michael DeWine, founded the Congressional Task Force on Organ and Tissue Donation.

It is unclear how many of the nonmedical turndowns are attributable to Frist's absence, but hospital officials said that when he took a leave from Vanderbilt in late 1993, they were left short-staffed.

"When Frist left, it left two guys doing everything — all the adult heart surgery, all the adult thoracic surgery, and all the transplants," said Dr. Richard N. Pierson III, the current director of Vanderbilt's heart transplant program. "When I got here, I got that [turndown] list from our cardiologist, who was unhappy that we had had to turn down organs because we didn't have enough people."

Pierson conceded that Vanderbilt turned down organs for nonmedical reasons before he arrived in July 1994, but he disputed UNOS data stating that 39 of the 46 heart offers Vanderbilt turned down from July to the end of 1994 were because a surgeon was unavailable or the program was too busy. He said just one heart was turned down in 1994 because a surgeon was unavailable — in August of that year, while he was on vacation.

SEE ORGANS/7-A

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Transplant agency refuses to release information

ORGANS FROM 6-A

"Every program turns down organs," said Dr. John R. Wilson, director of Vanderbilt's heart failure program. "Whenever you have limited numbers of surgeons and you have patients on the waiting lists, you would not like to see any organ turned down. But that's just not a realistic expectation of any program. There is no program in this country that can guarantee that every organ that's acceptable is taken."

Aware of problems

Although heart transplant patients are not aware that many hospitals routinely turn down heart offers for nonmedical reasons, officials at UNOS and the Division of Organ Transplantation have known about the practice for almost two years.

In March 1995, prompted by questions about heart turndowns at the University of Kansas Medical Center, government officials asked UNOS to compile refusal data on each of the nation's 167 heart transplant programs.

The report, covering the last seven months of 1994, showed that the programs turned away for nonmedical reasons nearly 12 percent of all heart offers.

"Besides Kansas, there were a number of other heart transplant programs with high refusal rates," a Division of Organ Transplantation official wrote in an internal report. The report also said the turndown behavior at one hospital — Beaumont — appeared to fit the same "profile" as the University of Kansas.

The identification of that profile stemmed from a front-page story in the Kansas City Star in May 1995. The story reported that from April 1994 to March 1995, the center turned down all 50 hearts it was offered, most for nonmedical reasons.

Subsequent stories speculated that the turndowns may have contributed to the deaths of three patients, prompting an investigation by the state attorney general, numerous lawsuits and, ultimately, closure of the transplant program.

But information about Beaumont and the other hospitals with high heart-refusal rates was never made public, and federal regulators never pursued the matter, concluding that it was an unfortunate anomaly.

"There are about 850 transplant programs in the country . . . and one, maybe two, have been brought to our attention as problems," said Judith B. Braslow, who heads HHS' Division of Organ Transplantation. "We do 19,000 to 20,000 transplants a year. We're talking about very small numbers. That's not to say patients should have been treated this way."

But according to Braslow and her deputy, Remy Aronoff, no one, including anyone from UNOS, ever even questioned Beaumont or any of the other programs with high refusal rates.

One reason Beaumont wasn't scrutinized, according to Aronoff, was because the hospital's 1995 heart turndown figures improved over 1994. Beaumont's nonmedical turndown rate dropped from 50 percent in 1994 to 33 percent in 1995.

"That put them in a category with a lot of other programs, so we didn't pursue it further," Aronoff said.

Although previous contracts did not require UNOS to report potential problems to the government, a new contract UNOS and HHS signed Dec. 30 requires UNOS to monitor, investigate and report any incident "that jeopardizes the health of waiting list patients or transplant recipients."

Because few people are aware that hospitals turn down donor organs, few have been advocating that patients be told. The exceptions are the patients and families who waited in vain for hearts at the University of Kansas Medical Center.

"I absolutely believe that patients or their families have a right to know what's going on so they can discuss it and make better decisions," said Loetta DeWalt, whose husband died before he could receive a heart transplant at the medical center. "We were not told anything."

Teddy DeWalt, 60, a retired Kansas City firefighter, endured months of poking and prodding with the hope of getting a new heart. But in February 1994, while he was being evaluated for a transplant, his enlarged heart failed.

"He was told that it was time to go on life support," his wife recalled. "At the last minute, he changed his mind, which was probably just as well since he would have been going to a place where they weren't even doing transplants.

"He died 10 minutes later."

Keeping secrets

With the exception of data involving Beaumont, UNOS officials have refused to release to the federal government or the public 1995 and 1996 figures showing how many hearts individual hospitals turned down for nonmedical reasons. They also have refused to release turndown data for other types of donor organs.

UNOS President Dr. James F. Burdick, a transplant surgeon at Johns Hopkins Hospital in Baltimore, said turndown figures were "not a very useful statistic" and should not be used to judge transplant center performance.

"If you want [to use the data] to say such-and-such center wasn't doing things right, I'm telling you, you're on thin ice there," Burdick said.

He added that giving patients information on organ refusals and median waiting times at transplant centers "don't help patients very much because, lo and behold, everybody's doing an excellent job.

"I think that in the big picture, the issue of releasing the data to patients is an idea that would be designed to fix something that isn't a big problem . . . If you're trying to talk about ways to help patients understand the national system, we've got many ways that we can help patients more than by giving them this data."

One way UNOS helps patients, Burdick and others say, is by publishing survival rates for all transplant centers in the United States. But that information is based on transplants performed five or more years ago. An updated survival report is due out this summer.

The limited data UNOS and the government have been willing to release shows that the problem of nonmedical turndowns of hearts has worsened since 1994.

On average, in the last seven months of 1994, centers refused for nonmedical reasons nearly 12 percent of all heart offers.

By the next year, that rate had increased to 25 percent. And in the first quarter of 1996, it had dipped slightly, but was still at 19 percent.

Not all transplant centers turn down large numbers of hearts for nonmedical reasons, however. Seventy-one hospitals managed to

TRANSPLANT FACTS

The length of time organs remain usable after procurement

Heart	4-6 hours
Lungs	4-6 hours
Pancreas	12-24 hours
Liver	16-32 hours
Kidney	48-72 hours

SOURCE: Center for Organ Recovery and Education

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keep refusals for nonmedical reasons below 5 percent, according to the 1994 data. They included the Cleveland Clinic, where just 0.33 percent of the heart offers were refused for nonmedical reasons.

Dr. Robert W. Stewart, head of the Clinic's heart transplant program, attributed that number to the resources available at the Clinic, which performed 74 heart transplants in 1996, more than all but three other centers.

"We almost never would have to turn down a heart because we don't have the manpower," Stewart said. "You cannot, in a smaller institution, have the privilege of having three separate teams. If you're just completing a transplant and they call you with another donor, you're probably not going to be able to use the people who are already doing that particular procedure. You're going to have to have an entirely new team standing in the wings."

Defining 'inactive'

Last summer, UNOS adopted a policy that calls for letters of inquiry to be sent to any program that turns down 10 consecutive organs. After some debate, it also decided that programs found to be "inactive" should inform their patients.

Left unaddressed were the issues of how long a center could go without performing transplants before being considered inactive, and what to do about programs that weren't technically inactive, but were turning down large numbers of organs and not telling their patients.

UNOS Executive Director Walter K. Graham would not say whether UNOS had sent letters of inquiry to any of its members.

Braslow, director of the Division of Organ Transplantation, supported the policy, but said she was not entirely satisfied.

"To me, it is unconscionable that a program should be inactive and the patients not be notified," she said. "There isn't one of us who would sit still for that if it were our spouse or our kid."

17.

Contractor keeps government in dark on transplant data

By DAVE DAVIS
and TED WENDLING
PLAIN DEALER REPORTER

RICHMOND, Va. — For nearly two hours, Judith B. Braslow waited impatiently outside the closed meeting room as board members of the United Network for Organ Sharing met in executive session recently in Boston.

"I'm furious," she told anyone who would listen. "I can't believe they're doing this."

As director of the U.S. Department of Health and Human Services' Division of Organ Transplantation, Braslow heads an agency that regulates UNOS and supplied the nonprofit organization with about 18 percent of its $13.1 million in revenue in 1995, according to UNOS' most recent income tax return.

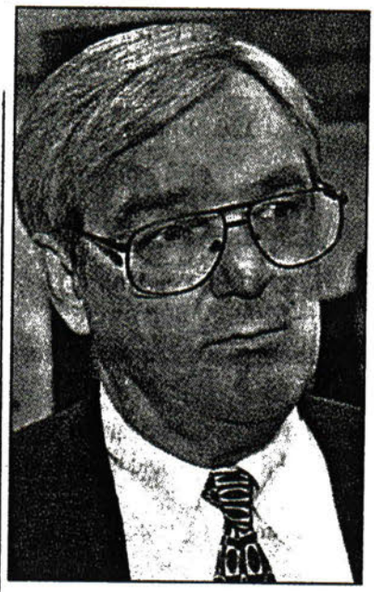
In the curious world of transplantation, that hasn't given her the access she believes she is due.

"There's a lot of tension right now between the government and UNOS," Braslow said. "And that tension centers on where does our authority stop, and what do we have the right to get and what don't we have the right to get."

In recent months, the Richmond contractor has repeatedly told the government what it doesn't have the right to get: data on transplant centers' turndowns of organ offers, access to records and meetings of UNOS' Council on Organ Availability and, on occasion, even minutes of UNOS' public board and committee meetings.

Dr. James F. Burdick, a transplant surgeon and UNOS' president, acknowledged that tension exists between UNOS and Braslow's office. "I think there are people in the government who would like UNOS to be a lot less private," he said.

UNOS, which was formed in 1986 as part of a public/private partnership intended to manage the acquisition and distribution of the nation's scarce supply of donated organs, has made itself indispensable to the government. But after years of allowing UNOS to operate a system in which compliance is voluntary and failing to enforce a key provision in one of its contracts with UNOS, Braslow's office increasingly finds itself helpless when UNOS says no.



UNOS Executive Director Walter K. Graham: "I personally believe that the essence of democracy is self-regulation."

UNOS President Dr. James F. Burdick: "We've got many ways that we can help patients more than by giving them this data."

Some people think the government has abdicated its responsibility.

"You can't delegate public policy to a private contractor," said Dr. John P. Roberts, a liver transplant surgeon at the University of California at San Francisco. "You can't have the people who are in control — essentially competitors — make policy."

UNOS Executive Director Walter K. Graham disagrees.

"I personally believe that the essence of democracy is self-regulation," he said. "That's what we do in this country ... and that's what UNOS does, so I think it's a very good reflection of the whole principle of democracy in this country."

UNOS owes its clout to a pair of three-year contracts it renewed last month for a total of $6.07 million. Administered by HHS, one contract allows UNOS to operate the Organ Procurement and Transplantation Network, a 24-hour organ-placement system that matches donor organs with waiting patients. The other gives UNOS authority to run the Scientific Registry of Transplant Recipients, a database of medical information on people who receive transplants.

Those contracts have allowed UNOS to become the transplant community's most powerful player: a tax-exempt organization whose members include 281 hospital transplant programs, 55 laboratories, 66 organ banks and 29 medical/scientific organizations.

UNOS, which enjoys the overwhelming support of those involved in organ transplantation in the United States, is governed by a physician-dominated, 39-member board of directors that includes 11 members of the pub-

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ASSOCIATED PRESS

Gwen Mayes, left, an employee in the federal Division of Organ Transplantation, talks to Judith B. Braslow, division director.

lic. Board members also include representatives from each of UNOS' 11 geographic regions.

Most decisions are reached by consensus through meetings of the 21 committees UNOS operates. Board members, who are not compensated but are reimbursed for expenses, also hire the executive staff, who run the day-to-day operations of the 164-employee organization.

Ninety percent of UNOS' budget comes from the two government contracts and the $340-per-person computer registration fee that patients or their insurers pay to be placed on the national waiting list. The remaining 10 percent comes from member fees and other activities.

The national waiting list contains more than 50,000 registrations and receives about 7,000 new registrations a year.

Graham and other UNOS officials criticize the government for failing to pass regulations that would give UNOS legal authority to prohibit poor-performing transplant programs from receiving organs and take enforcement action against members who violate UNOS' guidelines.

But although Graham says the lack of regulations has left UNOS executives with "our hands tied behind our backs" because virtually all policies governing transplantation are voluntary, he and other UNOS officials adamantly opposed a recent move by HHS Secretary Donna Shalala to impose federal regulations on UNOS members.

Graham said UNOS was not objecting to government regulation per se, but said HHS' proposed rules "will basically do away with our standards ... so there is a huge philosophical difference."

While some HHS officials have become frustrated at their inability to force UNOS to provide data, some of those conflicts are due to the government's own inaction. A case in point is the OPTN contract, which, until it was rewritten last month, required UNOS "to establish an on-line data capability ... so that [HHS] shall have immediate access to OPTN data."

But government officials have never had that access. The reason? Braslow, citing a small staff and lack of technological expertise within her department, says she has never "exercised" that clause in the contract.

"It doesn't do me any good to have that on-line capability if I'm not going to use it," she said. "We can get whatever information we need. If I want to know how many people were transplanted in 1995 that have blue shirts, a mustache and a beard in the western half of this country, I can get that information [from UNOS], and I can probably get it within 24 hours."

Braslow made those comments last summer. Since then, UNOS has repeatedly denied requests by her office for data listing the reasons transplant programs turn down organ offers. The Plain Dealer requested the information under the Freedom of Information Act for centers that transplant hearts, lungs, kidneys, pancreases and livers.

Last July, Braslow, Deputy Director Remy Aronoff and attorney David Benor agreed to request the data from UNOS and provide it to The Plain Dealer.

They backed down when UNOS objected to the newspaper's request. After the paper appealed the denial, Braslow made a written demand to UNOS for the data. On Jan. 15, Graham said no.

UNOS officials have repeatedly contended that the data are "misleading" and "meaningless" indicators of transplant centers' quality.

After several discussions with UNOS officials, however, Aronoff stated in different terms what he believed was UNOS' objection to release of the data.

"I had asked for the data you requested ... [but] they don't want to give us the data for the purpose that we're asking for it," Aronoff said. "They think if it's given out and publicized, it will jeopardize their ability to get that same data from their sources."

"Because it's potentially embarrassing?" Aronoff was asked.

"Well, yeah, right."

19.

OFFERS OF HEARTS REFUSED FOR NONMEDICAL REASONS

Between June 1, 1994, and Dec. 31, 1994, the nation's transplant centers turned away about 83 percent of the offers of hearts matched to their patients. Nearly nine out of 10 times they did so based on a medical judgment, such as the recipient was too ill or the donor was the wrong size or weight. Most programs also refused heart offers for nonmedical reasons - because the surgeon was unavailable, the hospital was too busy or for some other administrative reason. This chart includes only hospitals that received 12 or more heart offers during the last seven months of 1994, the latest period for which such information is available.

TOP 20

	Hospital, City, State	Heart offers	Transplanted	Refused	Refused nonmedical	Percent refused nonmedical	Patients waiting
1	University of Kansas, Kansas City, KS	47	0	47	32	68.09	17
2	University of Maryland, Baltimore, MD	13	2	11	7	53.85	18
3	William Beaumont, Royal Oak, MI	106	1	105	52	49.06	23
4	Vanderbilt University, Nashville, TN	112	19	93	46	41.07	30
5	University, Lexington, KY	29	8	21	10	34.48	10
6	University of Iowa, Iowa City, IA	72	6	66	24	33.33	18
7	Henry Ford, Detroit, MI	37	10	27	12	32.43	17
8	Latter-Day Saints, Salt Lake City, UT	20	6	14	6	30	13
9	Methodist, Dallas , TX	18	2	16	5	27.78	6
10	University of Wisconsin, Madison, WI	59	32	27	16	27.12	89
11	St. Thomas, Nashville, TN	56	11	45	15	26.79	48
12	Johns Hopkins, Baltimore, MD	27	7	20	7	25.93	21
13	University of Alabama, Birmingham, AL	88	24	64	22	25	23
13	Hartford, Hartford, CT	20	7	13	5	25	19
13	University of Utah, Salt Lake City , UT	20	10	10	5	25	18
16	St. Francis, Tulsa, OK	25	9	16	6	24	20
17	Jackson Memorial, Miami, FL	71	9	62	17	23.94	13
18	Jewish, Louisville, KY	140	12	128	33	23.57	40
19	Newark Beth Israel, Newark, NJ	68	12	56	14	20.59	12
20	University, Denver, CO	35	17	18	7	20	13

BOTTOM 20

	Hospital, City, State	Heart offers	Transplanted	Refused	Refused nonmedical	Percent refused nonmedical	Patients waiting
90	Sacred Heart, Spokane, WA	98	10	88	2	2.04	4
91	St. Joseph's, Atlanta, GA	58	9	49	1	1.72	35
92	Methodist, Indianapolis, IN	66	12	54	1	1.52	37
93	University of Virginia, Charlottesville, VA	73	20	53	1	1.37	34
94	Stanford University, Palo Alto, CA	435	22	413	3	0.69	33
95	Cleveland Clinic, Cleveland	303	36	267	1	0.33	42
96	Children's of Los Angeles, Los Angeles, CA	32	2	30	0	0	1
96	Loma Linda University, Loma Linda, CA	27	20	7	0	0	9
96	USC-University, Los Angeles, CA	18	3	15	0	0	10
96	Tampa General, Tampa, FL	47	12	35	0	0	14
96	Rush-Presbyterian-St. Luke's, Chicago, IL	24	14	10	0	0	18
96	New England, Boston, MA	15	3	12	0	0	14
96	Brigham & Women's, Boston, MA	45	14	31	0	0	14
96	Barnes, St. Louis, MO	32	14	18	0	0	46
96	Children's , St. Louis, MO	29	13	16	0	0	12
96	University of Mississippi, Jackson, MS	12	9	3	0	0	5
96	Medical College of Ohio, Toledo	25	3	22	0	0	16
96	Medical University, Charleston, SC	20	9	11	0	0	10
96	Methodist, Houston, TX	68	14	54	0	0	19
96	University, Seattle, WA	32	5	27	0	0	15

OTHERS IN OHIO

23	Children's, Cincinnati	17	2	15	3	17.65	1
75	Ohio State University, Columbus	127	8	119	5	3.94	31
85	University of Cincinnati, Cincinnati	81	18	63	2	2.47	17

SOURCE: United Network for Organ Sharing PLAIN DEALER

20.

Many donated organs are never transplanted

By TED WENDLING
STAFF WRITER

In phone conversations often held at night, organ bank donation specialists and hospital organ procurement coordinators carefully go over a standardized checklist.

Did the next-of-kin give written consent for donation? How did the donor die? Does the donor have a history of cigarette, alcohol or IV drug use? What medications were administered before the donor died?

Those and many other questions are asked of doctors, nurses and donors' families before an organ bank decides whether to offer an organ for transplantation. The information is then entered into the computer system of the United Network for Organ Sharing, which matches it against thousands of potential recipients on the national transplant waiting list. The matching process numerically ranks potential recipients based on their distance from the donor organ, the number of days they have waited, their medical status and other factors.

For a variety of reasons, many donated organs are never transplanted. For those that are, once the hospital verifies that a transplant was performed, the UNOS computer generates a form listing all potential recipients and sends it to the organ bank that procured the organ. The organ bank is required to show that the organ was offered to every patient ranked above the recipient, and to report the reason each hospital turned it down.

Collecting such data ensures that patients ranked higher on the waiting list were not skipped over because someone lower received unwarranted consideration.

Organs are rarely accepted on behalf of the first patient on the list. In 1995, for example, donor hearts were turned down by hospitals an average of six times before being transplanted. Three out of four times, they were turned down for medical reasons — ranging from issues related to the quality of the organ or the donor's social history to the recipient's immediate need for a multiple organ transplant.

The nation's 66 organ banks reported that another 3,448 heart offers — representing one-quarter of the 13,801 that were refused in 1995 — were turned down for nonmedical reasons, either because a surgeon was unavailable, the program was too busy or for other administrative reasons.

Some transplant physicians disagree with the way UNOS tallies turndown data. If, for instance, a hospital has three ranked patients on its waiting list that are matches for a heart and the hospital turns the heart down, UNOS counts it as three turndowns.

That's wrong, said Dr. Wayne E. Richenbacher, director of the heart transplant program at the University of Iowa Hospital.

"If you're offered a heart and turn it down, that's the end of it," he said. "That's one offer and one refusal."

Dean F. Kappel, president of Mid-America Transplant Services in St. Louis, said he would like to see medical and nonmedical turndown figures made public after being reviewed by the transplant centers. Kappel serves on the UNOS board of directors.

"I think it's really unacceptable if programs are consistently turning organs down," he said.

THIRD ARTICLE 21.

Hospital halts transplants, doesn't tell dying patients

Third of five articles

By TED WENDLING, DAVE DAVIS and JOAN MAZZOLINI
PLAIN DEALER REPORTERS

KANSAS CITY, Kan. — Two months after Adrianne Hart entered the hospital to be evaluated for a heart transplant, her mother leaned over her hospital bed and gave the 16-year-old honor student permission to die.

"I said, 'Honey, if you see a bright light and it feels good to you, you can go. I won't be mad at you,' " Janice Hart recalled. "She couldn't talk, but I knew what she was thinking: 'You mean I'm dying?'

"I just couldn't come out and tell her that she was."

Hart's grief over Adrianne's Aug. 6, 1994, death didn't end with the funeral. A month later, her nephew, Raymond Price, 20, stricken by the same heart ailment that afflicted his cousin, was hospitalized for evaluation for a heart transplant in the same University of Kansas Medical Center intensive-care room in which Adrianne had died.

Told he had been added to the center's transplant waiting list, Raymond chose the option in November 1994 of waiting for a heart at home in King City, Mo., instead of the hospital, said his mother, Sherri Curtis. The following March, he was found dead on a waterbed in the home of a friend in nearby St. Joseph, Mo.

Hart and Curtis didn't know it, but the university's heart transplant program was dead, too. Even before Adrianne's death, it had fallen victim to an internal political struggle that saw program administrators turn down every one of the heart offers matched to patients on the center's waiting list, most of them for nonmedical reasons.

Officials at the two agencies that oversee the nation's transplant system insist that the University of Kansas Medical Center scandal was an isolated case. But their own records show that at the same time the Kansas story was unfolding in the local press, 27 other heart transplant programs around the country were turning down as many as one-fifth of their heart offers for nonmedical reasons.

Until recently, none of that information was ever made public by the United Network for Organ Sharing or the U.S. Department of Health and Human Services, and neither agency made as much as a single phone call to the programs to inquire about the high nonmedical turndown rates, officials at both agencies say. UNOS has been designated by HHS to manage organ transplantation.

In Kansas, as investigators would later conclude, patients were deceived, university officials failed to act and UNOS, lacking regulatory authority over its member institution, never notified state or federal authorities that there was a problem.

By the time Kansas' attorney general announced last August that the University of Kansas Medical Center and two foundations affiliated with the university had agreed to pay $265,000 in restitution and penalties for "egregious behavior," Hart and Curtis had heard it all.

The sisters had heard the assurances of medical center personnel that Adrianne would be added to the waiting list as soon as her health stabilized. Curtis also remembered the contradictory statements of nurses, some of whom had falsely told her that Raymond had been added to the waiting list.

"I'm angry," said Curtis, who will use part of the settlement her lawyer recently negotiated to buy a tombstone for Raymond's grave. "I'm mad because if he had gone to St. Luke's [in Kansas City, Mo.], maybe he would have lived. To let our children die just because of a businesslike, money mentality — that's what gets to us."

Internal conflict

In investigations spurred by stories in the Kansas City Star, state authorities found that between Jan. 1, 1994, and March 31, 1995, the medical center placed on its waiting list, or evaluated for placement, 38 patients who had little chance of actually receiving a heart transplant. Thirteen of those patients have died.

SEE KANSAS/6-A

Patients, but no transplants

KANSAS FROM 1-A

Investigators found that problems at the medical center began in the spring of 1994, when several nurses, unhappy about a departmental merger, quit and others started refusing to work overtime. As a consequence, the two heart transplant surgeons, Drs. Jon F. Moran and Clay Beggerly, began to turn down heart offers for their patients, convinced that the number of remaining staff was inadequate and that they lacked proper training in post-operative care.

Although Moran detailed his concerns in memos he sent to his superiors, the staffing issue was never adequately addressed, and Moran continued to refuse hearts, the auditors said.

"As we talked with medical center officials throughout this audit . . . clearly, no one thought it was their responsibility to inform patients about the problems that continued to plague the program." a report by the Kansas Legislative Post Audit Committee said.

Investigators found that Dr. Steven B. Gollub, the medical center's director of cardiovascular medicine, deceived patients by leading them to believe the center was doing transplants and by falsely telling some patients that they were on the waiting list.

That's what happened to Cara Lee Gardner of Emporia, Kan., in July 1994. After three months of waiting, Gardner's husband, Bill, asked Gollub to refer his wife to another hospital. According to an affidavit Cara Lee Gardner provided to the attorney general's office, Gollub turned to the heart transplant coordinator and said, "Let's get her a heart real soon."

Gardner didn't know it then, but, according to a lawsuit she filed last July, her name wasn't even on the center's waiting list at the time Gollub is alleged to have made the comment. Although she was added the next month, the suit says, she later underwent triple-bypass surgery and was taken off the list.

Gollub and other university and medical center officials declined to answer questions about the heart-transplant program, which has been closed.

"With the filing of litigation, we found ourselves in a delicate situation," university spokesman Randy Attwood said in a prepared statement. "Because of the legal element, we have declined further interviews."

Both Beggerly and Moran have left the University of Kansas. Beggerly declined to comment, but Moran, who filed a defamation lawsuit against the university and several of its officials last July, said he had been unfairly made a scapegoat.

"When I wanted to close the program at KU'. . . I tried by every avenue my attorneys said was appropriate," he said. "I called UNOS, I went to the [medical center] chief of staff, I said, 'Please, let me close the program,' and I was refused permission to close the program.

"I could have resigned and I guess lots of ethicists would stand up and say . . . I was like the guard at Buchenwald. But I was trying to keep a program that had been very good either good or going, and there were other programs I was responsible for that were saving the lives of children in Kansas."

Did Budig know?

Problems at the medical center went far beyond Moran and Gollub. They extended to the office of former university Chancellor Gene A. Budig, whose name auditors placed at the top of a report listing 12 people "who were aware of problems in the heart transplant program but did nothing to address them."

Budig is now president of baseball's American League.

In an August 1995 interview with Kansas auditors, Budig said he was "not aware of any specific problems" with the heart transplant program and claimed he "wasn't aware that hearts were being turned down for other than medical reasons" until May 1995.

But state records show that between April and July 1994, Budig received four letters describing serious problems in the program. The correspondence included a June 1994 letter from Moran's lawyer, who claimed that the medical center had "refused to confirm that its heart transplant program is on inactive status, thereby misleading the patients" and violating its agreement with UNOS.

Phyllis Merhige, Budig's spokeswoman, said he would not comment.

Ads tout program

University and medical center officials refused to close the heart transplant program because colleagues in the liver and kidney transplant programs "felt firmly that any period of inactivity . . . would be harmful to our [other] transplant programs," the medical staff chief said in a June 1994 memo to Moran.

So concerned were medical center officials with the heart transplant program's image that in November 1994, six months after the center began refusing every heart offer, the university started running radio ads touting its program.

"Our transplant programs for the heart, liver, kidney and bone marrow continue to transform lives," the ad's narrator said as a heart beat in the background. "Place your trust in the area's largest medical university . . . KU Medical Center. Our doctors teach the other doctors."

By that time, Adrianne Hart was dead. So were patients Richard Miller, 61, of Topeka, Kan., and Robert J. Weingart, 44, of Kansas City.

And Lloyd Croft, 55, a carpenter who had been waiting for a new heart since 1991, was still inching his way up the waiting list. Or so he thought.

After being listed for three years, Croft said he was told by a doctor in 1994 that he wouldn't need a heart transplant immediately and would be placed on "standby," meaning he could be reactivated on the list if his condition worsened. He remained in that status until the scandal broke. He is now a patient at another hospital.

"You're under these professional people's hands, and you're trusting these people," Croft said. "They've got your life literally in their hands, and they back-stab you for a couple of dollars."

Auditors found that Croft and 13 other people who were on the waiting list between May 1994 and April 1995 were billed by the medical center for more than $418,000 in fees not covered by insurance.

UNOS didn't blow whistle

Records show that UNOS, the nonprofit contractor that develops voluntary policies for the University of Kansas Medical Center and other member transplant institutions, was aware early on that the medical center was not doing heart transplants.

Moran, the transplant surgeon who was turning down hearts, told auditors that he called UNOS in May 1994 — when the center stopped doing transplants — to try to get the program inactivated, but was told only hospital administrators had that authority. UNOS officials disputed that, telling auditors they weren't aware of any problems at the center until November 1994.

UNOS was dissuaded from pressuring the university to close the program after several conversations with Dr. George E. Pierce,

a University of Kansas kidney transplant surgeon who served as the medical center's UNOS representative.

Pierce told auditors he came away from the discussions with the understanding that the medical center would be given an "'unofficial grace period' to get things straightened out."

He also maintained that "adhering to UNOS guidelines was less important than keeping the heart transplant program active."

UNOS officials also were aware that the medical center had hired Dr. Hamner Hannah, who had not assisted in enough heart transplants to be certified by UNOS, as Moran's replacement. But Pierce told auditors that after initially raising concerns about Hannah's lack of experience, UNOS officials said they "wouldn't object to Dr. Hannah and would, as Dr. Pierce said UNOS implied, 'look the other way.'"

UNOS officials have denied that claim. UNOS legal counsel Cindy H. Sommers declined to answer auditors' questions about whether UNOS allowed Hannah to operate, saying she "didn't want to get into a 'he said, she said.'"

UNOS certification standards, which are voluntary but widely accepted within transplantation, call for heart transplant surgeons to have performed or assisted in at least 20 transplants within three years. Hannah had done just eight, according to the auditors' report.

Hannah, who would not comment for this story, performed his first transplant at the university on March 25, 1995. The patient was Robert W. Trent of Wichita, Kan. Trent, 32, died the same day.

So solicitous was UNOS toward its member institution that after the Star broke the story, former UNOS Executive Director Gene A. Pierce called the medical center's George Pierce (no relation) to assure him that "UNOS didn't blow the whistle" on the medical center, George Pierce told auditors.

The Kansas surgeon went on to quote Gene Pierce of UNOS as telling him that "UNOS had to give in to the reporter's requests under the Freedom of Information Act, and that UNOS stalled on releasing the information for as long as it could," according to the auditors' report.

George Pierce of the medical center declined to comment. Gene Pierce, now retired and living in a Richmond, Va., suburb, said he didn't recall making such comments to the Kansas surgeon.

"I don't recall it exactly like George said, but I trust George so it could have been a misinterpretation or something like that, I'm really not sure," Gene Pierce said. "But we have never tried to stonewall anybody, not while I was there, and if it appeared that way it was for another reason. It certainly was not just stonewalling to stonewall."

Walter K. Graham, who was Gene Pierce's top assistant and succeeded him in 1995 as UNOS' executive director, said UNOS was not aware of the full scope of the problems at the university until after the story broke. But even had UNOS known that patients were being deceived, Graham said UNOS had no legal authority to intercede.

That has changed under a contract UNOS and the government signed Dec. 30. The contract includes a new clause that requires UNOS to monitor, investigate and report to the government any incident that "jeopardizes the health of waiting-list patients or transplant recipients."

Graham said UNOS was not in a position to do anything about the Kansas City scandal under the previous contract. He said that responsibility belonged to the hospital.

"Those are issues of fraud, they're issues of malpractice, they're issues that UNOS can not ever get involved in," he added. "We're not ever going to get involved in something like that. That's very much a local legal issue."

'Fear of public opinion'

The University of Kansas scandal also caught the attention of HHS' Division of Organ Transplantation, the agency that regulates UNOS. Director Judith B. Braslow asked UNOS to do a computer run of all times hearts were turned down at the nation's 167 heart transplant centers for the last seven months of 1994. The report showed that 28 centers had turned down for nonmedical reasons 20 percent or more of the heart offers made to them.

And that is where the government's inquiry stopped. Not one of the centers with the high turndown rates was audited, not one was even contacted, Braslow acknowledged.

"What I was interested in primarily was putting in place a system so that the same thing wouldn't happen a second time," she said. "What's done is done. The Kansas situation had come to light and I thought our role should be to ensure that this didn't happen again. And so we asked that it be referred to the [UNOS] membership and professional standards committee, which it was."

The issue was not addressed by the UNOS committee until last June, when members voted to begin sending letters of inquiry to any program that turned down 10 consecutive organ offers. As for the sticky issue of what to tell patients, the committee decided that "inactive" programs should inform their patients.

But the committee never decided how long a center could go without performing transplants before being considered inactive, nor did it decide what to do about programs that were turning down large numbers of organs for nonmedical reasons and not telling their patients.

UNOS President Dr. James F. Burdick said those issues were "under careful study to determine what might be done to correct them."

"To say that UNOS was at fault there is incorrect," said Burdick, a transplant surgeon at Johns Hopkins Medical Center in Baltimore. "UNOS has done quite a bit in a general way.... UNOS doesn't take legal action against transplant centers. In fact, UNOS really doesn't have the power to cause any actual concrete negative impact.

"UNOS' punishment is really fear of public opinion of what might happen if they're not compliant."

From Moran's perspective, there has been no real punishment of the people who were responsible for what went wrong at the University of Kansas Medical Center. As a result, he doesn't foresee being a heart transplant surgeon again.

"Let me tell you: This is a dirty business," said Moran, now a cardiothoracic surgeon at Pitt County Memorial Hospital in Greenville, N.C. "I don't do transplants and I have no interest in ever being involved in transplantation again. It would have to change."

A CHRONOLOGY OF THE UNIVERSITY OF KANSAS MEDICAL CENTER'S HEART TRANSPLANT PROGRAM

THE PROGRAM

SURGEON SUSPENDED
April 13, 1994 – Dr. Jon F. Moran, one of two heart transplant surgeons at the University of Kansas Medical Center, is suspended as chairman of the Department of Cardiothoracic Surgery after he refuses to do transplants due to inadequate nursing staff.

PATIENTS MISLED
June 24, 1994 – Moran's lawyer sends a letter to university Chancellor Gene A. Budig and others, informing them that the hospital has been "misleading" heart transplant patients by refusing to tell them the program is inactive.

BUDIG RESIGNS
Aug. 1, 1994 – Budig resigns as chancellor to become president of baseball's American League.

SURGEON QUITS
Nov. 1, 1994 – Dr. Clay Beggerly resigns, leaving Moran as the hospital's only UNOS-certified heart transplant surgeon. Moran informs the United Network for Organ Sharing, the national organ donor databank, that neither he nor Beggerly will be performing heart transplants.

NO SHUTDOWN
Dec. 1, 1994 – Dr. George E. Pierce, the hospital's UNOS representative, informs UNOS that the university does not want to close the heart transplant program and that it has hired Dr. Hamner Hannah to replace Moran.

NOT ENOUGH EXPERIENCE
Jan. 24, 1995 – UNOS informs the hospital that Hannah does not meet minimum experience requirements because he has only done eight transplants.

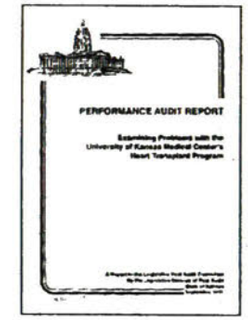
NOT UP TO STANDARDS
Feb. 21, 1995 – A UNOS committee again informs the hospital that Hannah does not meet certification criteria.

INTERVIEW REQUESTED
March 3, 1995 – Hospital officials request an interview with UNOS to discuss Hannah's qualifications.

PROGRAM SHUTS DOWN
April 7, 1995 – The hospital agrees to "voluntarily" close its heart transplant program.

MORE TURNDOWNS
May 31, 1995 – A UNOS report finds that numerous other heart transplant centers have high non-medical turndown rates. None of the centers are audited or questioned about the findings.

REVEALING REPORT
May 7, 1995 – The Kansas City Star reports that between May 1994 and March 1995, the hospital performed no heart transplants, turning down all 50 heart offers to its patients.



A CHARGE OF DECEPTION
Sept. 26, 1995 – A state audit of the hospital's heart transplant program finds that doctors and nurses deceived patients by failing to inform them that the program was inactive.

SETTLEMENT FOR 15 PATIENTS
Aug. 29, 1996 – The hospital and two medical foundations agree to pay $265,000 in restitution, penalties and fees. The settlement calls for payments of $11,000 to 15 patients or their survivors.

1994 | 1995 | 1996

Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | August

THE PATIENTS

DIES June 30, 1994 – Emery D. Day, a machinist and welder from Topeka, Kan., dies after receiving a heart transplant on May 1, 1994. He is the last person to be transplanted at the hospital until March 25, 1995.

DIES July 7, 1994 – Robert J. Weingart, 44, of Kansas City, Kan., dies while being evaluated for a heart transplant.

DIES Aug. 6, 1994 – Adrianne Hart, 16, of St. Joseph, Mo., dies while being evaluated for a heart transplant.

DIES Aug. 17, 1994 – Richard Miller, 61, of Topeka, dies while waiting for a heart.

Hart

DIES Dec. 15, 1994 – Winifred E. Hesse, 49, of Topeka, dies while waiting for a donor heart.

DIES Feb. 4, 1995 – Gary K. Bergmann, 61, of Pleasant Hill, Mo., dies. His widow's affidavit says his cardiologist told the Bergmanns in April 1994 that Bergmann would be added to the waiting list. Bergmann dies never realizing he was not on the list.

DIES Feb. 15, 1995 – Robert M. Arsiaga, 47, of Kansas City, Mo., dies while waiting for a heart.

DIES March 23, 1995 – Raymond Price, 20, of King City, Mo., dies after being sent home to wait for a new heart. He was never on the waiting list.

DIES March 25, 1995 – Robert W. Trent, 32, of Wichita, Kan., dies a few hours after Hannah, whose UNOS certification is still unresolved, performs a heart transplant on him.

Price

TRANSPLANTING LIFE

THE TRIUMPHS, THE TRAPS, THE TRAGEDIES

Sunday: When Linda Robinson's 37-year-old heart began to fail, forcing her to take up residence on the ninth floor of the Cleveland Clinic last May, she faced the transplant paradox: For her to live, someone had to die. For Linda and her family, the wait for a new heart was a frightening reminder of the fragility of life and a close-up look at one of modern medicine's most astonishing frontiers.

Yesterday: U.S. transplant centers turn down many of the scarce donor organs they are offered. Although most refusals are based on medical judgments, hundreds of offers of hearts, livers and other organs are refused due to the unavailability of surgeons or because the programs are too busy. Patients are never told of the refusals because the agencies charged with overseeing the distribution of donor organs refuse to make that information public.

Tomorrow: If you need a new kidney, the median waiting time for a transplant ranges from less than two months at a hospital in Fort Worth, Texas, to 858 days at a medical center in Hershey, Pa. The median wait for a liver transplant is 18 days at a medical center in New Orleans but 648 days for the Boston hospitals that are served by the New England Organ Bank. In the continuing debate over equity in organ transplantation, no issue strikes more at the heart of the dispute than the gross disparity in waiting times.

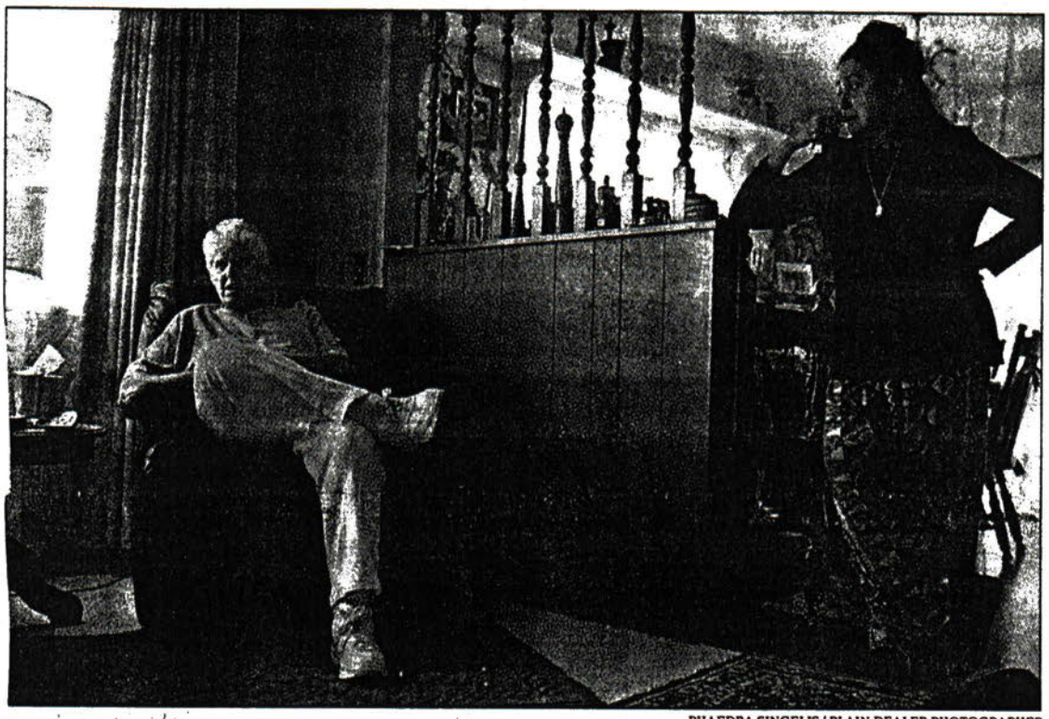
Thursday: On average, patients who receive organ transplants at low-volume centers are more likely to die within the first year than those who undergo transplants at high-volume centers. Few patients are aware that they can significantly increase their chances of survival by going to a transplant center that does the risky surgery more frequently.

FOURTH ARTICE

26

TRANSPLANTING LIFE

THE TRIUMPHS, THE TRAPS, THE TRAGEDIES



PHAEDRA SINGELIS / PLAIN DEALER PHOTOGRAPHER

Ralph and Donna Vairo, who live near Santa Cruz, Calif., have been told that Ralph Vairo could die waiting for a new liver unless he transfers from the University of California at San Francisco to a transplant center with a shorter waiting time.

Doctor to patient: Get out of here or you'll die waiting

Fourth of five articles

By JOAN MAZZOLINI, TED WENDLING and DAVE DAVIS
PLAIN DEALER REPORTERS

SAN FRANCISCO — Liver surgeon John Roberts is doing the unthinkable — telling some of his most seriously ill patients that if they don't go elsewhere, they will die waiting on his hospital's transplant list.

And if Ralph Vairo, a 60-year-old former painting contractor who lives near Santa Cruz, makes it to 61, he may owe his life to Roberts' decision.

Vairo has a cancerous tumor in his liver that will spread throughout his body and kill him if he doesn't receive a new liver soon.

His insurance company, Kaiser Permanente, contracts with the University of California at San Francisco to do liver transplants. So Vairo's doctor dutifully referred him there to see if he was a candidate for transplantation.

But when Roberts saw him in October, Vairo recalled the surgeon saying, "You need a liver. It's too long of a wait here. I'm going to recommend to your doctor and insurance company that you go someplace else."

Transplant patients are keenly aware that they may die while waiting their turn for an organ. What many don't know is that, due to wide disparities in donation rates and attempts by organ banks and transplant centers to keep locally donated organs, the waiting time for an organ varies dramatically depending on where they are treated.

Hospital administrators are not happy about Roberts telling patients to go elsewhere, he said. "The issue has to do with the fact that you're telling patients to go to other centers, not that we will do fewer transplants. We won't."

But his overriding concern is that the median waiting time for a liver in San Francisco in 1995 was 473 days — the longest in the state and third longest in the country. In contrast, the median wait at one center in Los Angeles was just 87 days.

And the difference of 386 days, for seriously ill patients such as Vairo, may be the difference between life and death.

Vairo and his wife, Donna, said they were shocked by the differences in waiting times. Even the doctor who referred him to San Francisco had no idea about the long wait.

Most transplant doctors don't provide patients with information about waiting times. Roberts and others say the discrepancy in waiting times is irrefutable evidence that the nation's organ allocation system remains unfair and that not everyone has an equal chance of getting a donated organ.

And the disparity in waiting times doesn't pertain just to livers, but to all organs. For example, patients in Cincinnati had a median wait of about six months for a heart in 1995, while patients in nearby Fort Wayne, Ind., waited about 1½ years.

Numbers like these pose a dilemma for the United Network for Organ Sharing, the nonprofit organization that tracks waiting times and holds a government contract to match donated organs with waiting patients. A major function of UNOS' Organ Procurement and Transplantation Network is to establish an equitable and medically sound organ distribution system.

"In some parts of the Southeast, there are waiting times that are two to three weeks long, and then you go to the Northeast in Boston, where the waiting times are over a year," said Dr. John J. Fung, director of the liver transplant program at the University of Pittsburgh.

SEE LIST/6

Waiting times differ around nation

27.

LIST FROM 1-A

"If anything is going to tell the public that, hey, something doesn't smell right, it's that kind of disparity," Fung said. "It jumps out at you."

Dr. James F. Burdick, UNOS president, believes that attempts by transplant centers and organ banks to control locally harvested organs have hurt the national, voluntary allocation policy.

Burdick, a transplant surgeon at Johns Hopkins Hospital in Baltimore, said that sense of ownership "impedes the development of an equitable and national system for distributing organs."

Many doctors and transplant professionals say, however, that the quest for true equity may be unobtainable because any actions UNOS takes will still involve the rationing of scarce organs, and thousands of people will continue to die on waiting lists.

They also note that UNOS is an agency that rules by consensus, and that UNOS' 39-member board and more than 400 member institutions make consensus difficult.

Dirty laundry

In an anonymous survey done by UNOS last fall, most UNOS members involved in liver transplantation said they believed data on waiting times and deaths on the waiting list should be available to transplant patients and their referring doctors.

Although government pressure forced UNOS to begin publishing center-specific mortality data, UNOS officials and a small group of doctors have kept center-specific waiting time data from being made public, claiming that the data are "meaningless" because centers are listing patients at different stages of their illnesses.

One liver transplant official who responded to the survey opposed releasing the waiting time data because to do so "would condemn the current UNOS allocation system and make its gross inequities public knowledge. I do not feel that we need to air our dirty laundry. Let's just fix it."

In November, the UNOS board of directors voted to release a report in 1997 on waiting times. But instead of publishing waiting times by center, which would help patients decide where to go, the board decided to release a report on waiting times by organ bank, which serve regions of the country.

"I'm afraid that if patients take a look at the report on the [organ banks], it still won't help them make a decision about what transplant center to go to," said Phyllis G. Weber, executive director of the California Transplant Donor Network in San Francisco and a member of the UNOS board.

Weber isn't alone in her concern that organ bank waiting time will be of little help. Weber and some other board members also were unaware that UNOS has center-specific waiting time reports, which The Plain Dealer obtained under the Freedom of Information Act.

If transplant center officials were to explain to patients that waiting times vary greatly in different parts of the country, they also would have to explain that there is no true national waiting list for patients needing a lifesaving organ transplant, something that many patients do not understand.

Many patients believe there is one long waiting list for each organ. They believe they have a place on that list, and that they move up as they get sicker or with each transplant that is performed.

They are wrong. Instead, what's in place is more like a network of smaller statewide or communitywide lists. And how long patients wait for organs depends greatly on where they live and how well their local organ banks do at persuading people to donate.

While UNOS has established a "policy" on how to allocate organs, it's not followed throughout the country. The voluntary policy has been revised by sharing agreements and variances granted by UNOS that cover about 16 states, including Ohio.

Ohio, like some other states and regions, has a sharing agreement that attempts to keep organs in-state, regardless of whether more seriously ill patients need them elsewhere.

Few transplant officials advocate a national system that would establish a single national waiting list that would ship organs cross-country to the next waiting patient.

SEE SYSTEM/7-A

ELIZABETH MALBY / PLAIN DEALER PHOTOGRAPHER

A donor's chest is opened as surgeons prepare to remove organs for transplantation.

TRANSPLANT FACTS

As of December 1996, 999 patients were waiting for organs at northeast Ohio hospitals.

For a kidney	675
For a heart	112
For a liver	112
For a pancreas	8
For a lung	37
For a heart/lung	3
For a kidney/pancreas	52

SOURCE: LifeBanc

CRITICALLY IMPORTANT

New policy weighed for allocations

SYSTEM FROM 6-A

Instead, many doctors believe that waiting times could be equalized and equity could be achieved by sharing organs within several "super regions" that would account for differences in population, donor patterns and rates of disease.

The liver wars

The disparity in waiting times has been especially hotly debated within the liver transplant community, where since 1991 UNOS has used an allocation system that is different than for any other organ. It is a system, its critics say, that allocates organs to transplant centers, not patients.

The decision by UNOS to allocate livers locally instead of giving them to the sickest patients has been a major incentive for hospitals to set up liver transplant programs, now a more than $300 million-a-year industry. The new allocation system provides organs to newly established programs that otherwise wouldn't get them because they generally have small waiting lists and few seriously ill patients.

It also provides a source of local organs for patients whose problems have not yet become life-threatening and who are expected to have a better chance of surviving a transplant.

In 1989, two years before the policy was implemented, there were 79 liver transplant centers, according to UNOS. Two years after the change, in 1993, there were 112 centers, a 29 percent increase.

The allocation change had serious side effects for large centers. Those centers could not now draw many organs from outside their local areas, despite drawing patients nationwide. With the number of patients who could benefit from transplantation increasing, the effect was to cut off organs for many critically ill patients, creating hopelessly long waiting lists.

At the same time, the waiting-time disparity grew, which in 1994 and 1995 ranged from 18 days at Tulane Medical Center Hospital in New Orleans to an average of 648 days at the four liver transplant centers in Boston.

"The control of donor organs by transplant centers and their professionals is driven by financial considerations, not by what is fair and equitable for their patients," Dr. Jeffrey S. Crippin, a liver transplant surgeon at Baylor University Medical Center in Dallas, testified at a UNOS hearing in September.

"In a situation of unmet need, with patients dying daily for the want of a donor liver, what is fair to all patients is to have approximately the same opportunity of receiving a donor liver," Crippin said.

At the hearing, a move by UNOS to equalize waiting times by creating wider geographic regions to match organs for the sickest patients was tabled after small- and medium-sized centers, concerned about controlling local organs, opposed it.

Nearly 80 percent of UNOS' 118 liver transplant center members fall into the small- and medium-sized group — those that do fewer than 50 transplants a year. They dominate UNOS' committees, which make policy recommendations to the board.

TRANSPLANT FACTS

Annual number of heart transplants in the U.S.

1989	1,705
1990	2,108
1991	2,125
1992	2,171
1993	2,297
1994	2,340
1995	2,434
1996 (est.)	2,507

SOURCE: Milliman & Robertson Inc., Brookfield, Wis., consulting actuaries

One of the more outspoken critics of the UNOS proposal was Dr. John C. McDonald, chairman of the department of surgery at the Louisiana State University School of Medicine in Shreveport.

"This policy will divert livers from needy . . . patients in Louisiana to wealthy patients in other states," said McDonald, who added that state residents are guaranteed access to transplantation under state law, regardless of their ability to pay. "It will divert livers to centers which have taken on more patients than they can serve."

The inability of UNOS to resolve the controversy internally prompted U.S. Department of Health and Human Services Secretary Donna Shalala, whose agency has allowed transplant centers to largely regulate themselves, to intervene.

Shalala called three days of public hearings on the issue in December and said she would determine, within three months, how best to allocate scarce donor organs. In a letter outlining her reasons for the hearing, Shalala said a federal decision on liver allocation would eliminate the public perception that UNOS isn't able to change the current policy because the self-interest of its members stands in the way.

"Any decision, whether it be a new policy or a reaffirmation of the current one, is certain to draw intense public and congressional interest," Shalala wrote. She added, "I am disappointed that the allocation policies to date have provoked considerable unresolved controversy within the transplant community."

No standardized listing

Even though livers are allocated according to a different system, the variance in median waiting times for other major organs is about as great, according to UNOS data.

For hearts, it stretched from a low of 28 days at Medical City Dallas Hospital (for adults) to a high of 815 days at the University of Minnesota Hospital in Minneapolis. For kidneys, it ranged from 54 days at Harris Methodist Hospital in Fort Worth, Texas, to 858 days at Milton S. Hershey Medical Center in Hershey, Pa.

Transplant doctors point out that patients' waiting times are based on many factors, including blood type, height, weight, and the stage of illness at which the patient is put on the waiting list. Those and other factors make one person's wait longer or shorter than another's.

"You've got to look at it in the light of the listing criteria — that's a large part of the problem," said Dr. J. Michael Henderson, director of the Cleveland Clinic's liver transplant program. "The nation does not have a standardized listing criteria. You can get on a list in one part of the country a lot earlier than other parts of the country."

In November, the UNOS board voted to establish standardized listing this year, modeled in part after Ohio's system.

But for the last 12 years in Ohio, patients have been listed at the same stages of their disease, and the waiting times for heart, liver and pancreas transplants at the centers here still vary greatly.

Henderson said that was because "you still have local priority" and because some programs are more aggressive than others about transplanting so-called "marginal" organs into their sickest patients.

"Waiting time is not the gold standard of equity," said Dr. Ronald M. Ferguson, a liver transplant surgeon at Ohio State University Hospital. "If you have too few organs and too many patients, somebody is going to get the sticky end of the Popsicle stick."

Aside from the ethical arguments for telling patients about the differences in waiting times, Roberts, the San Francisco surgeon, said that doctors who are worried about being sued should have a selfish motive for disclosing the differences.

"If you don't open up the issue, the next thing that happens is the family says, 'Why didn't you tell me my mother could go and get transplanted someplace else?' We'll start being asked, and rightly so, 'Is the issue money, doctor?' "

Roberts and others say the same is true for insurance companies, which could be asked whether they are directing patients to specific centers — some with long waiting times — because the centers are giving them big price breaks.

For Vairo, the retired painting contractor, the insurance issue is being worked out. In addition to the University of California at San Francisco, Kaiser contracts with four other hospitals for adult liver transplantation, including the University of Alabama at Birmingham Hospital.

In 1995, the median waiting time at UAB was 88 days, more than a year shorter than his expected wait in San Francisco.

Vairo heard recently, after visiting the Alabama center with his wife, that he had been accepted and placed on the list in Birmingham.

Kaiser agreed to pay for the trip, as well as his expenses to move there for several months to wait for a liver.

"I'm lucky because it's very small," Vairo said of his cancer. "But it could spread, and then they wouldn't do anything.

"My doctor said, 'They'd open you up and if they see that it's spread, they close you up and you just wait.'

"I'm not ready to check out. I've got too much to live for."

FOR YOUR INFORMATION

Internet newsgroup on transplants

Information about transplants is available on the Internet.

If you have access to electronic mail, the transplant newsgroup provides a forum for organ transplant recipients and donors, their families and members of the transplant community.

Recent topics include waiting times, transplant costs, the negative side effects of anti-rejection drugs and media coverage of transplantation.

To participate, send an e-mail message that states "SUB TRNSPLNT (Your full name) to *listserv@wuvmd.wustl.edu.*

VERY IMPORTANT

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Staying close to home

Challenging the odds, a liver transplant patient shuns a shorter wait to be at home

By JOAN MAZZOLINI
PLAIN DEALER REPORTER

OAKLAND, Calif. — Like many patients awaiting an organ transplant, Karl Lindinger didn't know about the big differences in waiting times among transplant centers.

But after 18 months on Stanford University Hospital's liver transplant list, Lindinger now knows that where you are treated can have as much to do with when you get a transplant as how sick you are.

Lindinger, 42, already has waited twice as long as patients at the University of California at Los Angeles. And his two separate insurance policies would allow him to go to out-of-state centers with even shorter waits.

But Lindinger said he feels comfortable being closer to home and with a staff he has gotten to know at Stanford.

"My doctors here are extremely good, and I feel very confident about them," Lindinger said when asked why he doesn't look into going to a center with a shorter waiting time. "I don't want to change it.

"My gastroenterologist is a doll. He's so concerned about patient care before the money issue comes in, which is really nice to have."

Lindinger is a native of Austria. He lives in a low-rent apartment he moved into after he became too sick to continue his hotel manager's job.

He has no family nearby, but many friends. Melba Ohl, a 74-year-old friend from Illinois who had planned to help him after the transplant, came to Oakland early because Lindinger's health had deteriorated.

Lindinger's liver was damaged by cirrhosis. He said his doctors recently told him that the cirrhosis was caused by a non-viral type of hepatitis.

His liver is three times its normal size. He takes megadoses of medication that leave him barely conscious, and internal bleeding and brain swelling have put him in comas and in and out of the hospital.

But if a liver becomes available in Sacramento, someone who is well enough to be home and working there could get the organ before Lindinger, who lives about 1½ hours away.

When Lindinger went on the waiting list in August 1995 at Stanford University Hospital in Palo Alto, Calif., his doctors told him he would live less than two years without a transplant. And they told him it would be about a year before he got a new liver.

After the year came and went, Lindinger said the doctors told him the wait would be another six months. Now Lindinger is worried that his time is running out.

"My doctor said there's nothing more they can do for me, that I might go into another coma and that'll be that," Lindinger said. "Unless I get the transplant."

Stanford officials have told him they are doing everything they can to find him a liver. And that has won Lindinger's trust and kept him from going elsewhere.

Lindinger is like many — if not most — patients, say officials in the transplant field. Overwhelmed by anxiety and the need to be close to friends and family at home, many patients put their faith in their local hospitals and doctors. They don't ask many questions, afraid of the answers.

"I don't want to change," he said. "It's a gamble."

State's policy: Ohio organs for Ohioans first

By JOAN MAZZOLINI
PLAIN DEALER REPORTER

If you die in Ohio, Ohio wants your organs.

Preferably, for another Ohioan.

In what may be the ultimate act of provincialism, the architects of the national organ-distribution network have created a system in which local ownership rules.

Say, for instance, that a donor heart becomes available in Toledo, but isn't a match for a patient at the Medical College of Ohio, the only heart transplant center in northwest Ohio. Under rules adopted by the Ohio Solid Organ Transplant Consortium, the next step would be to look for the best match for the sickest patient waiting at one of Ohio's three other heart transplant centers — in Cleveland or Columbus, which are, respectively, 97 and 121 miles from Toledo, or in Cincinnati, 184 miles away.

That's true even if the nearest matching patient for the Toledo heart is sicker than the Ohio patients and is dying just 53 miles away in Detroit.

"I think that's very reasonable," said Dr. Thomas E. Walsh, a consortium board member and director of the heart transplant program at the Medical College of Ohio. "You have to draw boundaries somehow, and that turns out to be the way the boundaries are drawn. . . . I think it's been very fair."

Ohio is one of about 16 states, regions and metropolitan areas around the country that have variances or sharing agreements. They allow states, transplant centers and organ banks to circumvent the national organ allocation policy.

That policy was established by the United Network for Organ Sharing under the auspices of Congress. Congress passed the National Organ Transplant Act in 1984 and the Transplant Amendments Act in 1990, which required the development of an "equitable" organ distribution plan that would be carried out "in accord with a national system."

Despite that edict, investigations by the U.S. Department of Health and Human Services' office of the inspector general in 1991 and the General Accounting Office in 1993 both found that in addition to the huge differences in the length of time patients waited for organs at different centers, there was no true national allocation system.

The investigations found that as the number of waiting patients, transplant centers and the competition for scarce donor organs grew, so had the transplant facilities' desire to control organs from local or state residents.

"It's extremely alarming when in fact we don't have a national system at all, but instead these arbitrary geographic boundaries, which preclude a national system," said Charles E. Fiske, co-director of the National Transplant Action Committee, a patient-advocacy group of transplant recipients and their families. "These variances protect the best interest of the transplant center rather than the best interest of the patient."

UNOS, which since 1986 has held the government contract for matching waiting patients with donor organs, has approved these variances and sharing agreements.

Ohio's system was set up about 12 years ago. It is considered a model in the country because, in addition to sharing organs for critically ill patients across the state, groups of doctors from the Ohio centers, under the auspices of the Ohio Solid Organ Transplant Consortium, approve patients who are put on transplant waiting lists at the Ohio hospitals.

But, like sharing agreements in New York, Tennessee, Georgia and some other states, Ohio's strives to keep most organs within state lines, even though patients commonly cross those boundaries when seeking medical care, often at the insistence of their insurers.

"It's another exception after another exception," Fiske said. "This flies in the face of treating the sickest patient first."

WAITING TIMES

The lists below rank the nation's transplant centers according to the median number of days patients waited for a transplant. The "Patients added" column is the number of people who joined the waiting list during the year and the "Median waiting time" is the mid-point in days those patients waited for a transplant. The data below covers the most recent year for which a median waiting time could be calculated, either 1994 or 1995. NA means the waiting time could not be calculated, be cause fewer than 10 people joined the waiting list and/or the center did not perform enough transplants for the waiting time to be statistically significant.

HEART

Ten shortest			
	Hospital, City, State	Patients added	Median waiting time
1	Henrietta Egleston , Atlanta, GA	23	27
2	Medical City Dallas, Dallas, TX	25	28
3	St. Louis Children's, St. Louis, MO	28	38
4	Mercy , Des Moines, IA	12	48
5	Jackson Memorial, Miami, FL	44	51
6	Loma Linda University, Loma Linda, CA	52	52
7	Methodist, Houston, TX	20	53
8	UCSD, San Diego, CA	17	57
9	Cedars-Sinai, Los Angeles, CA	33	58
10	St. Christopher, Philadelphia, PA	16	59
Ten longest			
99	Donald N. Sharp Memorial, San Diego, CA	27	408
100	Baptist, Oklahoma City, OK	38	426
101	Loyola University, Maywood, IL	33	430
102	Presbyterian-University, Pittsburgh, PA	62	436
103	Lutheran, Fort Wayne, IN	22	544
104	St. Mary's, Rochester, MN	41	594
105	Emory University, Atlanta, GA	72	665
106	Allegheny General, Pittsburgh, PA	20	740
107	Willis Knighton, Shreveport, LA	62	768
108	University of Minnesota, Minneapolis, MN	31	815
Others in Ohio			
32	University of Cincinnati , Cincinnati	33	122
41	Cleveland Clinic, Cleveland	128	149
	Children's, Cincinnati	1	NA
	Medical College of Ohio, Toledo	22	NA
	Ohio State University, Columbus	20	NA
	Children's, Columbus	0	NA

KIDNEY

Ten shortest			
	Hospital, City, State	Patients added	Median waiting time
1	Harris Methodist , Fort Worth, TX	58	54
2	Presbyterian-University, Pittsburgh, PA	12	79
3	Southwest Florida, Fort Myers, FL	37	114
4	Henrietta Egleston, Atlanta, GA	10	144
5	Oregon Health Sciences, Portland, OR	137	147
6	University , Lubbock, TX	13	154
7	Methodist, Lubbock, TX	14	162.5
8	Jackson Memorial, Miami, FL	140	166
9	St. John, Tulsa, OK	11	170
10	University of Cincinnati, Cincinnati, OH	42	174
Ten longest			
109	Virginia Mason, Seattle, WA	116	750
110	Francis Scott Key, Baltimore, MD	44	761
111	Parkland Memorial, Dallas, TX	74	763
112	University of North Carolina, Chapel Hill, NC	59	810
113	Mount Sinai, New York, NY	101	812
114	University of Pennsylvania, Philadelphia, PA	163	822
115	Northwestern Memorial, Chicago, IL	186	828
116	Lehigh Valley, Allentown, PA	38	838
117	William Beaumont, Royal Oak, MI	106	850
118	Milton Hershey, Hershey, PA	111	858

Others in Ohio			
14	Miami Valley, Dayton	28	204
19	Medical College, Toledo	46	216
25	Christ, Cincinnati	36	260
62	Ohio State University, Columbus	276	431
	Akron City, Akron	28	NA
	Children's, Cincinnati	9	NA
	Children's, Columbus	1	NA
	Children's, Akron	1	NA
	Cleveland Clinic, Cleveland	142	NA
	University Hospitals, Cleveland	126	NA
	St. Elizabeth, Youngstown	44	NA

LIVER

Ten shortest			
	Hospital, City, State	Patients added	Median waiting time
1	Tulane, New Orleans, LA	16	18
2	University of Kansas, Kansas City, KS	30	21
3	Jewish, Louisville, KY	47	38
4	University, Newark, NJ	50	40
5	Children's, Dallas, TX	21	42
6	University of Wisconsin, Madison, WI	101	54
7	Jackson Memorial, Miami, FL	265	64
8	Vanderbilt University, Nashville, TN	41	71
9	Henrietta Egleston, Atlanta, GA	12	77
10	Froedtert Memorial Lutheran, Milwaukee, WI	31	80
Ten longest			
75	Methodist, Indianapolis, IN	34	385
76	Cleveland Clinic, Cleveland, OH	97	394
77	University of Michigan, Ann Arbor, MI	162	401
78	University, Denver, CO	113	405
79	Rush-Presbyterian/St. Luke's, Chicago, IL	186	423
80	University, Cleveland, OH	51	445
81	California Pacific, San Francisco, CA	217	473
82	University of Maryland, Baltimore, MD	27	518
83	Johns Hopkins, Baltimore, MD	165	563
84	New England Organ Bank Centers*	307	648
Others in Ohio			
20	Ohio State University, Columbus	46	104
26	Children's, Cincinnati	15	132
58	University of Cincinnati, Cincinnati	43	258
	Children's, Columbus	0	NA

*Includes combined figures for Children's, Boston; New England Deaconess, Boston, Massachusetts General, Boston; and New England Medical Center, Boston.

LUNG

Ten shortest			
	Hospital, City, State	Patients added	Median waiting time
1	Ochsner, New Orleans, LA	12	43
2	Children's, Philadelphia, PA	18	62
3	University of Alabama, Birmingham, AL	32	77
4	Vanderbilt University, Nashville, TN	17	80
5	Medical University, Charleston, SC	12	99
6	University, Lexington, KY	38	114
7	Shands, Gainesville, FL	30	124
8	Methodist, Houston, TX	22	126
9	University of CA Davis, Sacramento, CA	12	129.5
10	Temple University, Philadelphia, PA	16	148
Ten longest			
28	St. Louis Children's, St. Louis, MO	41	408
29	UCLA, Los Angeles, CA	37	417
30	Duke University, Durham, NC	60	449
31	University of Pennsylvania, Philadelphia, PA	73	466
32	University of Virginia, Charlottesville, VA	26	528
33	Methodist, Indianapolis, IN	25	598
34	Barnes, St. Louis, MO	125	690
35	University of North Carolina, Chapel Hill, NC	50	762
36	University of Michigan, Ann Arbor, MI	44	793
37	Presbyterian, New York, NY	73	801
Others in Ohio			
22	Cleveland Clinic, Cleveland	40	332

SOURCE: United Network for Organ Sharing

PLAIN DEALER

TRANSPLANTING LIFE

THE TRIUMPHS, THE TRAPS, THE TRAGEDIES

Sunday: When Linda Robinson's 37-year-old heart began to fail, forcing her to take up residence on the ninth floor of the Cleveland Clinic last May, she faced the transplant paradox: For her to live, someone had to die. For Linda and her family, the wait for a new heart was a frightening reminder of the fragility of life and a close-up look at one of modern medicine's most astonishing frontiers.

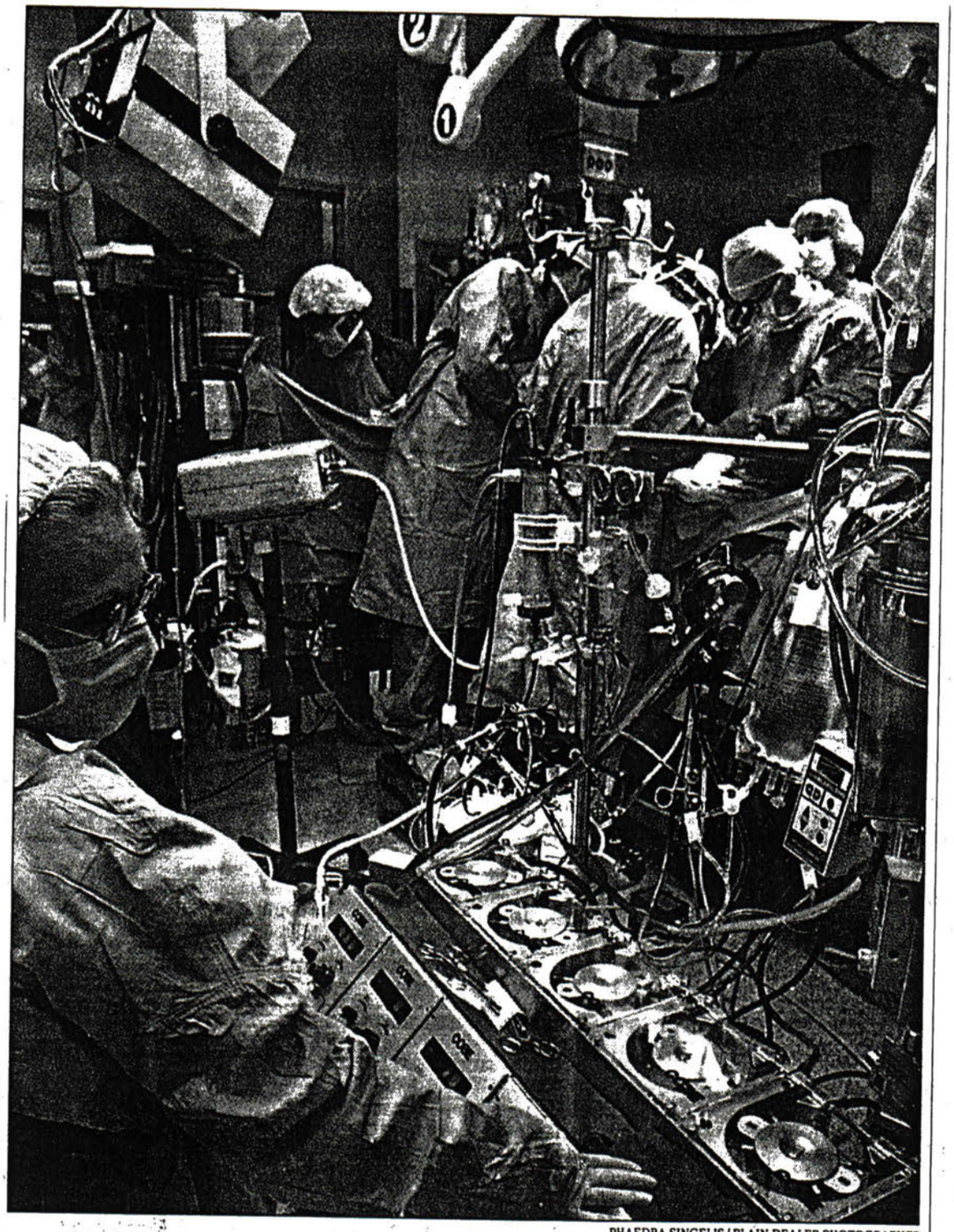
Monday: U.S. transplant centers turn down many of the scarce donor organs they are offered. Although most refusals are based on medical judgments, hundreds of offers of hearts, livers and other organs are refused due to the unavailability of surgeons or because the programs are too busy. Patients are never told of the refusals because the agencies charged with overseeing the distribution of donor organs refuse to make that information public.

Yesterday: During an 11-month period in 1994 and 1995, the University of Kansas Medical Center placed on its heart transplant waiting list, or evaluated for placement, 38 patients without telling them that they had little chance of actually receiving a transplant because internal squabbles had shut the program down. As two state investigations later verified, patients were deceived and university officials failed to act.

Tomorrow: On average, patients who receive organ transplants at low-volume centers are more likely to die within the first year than those who undergo transplants at high-volume centers. Few patients are aware that they can significantly increase their chances of survival by going to a transplant center that does the risky surgery more frequently.

FIFTH ARTICLE

34.



PHAEDRA SINGELIS / PLAIN DEALER PHOTOGRAPHER

The Cleveland Clinic has one of the busiest heart transplant programs in the country. Here, a doctor operates the heart-lung machine, which takes over the functions of those organs during a heart transplant.

Low-volume centers lead in rate of death

*Last of five articles

By JOAN MAZZOLINI, DAVE DAVIS and TED WENDLING
PLAIN DEALER REPORTERS

Patients who receive organ transplants at so-called "low-volume" centers are more likely to die within the first year than those who go to high-volume centers, a Plain Dealer analysis of transplant records shows.

Few patients understand that the number of transplants performed plays a crucial role in keeping surgical teams sharp, or that they can significantly increase their chances of survival by going to transplant centers that do the risky surgery more often.

"Yeah, it would save some lives if those [low-volume] centers basically stopped doing transplants," said Dr. Jeffrey D. Hosenpud, a heart transplant cardiologist at the Medical College of Wisconsin Hospital in Milwaukee. "And, obviously, that's critically important if you happen to be one of those lives."

▪ Waiting times, mortality and volume data on all U.S. transplant centers. 8-A

Hosenpud co-authored a study that concluded that the risks of mortality at one month and at one year were "substantially higher" at low-volume heart transplant centers, those that perform fewer than nine transplants a year. Such centers accounted for about half of those doing heart transplants in the United States, but they performed only 15 percent of all heart transplants.

The study, which examined the outcomes of 7,893 heart transplants between October 1987 and 1991, was published in the Journal of the American Medical Association in 1994.

Hosenpud also said the number of lives that could be saved by eliminating low-volume heart centers is probably not as great as the number that could be saved by eliminating low-volume liver centers. Liver transplants require greater technical ability on the part of the surgical team.

A study sponsored by the University of Pittsburgh found that if low-volume liver centers or those with higher-than-expected mortality rates were closed, the lives of about 350 transplant patients a year would be saved.

SEE ANALYSIS/9-A

Analysis shows death rate higher at low-volume centers

35.

ANALYSIS FROM 1-A

"There are some small centers that have done well, but not a majority," said Dr. John J. Fung, director of Pittsburgh's liver transplant program. "In fact, 75 percent of the small programs are not good programs.

"We try not to focus on this because we end up polarizing the transplant community. But we believe poorly performing programs should be looked at."

The Plain Dealer analysis of transplant centers was based on 55,990 organ transplants performed from Oct. 1, 1987, to Dec. 31, 1991, the most recent period for which records were available. For each type of organ transplant, roughly half the centers in the country fell into the low-volume category. Low-volume centers accounted for 9,049 organ transplants, or about 16 percent of the total transplants in the analysis.

The analysis showed that the patient death rate during the first year was higher on average for low-volume centers than for high-volume centers. For example:

- At low-volume heart transplant centers, those averaging fewer than nine transplants a year, 24 percent of the patients died within a year — an increase of 33 percent over the death rate of 18 percent at high-volume centers.
- At low-volume liver transplant centers, those averaging 13 or fewer transplants a year, 32 percent of the patients died within a year — an increase of 28 percent over the death rate of 25 percent at high-volume centers.
- And at low-volume pancreas centers, those averaging fewer than six transplants a year, 15 percent of the patients died within a year — an increase of 50 percent over the death rate of 10 percent at high-volume centers.

The mortality rates for the low- and high-volume centers are averages for each group. A particular low-volume center may have a one-year mortality rate that is significantly higher or lower than the low-volume group average, just as any high volume center might differ from the overall high-volume group average.

Experts say patients and their families should know the most recent mortality rates for the centers they are visiting, as well as the median waiting time for the needed organ.

The importance of volume

Transplants are risky even under the best circumstances, and volume is only one predictor of patient mortality. Other factors, such as a patient's overall medical condition or whether it is a first or second transplant, are considered better indicators of whether someone will live a year or longer.

But understanding the effect of volume on outcome can help patients pick the right transplant center and increase their likelihood of surviving.

Even when the data were adjusted to account for differences in the severity of patients' illnesses and the quality of the donor organs hospitals received — to avoid penalizing hospitals that transplanted higher-risk patients — the odds of dying within one year remained significantly greater at low-volume hospitals, the Plain Dealer's analysis showed.

The analysis showed that patients would have a better chance of survival at high-volume centers for all six major types of organ transplants — hearts, heart-lungs, livers, kidneys, lungs and pancreases.

"Everyone ought to be aware that volume is an important issue," said Dr. Lawrence G. Hunsicker, co-author with Hosenpud of the 1994 JAMA study and a heart transplant cardiologist at the University of Iowa Hospital in Iowa City. Hunsicker is vice president of the United Network for Organ Sharing, the private, nonprofit organization that holds the government contract to match donated organs with patients waiting for transplants.

"Clearly, what I take away from this is that the [heart] centers that regularly do fewer than 10 transplants a year should examine whether they should be in the business at all," Hunsicker said. "And what's hard to justify is places where there's two or three centers in a city, all of whom are doing seven transplants.

"That doesn't make any sense. They ought to get their acts together and get a single center that's got the volume to get the level of expertise that's needed."

In fact, four-fifths of the nation's low-volume heart transplant centers are in metropolitan areas that have another heart transplant center. Since 1988, the number of heart transplant programs has increased from 129 to 166.

"In principal, we would do better with fewer centers," Hunsicker added. "But you can't use volume as the only consideration."

Among the other considerations are ensuring that patients in rural, sparsely populated states have access to a transplant center.

The Health Care Financing Administration, an arm of the U.S. Department of Health and Human Services, has set minimum volume guidelines for hospitals to receive Medicare reimbursement for transplants. Heart and liver centers must perform at least 12 transplants a year, kidney centers must perform at least 15, while lung and heart-lung centers must do at least 10.

But many low-volume centers have chosen to continue their programs even though they don't do enough transplants to get federal reimbursement. And neither HHS' Division of Organ Transplantation nor UNOS has set volume or minimum-survival standards that cover non-Medicare patients.

"We don't have any way to actually remove a center from receiving organs, technically speaking," said Dr. James F. Burdick, president of UNOS and a transplant surgeon at Johns Hopkins Hospital. "That [volume] is not a question we've addressed directly because our job is to make things fair and work on centers that don't do well."

An exception

Although the Plain Dealer analysis showed that low-volume centers as a group had a higher one-year death rate, there are exceptions. One of them is the Via Christie Regional Medical Center in Wichita, Kan.

The hospital performed an average of about eight heart transplants a year during the four years analyzed. Its one-year survival rate during that period was 100 percent, making it one of the three best-performing centers in the nation.

As of December, over the nine-year lifetime of its program, Via Christie had performed 102 heart transplants and 93 percent of those patients had survived one year. The national average is 82 percent.

"I think center volume does matter to an extent, but I think there are a lot of other things that add to the equation," said Dr. Thomas H. Estep, director of the heart transplant program.

Via Christie has the only heart transplant program in Kansas. The nearest center to it is a three-hour drive, in Kansas City, Mo.

Estep said attempts to limit the number of centers performing transplants should be based first on death rates, then on volume.

"If any center has poor outcomes, then I think that donor organs should go to other centers, where the chance of a patient living is greater," he said.

Because donor organs are scarce — for most types of transplants, there are about two people waiting for every one person who receives a transplant — transplant surgeons have hotly debated the best use of donor organs and whether to close low-volume centers. But that debate has remained within the fraternity. Few patients are aware that volume is a predictor of mortality, many doctors acknowledge.

"For the 5 percent who know all the statistics and know where I went to school, there's a whole host of people who are going wherever they're told to go," said Dr. Robert W. Stewart, head of the Cleveland Clinic's heart transplant program, one of the busiest in the country.

That wasn't the case with Anita Lupo, an administrator at Illinois State University who lives in Normal, Ill. Lupo, who is still working, has been on the waiting list for a heart transplant at Barnes Hospital in St. Louis since May 1995. Barnes is a high-volume center, averaging about 24 transplants a year.

Because she has twice undergone open-heart surgery, Lupo is considered to be at a higher risk for death or complications resulting from a transplant. That was a major factor in her evaluation of transplant centers, and she bypassed three programs closer to home — one in Peoria, Ill., and two in Chicago — because she thought they had not done enough transplants or because their surgical teams were too new.

She now has a much longer drive, about three hours, to go for her quarterly tests, but that doesn't bother her.

Lupo said she learned about the importance of volume when she sought a second opinion from a transplant cardiologist who was not involved in her care.

"He said don't go anywhere where they do less than 20 — that your quality is a lot better if you do at least 20 a year," Lupo said. "I am a believer that small-town hospitals and small-town doctors are not the place to go. So when I heard the number 20, that just reinforced what I already knew — that there had to be some minimum number, and that it just wouldn't be a good idea to go somewhere where they did less than that."

At that time, only 47 of the nation's 145 heart transplant centers, 32 percent, met that qualification.

Programs on probation

In many areas of medicine, the average number of procedures performed by doctors, nurses and technicians has long been considered a significant indicator of quality.

"As a physician, I strongly believe that the outcome does depend upon how many times you have performed a given procedure," said Dr. Peter Somani, Ohio's top health official. "Therefore, volume is important."

In addition to being the state director of health, Somani is on the board of the Ohio Solid Organ Transplant Consortium, the association that, with his department, oversees transplantation in Ohio. Somani's staff included volume requirements for all types of major organ transplants in the state's recently passed quality-assurance rules, which are designed to provide minimum standards for a wide variety of health care activities. The rules don't take effect until next fall.

"What we're saying is if your volume is less than the minimum, we'll automatically look at your results in more detail," Somani said.

The Ohio consortium has had volume requirements for several years, but it has no authority to close programs that don't meet them. And when hospitals are placed on probation for failing to perform enough transplants or for any other reason, that information is not made public because the consortium, a private organization, chooses not to disclose it.

In the past, minutes of the consortium's non-public board meetings have shown which transplant centers were placed on probation and why. But Audrey Bohnengel, the consortium's executive director, said the group would discontinue that practice after The Plain Dealer obtained consortium minutes through Somani's office showing that heart transplant programs at the Medical College of Ohio in Toledo and Ohio State University were placed on probation in 1996 for failing to perform enough transplants.

The consortium requires heart transplant programs to perform a minimum of 12 transplants a year — the same number required by the federal government to obtain Medicare reimbursement.

According to consortium board minutes, Dr. Thomas E. Walsh, a board member and director of the heart transplant program at the Medical College of Ohio, argued against a volume requirement, saying, "There is no substantiation in literature that links volume to quality."

Walsh also said there were "better quality indicators than volume to demonstrate a successful program, such as length of stay, hospital charges and readmissions."

Last April, the consortium extended the Medical College's one-year probation for a second year for failure to meet volume standards. The hospital performed 15 heart transplants in 1996, and Walsh said in an interview that he expected the program to be taken off probation in April.

"My contention was that, despite the numbers, we've always had more than acceptable outcomes — that's mortality, readmissions, rejection, length of stay and cost," Walsh said. "It seems to me that because we have a very small program where everything is done by a small, intimate group, that we profit by our experience much more greatly than if it was diffused over a large number of people."

OSU's heart transplant program has struggled even more to meet the volume standard. The center performed 11 transplants in 1995 and just seven in 1996.

Dr. P. David Myerowitz, director of OSU's heart transplant program, partly attributed the slowdown to the loss of two transplant cardiologists in 1996. That resulted in fewer patients — particularly fewer critically ill patients — being placed on OSU's waiting list.

Myerowitz also said that OSU, because it has a conservative approach about which hearts to accept for transplantation, occasionally turns away donor hearts that other programs use.

"It's the same way as how you invest your money," he said. "Some guys are on the fringe and some guys invest in CDs. That's an attitude of life. I admit I'm a conservative individual, and our program's probably conservative."

TRANSPLANTING LIFE

THE TRIUMPHS, THE TRAPS, THE TRAGEDIES

If you have a comment or a question about this series of articles, you can reach the reporters at the following phone numbers: Dave Davis — 999-4808, Joan Mazzolini — 999-4563 and Ted Wendling — 999-4987.

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Statistical analysis used most recent transplant data available

By DAVE DAVIS
PLAIN DEALER REPORTER

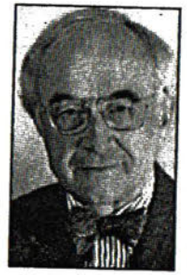
Records of 55,990 organ transplants performed over four years were analyzed for this story to determine whether low-volume transplant centers had a higher one-year mortality rate than high-volume centers.

The analysis included all heart, heart-lung, liver, lung, kidney and pancreas transplants in the United States between Oct. 1, 1987, and Dec. 31, 1991 — the most recent period for which records were available. Transplant patients were followed through 1993.

Based on the average number of transplants performed in a year, centers were labeled either high- or low-volume.

For each type of organ, roughly half of the centers in the country fell into each category. Low-volume centers, however, performed just 16 percent of the total organ transplants included in the analysis.

Bare



Meyer

The analysis showed that, on average, patients who underwent a transplant at a low-volume center had a significantly greater chance of dying in the first year following the transplant. This was true for all six types of organ transplants.

The records also were analyzed to examine whether the increased rate of death was explained by differences in patients and donors, or whether a significant portion of the increased rate could be attributed to transplant center volume.

Even when a sophisticated statistical method was used to adjust for differences in patient risk factors and donor characteristics — to avoid penalizing hospitals that undertook more difficult cases — the odds of dying remained greater at low-volume centers. Using that method, known as logistic regression, The Plain Dealer found that center volume was a significant predictor of mortality at one year.

The newspaper included the overall experience of a center, as expressed by the number of years it had operated, in risk-adjusting the data.

The Plain Dealer obtained transplant records on patients and donors — one record for each transplant — from the United Network for Organ Sharing, which holds a federal contract to match donor organs with waiting patients. The information did not reveal the names of donors or recipients and is publicly available by calling UNOS at 1-800-243-6667.

The analysis was completed in SPSS for Windows version 6.1. The methodology for the analysis was developed with guidance from John Bare and Philip Meyer.

Bare holds a doctorate in mass communication research from the University of North Carolina and is a research consultant in Chapel Hill, N.C. He helped developed the statistical methods used in numerous stories published by U.S. News & World Report and other news organizations.

Meyer is the Knight Professor of Journalism at the University of North Carolina and the author of five books, including "The New Precision Journalism." He is a pioneer in the use of computers and social science research methods in journalism.

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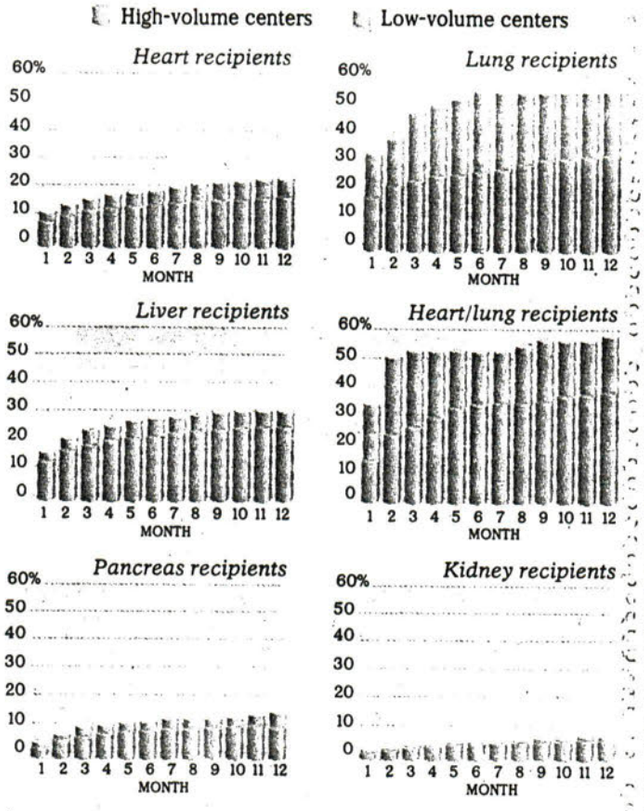
SURVIVING A TRANSPLANT

DEATH RATES BY TYPE OF ORGAN

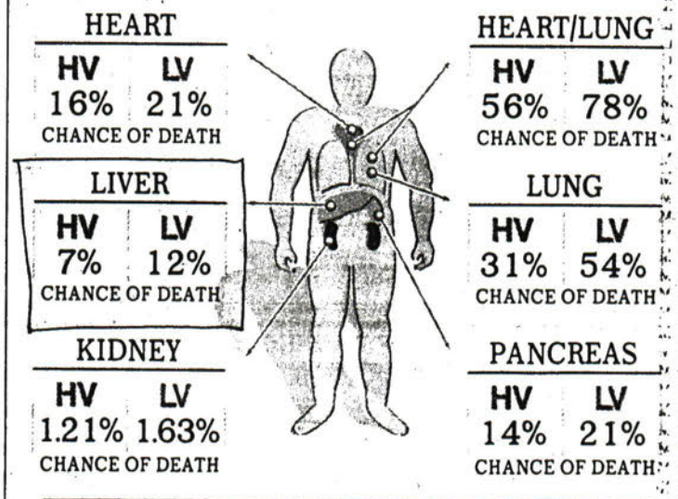
For each type of organ transplant, the death rate during the first year was always higher for low-volume centers.



INCREASED CHANCE OF DEATH WITHIN YEAR OF TRANSPLANT

All other factors being equal, patients face an increased risk of death within one year if they have an organ transplant at a low-volume center. For example, based on an analysis of the 55,990 organ transplants performed from Oct. 1, 1987, through 1991, the risk of death for a 40-year-old white male would increase at a low-volume center for each type of transplant. Patients with different characteristics would have different outcomes, but statistically would be expected to fare better at a high-volume center.

HV High-volume centers **LV** Low-volume centers



DEFINING HIGH- AND LOW-VOLUME CENTERS

High- and low-volume centers were defined in this analysis by the average number of transplants they performed in a year. For each organ type, roughly half the enters in the country fell into each group.

	HEART	HEART/ LUNG	KIDNEY	LIVER	LUNG	PANCREAS
High-volume centers	9 or more	2 or more	27 or more	14 or more	3 or more	6 or more
Low-volume centers	8 or fewer	1 or fewer	26 or fewer	13 or fewer	2 or fewer	5 or fewer

SOURCE: Plain Dealer analysis of United Network for Organ Sharing data

PLAIN DEALER

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ORGAN TRANSPLANT CENTERS IN THE UNITED STATES – WAITING TIMES & MORTALITY RATES

This chart lists median waiting times, one-year mortality rates and volume for the nation's transplant centers, based on information compiled by the United Network for Organ Sharing. The median waiting time figure is in days and is based on data from either 1994 or 1995. The mortality rate is for all transplants performed at a center over a four-year period beginning in October 1987. Volume shows the average annual number of transplants at that center during those same four years. Although the figures listed below are the most recent available, patients may be able to obtain current information from individual centers.

WAIT= Median waiting time (days) **M**= One-year mortality rate **V**= Volume (average annual transplants)

HEART

STATE	HOSPITAL	CITY	WAIT	M	V
AL	U. of Alabama	Birmingham	190	17.9	27
AR	Baptist	Little Rock	264	23.1	4
AR	Arkansas	Little Rock	287	40.0	3
AR	University	Little Rock	84	NA	NA
AZ	University	Tucson	176	6.5	35
CA	Children's	Los Angeles	245	NA	NA
CA	Cedars-Sinai	Los Angeles	58	14.9	17
CA	U. Of Calif.-Irvine	Orange	NA	12.5	4
CA	Loma Linda U.	Loma Linda	52	15.7	45
CA	California Pacific	San Francisco	348	9.8	28
CA	Hoag Memrl.	Newport Beach	NA	24.0	6
CA	UCSD	San Diego	57	5.0	10
CA	U. Of California	San Francisco	201	15.4	13
CA	Sutter Memrl.	Sacramento	368	4.8	7
CA	Donald N. Sharp Memrl.	San Diego	408	8.2	18
CA	U. of Calif. Davis	Sacramento	NA	0.0	1
CA	Stanford U.	Palo Alto	98	19.1	47
CA	St. Vincent	Los Angeles	86	4.5	6
CA	UCLA	Los Angeles	157	15.0	56
CA	USC	Los Angeles	184	NA	NA
CO	Children's	Denver	69	12.5	4
CO	Presby./St. Luke's	Denver	NA	33.9	8
CO	University	Denver	87	10.7	9
CT	Hartford	Hartford	188	13.0	14
CT	Yale New Haven	New Haven	NA	28.3	12
DC	Children's NMC	Washington	NA	57.1	2
DC	Georgetown U.	Washington	NA	6.3	4
DC	George Washington U.	Washington	NA	10.0	3
DC	Washington	Washington	212	8.3	12
FL	Jackson Memrl.	Miami	51	17.5	10
FL	Tampa General	Tampa	177	18.1	28
FL	Tallahassee Memrl.	Tallahassee	79	23.5	9
FL	Shands Teaching	Gainesville	67	12.8	22
GA	Henrietta Egleston	Atlanta	27	17.6	4
GA	Emory U.	Atlanta	665	7.2	21
GA	St. Joseph's	Atlanta	290	15.8	30
HI	St. Francis	Honolulu	NA	20.0	3
IA	U. Of Iowa	Iowa City	399	29.3	10
IA	Mercy Hospital	Des Moines	48	21.4	7
IL	Children's Memrl.	Chicago	163	27.3	8
IL	Evanston	Evanston	NA	13.6	6
IL	Loyola U.	Maywood	430	21.8	30
IL	Rush-Presby.-St. Luke's	Chicago	249	36.4	3
IL	St. Francis	Peoria	407	18.2	11
IL	U. Of Chicago	Chicago	332	33.3	2
IL	U. Of Illinois	Chicago	NA	20.0	4
IL	Hines VA	Hines	NA	38.5	7
IN	Methodist	Indianapolis	189	20.8	18
IN	Indiana U.	Indianapolis	181	12.2	19
IN	Luthrn.	Fort Wayne	544	22.2	16
IN	St. Vincent	Indianapolis	376	29.0	8
KS	St. Francis	Wichita	NA	0.0	9
KS	U. Of Kansas	Kansas City	NA	5.7	9
KY	Audubon Regional	Louisville	NA	50.0	2
KY	Jewish	Louisville	294	21.7	15
KY	Kosair Children's	Louisville	NA	66.7	4
KY	University	Lexington	273	29.4	17
LA	Ochsner	New Orleans	107	12.1	27
LA	Tulane	New Orleans	60	NA	NA
LA	Willis Knighton	Shreveport	768	10.7	14
MA	Children's	Boston	93	6.3	4
MA	Massachusetts General	Boston	93	16.2	9
MA	New England	Boston	93	21.1	5
MA	Brigham & Women's	Boston	93	17.4	33
MD	Johns Hopkins	Baltimore	223	23.9	17
MD	U. Of Maryland	Baltimore	136	42.9	2
MI	William Beaumont	Royal Oak	297	40.0	2
MI	Henry Ford	Detroit	206	6.7	15
MI	Harper Grace	Detroit	NA	44.4	3
MI	U. of Michigan	Ann Arbor	326	18.7	34
MN	Abbott-Northwestern	Minneapolis	NA	14.7	24
MN	St. Mary's	Rochester	594	7.4	7
MN	U. Of Minnesota	Minneapolis	815	12.6	24
MO	Barnes	St. Louis	139	9.7	26
MO	Cardinal Glennon Memrl.	St. Louis	NA	44.4	2
MO	St. Louis Children's	St. Louis	38	16.7	6
MO	St. Luke's	Kansas City	248	15.8	14
MO	Menorah	Kansas City	NA	83.3	2
MO	St. Louis U.	St. Louis	371	10.9	22
MO	University	Columbia	188	13.3	5
MS	U. Of Mississippi	Jackson	101	11.1	5
NC	North Carolina Baptist	Winst-Salem	296	75.0	2
NC	Carolinas	Charlotte	202	19.0	20
NC	Duke U.	Durham	124	14.0	13
NC	Pitt County Memrl.	Greenville	NA	60.0	1
NC	U. Of North Carolina	Chapel Hill	359	21.2	8
NE	Bryan Memrl.	Lincoln	NA	9.7	8
NE	AMI St. Joseph	Omaha	NA	50.0	2
NE	U. Of Nebraska	Omaha	100	NA	NA
NJ	Newark Beth Israel	Newark	83	25.0	14
NM	Presby.	Albuquerque	139	18.6	15
NY	Children's	Buffalo	NA	0.0	1
NY	Buffalo General	Buffalo	NA	35.3	9
NY	Presby.	New York	149	23.5	85
NY	Mount Sinai	New York	NA	15.6	11
NY	VA	Buffalo	NA	37.5	2
OH	Cleveland Clinic	Cleveland	149	14.3	28
OH	Children's	Cincinnati	NA	14.3	4
OH	Medical College Of Ohio	Toledo	NA	16.7	6
OH	Ohio State	Columbus	NA	20.0	15
OH	U. Of Cincinnati	Cincinnati	122	13.0	17
OK	Baptist	Okla. City	426	9.6	26
OK	Children's	Okla. City	NA	66.7	3
OK	University	Okla. City	211	30.8	3
OK	St. Anthony	Okla. City	NA	100.0	NA
OK	St. Francis	Tulsa	374	NA	NA
OR	Oregon Health Sciences	Portland	116	13.8	31
PA	Allegheny General	Pittsburgh	740	14.0	13
PA	Children's	Pittsburgh	153	27.5	10
PA	Children's	Philadelphia	71	37.5	8
PA	Penn St/Hershey	Hershey	250	18.9	13
PA	Hahnemann U.	Philadelphia	94	0.0	4
PA	Presby.-U.	Pittsburgh	436	12.2	44
PA	St. Christopher For Chdrn.	Philadelphia	59	57.1	4
PA	Temple U.	Philadelphia	78	21.4	35
PA	U. Of Penna.	Philadelphia	147	23.4	16
SC	Medical U.	Charleston	374	10.9	12
TN	Baptist Memrl.	Memphis	215	15.6	8
TN	Lebonheur Children's	Memphis	NA	16.7	2
TN	Methodist	Memphis	NA	13.9	9
TN	St. Thomas	Nashville	333	18.2	11
TN	Vanderbilt	Nashville	153	11.5	26
TX	UTHSC at San Antonio	San Antonio	NA	18.4	13
TX	Children's	Dallas	NA	16.7	3
TX	Seton	Austin	80	20.4	14
TX	Medical City Dallas	Dallas	28	40.0	5
TX	St. Luke's Episcopal	Houston	175	20.7	56
TX	San Antonio Regional	San Antonio	147	19.6	13
TX	U. Of Texas	Galveston	222	NA	NA
TX	Methodist	Lubbock	62	0.0	4
TX	Methodist	Dallas	271	13.5	9
TX	Methodist	Houston	53	29.9	36
TX	St. Paul	Dallas	173	8.4	21
TX	Baylor	Dallas	351	28.4	24
UT	Latter-Day Saints	Salt Lake City	253	7.7	23
UT	U. Of Utah	Salt Lake City	135	19.3	29
UT	Primary Children's	Salt Lake City	151	0.0	1
UT	VA	Salt Lake City	143	22.2	20
VA	Children's Kings Daughter	Norfolk	NA	30.0	5
VA	Fairfax	Falls Church	285	7.0	11
VA	Henrico Doctors	Richmond	348	23.8	7
VA	Medical College Of Va.	Richmond	292	18.8	29
VA	McGuire VA	Richmond	NA	14.5	16
VA	Sentara Norfolk General	Norfolk	307	17.0	16
VA	U. of Va.	Charlottesville	355	20.0	15
WA	Sacred Heart	Spokane	289	6.7	15
WA	University	Seattle	104	11.4	20
WI	Children's Of Wisconsin	Milwaukee	NA	100.0	1
WI	John L. Doyne	Milwaukee	NA	31.4	9
WI	St. Luke's	Milwaukee	241	17.6	26
WI	U. Of Wisconsin	Madison	117	19.6	14

LIVER

STATE	HOSPITAL	CITY	WAIT	M	V
AL	U. of Alabama	Birmingham	88	12.5	14
AZ	Good Samaritan	Phoenix	130	41.5	10
AZ	University	Tucson	242	NA	NA
CA	Cedars-Sinai	Los Angeles	120	15.9	29
CA	The Green	La Jolla	333	29.5	11
CA	U. Of Calif-Irvine	Orange	86	NA	NA
CA	Loma Linda U.	Loma Linda	154	NA	NA
CA	California Pacific	San Francisco	473	12.5	65
CA	UCSD	San Diego	236	100.0	0
CA	U. Of California	San Francisco	NA	13.6	74
CA	U. of Calif. Davis	Sacramento	299	NA	NA
CA	Stanford U.	Palo Alto	NA	0.0	2
CA	St. Vincent	Los Angeles	327	NA	NA
CA	UCLA	Los Angeles	NA	23.2	140
CO	Children's	Denver	276	20.0	5
CO	University	Denver	405	12.1	24
CT	Hartford	Hartford	147	33.3	7
CT	Yale New Haven	New Haven	NA	60.9	6
DC	Howard U.	Washington	138	100.0	1
FL	Jackson Memrl.	Miami	64	45.0	15
FL	Tampa General	Tampa	NA	75.0	1
FL	Shands Teaching	Gainesville	97	23.1	13
GA	Henrietta Egleston	Atlanta	77	22.2	5
GA	Emory U.	Atlanta	159	22.7	24
IA	U. Of Iowa	Iowa City	140	18.5	7
IL	Rush-Presby.-St. Luke's	Chicago	423	39.0	34
IL	U. Of Chicago	Chicago	306	35.5	70
IL	U. Of Illinois	Chicago	NA	57.9	5
IN	Methodist	Indianapolis	385	26.7	11
IN	Indiana U.	Indianapolis	382	28.8	26
KS	U. Of Kansas	Kansas City	21	22.6	16
KY	Jewish	Louisville	38	35.3	9
KY	University	Lexington	226	NA	NA
LA	University	New Orleans	262	NA	NA
LA	Ochsner	New Orleans	209	29.5	29
LA	Louisiana State U.	Shreveport	NA	33.3	1
LA	Tulane	New Orleans	18	NA	NA
LA	Willis Knighton	Shreveport	189	22.2	9
MA	Children's	Boston	648	23.4	8
MA	New England Deaconess	Boston	648	28.3	41
MA	Massachusetts General	Boston	648	26.8	21
MA	New England	Boston	648	24.0	25
MA	Brigham & Women's	Boston	648	NA	NA
MD	Johns Hopkins	Baltimore	563	30.5	30
MD	U. Of Maryland	Baltimore	518	NA	NA
MI	Henry Ford	Detroit	161	26.7	5
MI	U. of Michigan	Ann Arbor	401	23.7	69
MN	Rochester Methodist	Rochester	182	13.3	50
MN	St. Mary's	Rochester	124	NA	NA
MN	U. Of Minnesota	Minneapolis	258	NA	NA
MO	Barnes	St. Louis	240	29.0	30
MO	Cardinal Glennon Memrl.	St. Louis	NA	20.0	2
MO	St. Louis Children's	St. Louis	222	29.4	6
MO	St. Louis U.	St. Louis	215	33.8	9
MS	U. Of Mississippi	Jackson	NA	33.3	1
NC	Carolinas	Charlotte	190	NA	NA
NC	Duke U.	Durham	210	39.0	22
NC	U. Of North Carolina	Chapel Hill	206	25.0	4
NE	U. Of Nebraska	Omaha	267	20.4	119
NJ	University	Newark	40	30.8	13
NM	U. Of New Mexico	Albuquerque	151	NA	NA
NY	Strong Memrl.	Rochester	174	NA	NA
NY	Mount Sinai	New York	215	19.2	67
NY	NYU	New York	NA	10.5	10
OH	Cleveland Clinic	Cleveland	394	24.1	22
OH	Children's	Columbus	NA	16.7	2
OH	Children's	Cincinnati	132	19.6	14
OH	Ohio State	Columbus	104	20.8	18
OH	U. Of Cincinnati	Cincinnati	258	18.5	7
OH	University	Cleveland	445	13.5	9
OK	Baptist	Okla. City	83	NA	NA
OK	University	Okla. City	NA	100.0	1
OR	Oregon Health Sciences	Portland	123	19.4	9
OR	VA	Portland	170	25.0	7
PA	Albert Einstein	Philadelphia	224	0.0	1
PA	Children's	Pittsburgh	323	20.8	72
PA	Children's	Philadelphia	124	37.5	11
PA	Presby.-U.	Pittsburgh	272	21.5	357
PA	St. Christopher For Childrn.	Philadelphia	368	12.5	12
PA	Thomas Jefferson U.	Philadelphia	348	31.9	18
PA	U. Of Penna.	Philadelphia	274	36.6	24
PA	VA	Pittsburgh	152	15.6	16
SC	Medical U.	Charleston	99	13.3	8
TN	Lebonheur Children's	Memphis	NA	11.1	2
TN	U. Of Tennessee	Memphis	96	29.0	13
TN	Vanderbilt	Nashville	71	20.0	10
TX	UTHSC at San Antonio	San Antonio	229	NA	NA
TX	Children's	Dallas	42	27.6	23
TX	Hermann	Houston	223	42.3	7
TX	St. Luke's Episcopal	Houston	175	NA	NA
TX	Methodist	Houston	NA	51.4	9
TX	Texas Children's	Houston	149	26.9	3
TX	Baylor U.	Dallas	233	18.7	109
TX	Wilford Hall	Lackland AFB	184	50.0	7
UT	Latter-Day Saints	Salt Lake City	82	30.0	15
VA	Fairfax	Falls Church	320	NA	NA
VA	Medical College Of Va.	Richmond	253	32.5	20
VA	U. of Va.	Charlottesville	100	21.5	27
WA	Children's	Seattle	NA	0.0	3
WA	University	Seattle	271	16.9	36
WI	Children's Of Wisconsin	Milwaukee	NA	0.0	4
WI	Froedtert Memrl. Luthrn.	Milwaukee	NA	26.8	14
WI	U. Of Wisconsin	Madison	54	15.4	57

KIDNEY

STATE	HOSPITAL	CITY	WAIT	M	V
AL	U. of Alabama	Birmingham	NA	5.9	255
AR	Baptist	Little Rock	581	6.3	16
AR	Arkansas	Little Rock	NA	9.4	8
AR	University	Little Rock	251	5.3	35
AZ	Good Samaritan	Phoenix	630	8.1	88
AZ	Healthwest Regional	Phoenix	NA	25.0	1
AZ	St. Joseph's	Phoenix	390	3.8	20
AZ	VA	Tucson	NA	11.0	21
AZ	University	Tucson	705	0.0	1
CA	St. Bernardine	San Bernardino	NA	5.7	27
CA	Alta Bates	Berkeley	NA	5.0	41
CA	Children's	Los Angeles	NA	2.7	19
CA	Cedars-Sinai	Los Angeles	733	4.8	42
CA	U. Of Calif-Irvine	Orange	NA	5.8	26
CA	LA County Harbor-UCLA	Torrance	NA	7.7	40
CA	St. Mary	Long Beach	NA	3.4	15
CA	Loma Linda U.	Loma Linda	NA	4.6	44
CA	Santa Rosa Memrl.	Santa Rosa	NA	6.7	22
CA	California Pacific	San Francisco	NA	8.1	171
CA	San Bernardino County	San Bernard	NA	9.9	18
CA	USC -L.A. County	Los Angeles	NA	10.8	30
CA	UCSD	San Diego	NA	5.2	89
CA	U. Of California	San Francisco	NA	7.0	232
CA	Sutter Memrl.	Sacramento	NA	12.5	26
CA	Donald N. Sharp Memrl.	San Diego	NA	2.0	15
CA	St. Joseph	Orange	NA	4.0	31
CA	U. of Calif. Davis	Sacramento	581	8.0	28
CA	Stanford U.	Palo Alto	NA	0.0	5
CA	St. Vincent	Los Angeles	NA	7.4	206
CA	UCLA	Los Angeles	NA	2.4	108
CA	USC	Los Angeles	NA	0.0	2
CA	Western	Santa Ana	NA	2.7	19
CO	Children's	Denver	NA	0.0	1
CO	Porter Memrl.	Denver	NA	8.9	23
CO	Presby./St. Luke's	Denver	672	9.0	70
CO	University	Denver	585	2.2	35
CT	Hartford	Hartford	481	8.7	64
CT	Yale New Haven	New Haven	NA	5.8	39
DC	Children's NMC	Washington	NA	11.8	9
DC	Georgetown U.	Washington	NA	5.6	37
DC	George Washington U.	Washington	NA	5.3	10
DC	Howard U.	Washington	381	23.1	15
DC	Washington	Washington	NA	5.0	123
DC	Walter Reed Army	Washington	NA	6.8	22
FL	All Children's	St. Petersburg	NA	9.1	4
FL	Florida	Orlando	289	7.1	76
FL	Southwest Florida	Fort Meyers	114	4.2	6
FL	Jackson Memrl.	Miami	166	4.7	94
FL	Methodist	Jacksonville	396	9.5	11
FL	Tampa General	Tampa	314	7.1	128
FL	Shands Teaching	Gainesville	451	6.2	133
GA	Henrietta Egleston	Atlanta	144	4.0	13
GA	Emory U.	Atlanta	412	3.5	117
GA	Medical College Of Georgia	Augusta	NA	4.1	67
GA	Piedmont	Atlanta	340	5.9	66
HI	St. Francis	Honolulu	NA	6.5	27
IA	Iowa Methodist	Des Moines	436	2.1	12
IA	U. Of Iowa	Iowa City	333	5.0	75
IA	Mercy Hospital	Des Moines	NA	16.2	10
IL	Children's Memrl.	Chicago	NA	2.0	13
IL	Loyola U.	Maywood	NA	4.2	42
IL	Memrl.	Springfield	332	8.2	12
IL	Northwestern Memrl.	Chicago	828	8.2	37
IL	Rush-Presby.-St. Luke's	Chicago	370	8.7	76
IL	St. Francis	Peoria	331	9.1	22
IL	U. Of Chicago	Chicago	NA	6.2	92
IL	U. Of Illinois	Chicago	NA	5.7	54
IL	Hines VA	Hines	NA	0.0	1
IN	Methodist	Indianapolis	419	2.4	52
IN	Indiana U.	Indianapolis	476	3.7	102
KS	St. Francis	Wichita	273	5.7	39
KS	U. Of Kansas	Kansas City	457	6.6	30
KY	Jewish	Louisville	NA	7.7	62
KY	Kosair Children's	Louisville	NA	6.3	4
KY	University	Lexington	215	8.0	57
LA	University	New Orleans	710	12.4	22
LA	Ochsner	New Orleans	388	3.9	40
LA	S. Baptist	New Orleans	NA	5.3	5
LA	Schumpert	Shreveport	391	3.2	18
LA	Louisiana State U.	Shreveport	NA	6.4	24
LA	Tulane	New Orleans	208	4.9	36
LA	Willis Knighton	Shreveport	584	7.5	21
MA	Beth Israel	Boston	NA	6.8	26
MA	Baystate	Springfield	490	6.5	27
MA	Boston U.	Boston	NA	9.2	27
MA	VA	Boston	NA	0.0	14
MA	Children's	Boston	NA	6.8	19
MA	New England Deaconess	Boston	NA	8.0	57
MA	Lahey	Burlington	NA	6.7	8
MA	Massachusetts General	Boston	NA	5.0	70
MA	New England	Boston	NA	4.5	28
MA	Brigham & Women's	Boston	NA	5.3	61
MA	U. of Massachusetts	Worcester	490	3.0	26
MD	Francis Scott Key	Baltimore	761	6.4	25
MD	Johns Hopkins	Baltimore	NA	8.5	54
MD	U. Of Maryland	Baltimore	NA	5.8	26
ME	Maine	Portland	NA	6.1	41
MI	William Beaumont	Royal Oak	850	3.5	36
MI	Children's	Detroit	313	5.9	NA
MI	Henry Ford	Detroit	NA	7.3	72
MI	Harper Grace	Detroit	NA	14.8	20
MI	Hurley	Flint	NA	6.0	15
MI	Borgess	Kalamazoo	NA	14.9	20
MI	St. John	Detroit	NA	8.7	12
MI	St. Mary's	Grand Rapids	NA	4.8	47
MI	U. of Michigan	Ann Arbor	NA	5.7	99
MN	Hennepin County	Minneapolis	NA	6.5	64
MN	Rochester Methodist	Rochester	626	3.6	70
MN	Metropolitan	Minneapolis	NA	5.9	9

MO	Barnes	St. Louis	387	4.4	79
MO	Cardinal Glennon Memrl.	St. Louis	NA	0.0	3
MO	St. Louis Children's	St. Louis	NA	4.1	12
MO	Children's Mercy	Kansas City	NA	0.0	1
MO	DePaul	Bridgeton	NA	0.0	7
MO	St. Luke's	Kansas City	245	8.6	41
MO	Research	Kansas City	733	4.9	26
MO	St. Louis U.	St. Louis	NA	7.4	42
MO	University	Columbia	271	8.3	34
MS	U. Of Mississippi	Jackson	NA	3.6	21
NC	North Carolina Baptist	Winst-Salem	NA	6.2	37
NC	Carolinas	Charlotte	302	10.0	51
NC	Duke U.	Durham	NA	4.4	63
NC	VA	Durham	NA	8.1	8
NC	Pitt County Memrl.	Greenville	NA	10.9	26
NC	U. Of North Carolina	Chapel Hill	810	4.8	39
ND	Dakota	Fargo	NA	7.7	3
ND	Medcenter One	Bismarck	NA	0.0	7
ND	St. Luke's	Fargo	NA	13.3	4
NE	Bishop Clarkson Memrl.	Omaha	338	3.5	57
NE	AMI St. Joseph	Omaha	381	4.9	11
NE	U. Of Nebraska	Omaha	406	0.0	1
NJ	Newark Beth Israel	Newark	NA	8.2	42
NJ	Our Lady Of Lourdes	Camden	450	6.3	21
NJ	St. Barnabas	Livingston	NA	9.4	49
NM	U. Of New Mexico	Albuquerque	461	4.5	39
NM	Presby.	Albuquerque	468	12.1	23
NV	Sunrise	Las Vegas	475	9.4	8
NV	U.M.C. Of S. Nevada	Las Vegas	417	3.7	7
NY	Albany	Albany	536	4.2	60
NY	Children's	Buffalo	NA	5.6	5
NY	Buffalo General	Buffalo	NA	9.0	25
NY	Presby.	New York	NA	5.7	53
NY	Suny Downstate/U.	Brooklyn	NA	5.2	77
NY	Erie County	Buffalo	654	12.2	12
NY	Strong Memrl.	Rochester	249	6.6	45
NY	Montefiore	Bronx	NA	3.4	75
NY	Mount Sinai	New York	812	4.7	39
NY	New York	New York	NA	8.5	53
NY	University	Stony Brook	583	4.1	31
NY	St. Luke's-Roosevelt	New York	NA	5.8	17
NY	NYU	New York	NA	10.0	5
NY	Suny at Syracuse	Syracuse	414	10.3	32
NY	Westchester County	Valhalla	727	4.6	35
OH	Akron City	Akron	NA	4.6	27
OH	Children's	Akron	NA	0.0	3
OH	Cleveland Clinic	Cleveland	NA	5.7	80
OH	Children's	Cincinnati	NA	8.1	10
OH	Medical College Of Ohio	Toledo	216	6.5	42
OH	Miami Valley	Dayton	204	5.7	22
OH	Ohio State U.	Columbus	431	8.6	180
OH	St. Elizabeth	Youngstown	NA	5.1	15
OH	Christ	Cincinnati	260	4.5	39
OH	U. Of Cincinnati	Cincinnati	174	6.1	40
OH	University	Cleveland	NA	5.1	52
OK	Baptist	Okla. City	230	10.5	27
OK	Children's	Okla. City	NA	7.8	13
OK	Hillcrest	Tulsa	490	9.9	23
OK	University	Okla. City	559	6.3	21
OK	St. Anthony	Okla. City	436	16.2	27
OR	Oregon Health Sciences	Portland	147	3.4	118
PA	Albert Einstein	Philadelphia	NA	8.4	57
PA	Allegheny General	Pittsburgh	520	6.8	67
PA	Children's	Pittsburgh	205	3.8	7
PA	Geisinger	Danville	486	13.5	36
PA	Penn St./Hershey	Hershey	858	5.4	65
PA	Hahnemann U.	Philadelphia	607	5.3	34
PA	Lehigh Valley	Allentown	838	0.0	1
PA	Presby.-U.	Pittsburgh	79	7.0	195
PA	St. Christopher For Childrn.	Philadelphia	NA	2.7	19
PA	Thomas Jefferson U.	Philadelphia	NA	2.4	75
PA	Temple U.	Philadelphia	438	0.0	7
PA	U. Of Penna.	Philadelphia	822	3.7	119
PR	Auxilio Mutuo	Hato Rey	NA	8.3	36
SC	Medical U.	Charleston	NA	4.3	88
TN	Erlanger	Chattanooga	434	4.5	17
TN	Johnson City	Johnson City	309	4.2	6
TN	Lebonheur Children's	Memphis	NA	10.0	5
TN	VA	Nashville	NA	7.6	12
TN	Centennial /Parkview	Nashville	487	1.7	15
TN	St. Thomas	Nashville	NA	0.0	5
TN	U. Of Tennessee	Knoxville	NA	5.8	36
TN	U. Of Tennessee	Memphis	514	6.8	70
TN	Vanderbilt	Nashville	NA	2.9	86
TX	Brackenridge	Austin	437	3.3	31
TX	UTHSC at San Antonio	San Antonio	427	10.0	15
TX	Children's	Dallas	210	8.5	12
TX	Harris Methodist	Fort Worth	54	2.0	25
TX	Hermann	Houston	NA	7.5	103
TX	St. Luke's Episcopal	Houston	333	7.9	33
TX	San Antonio Regional	San Antonio	611	5.6	83
TX	U. Of Texas	Galveston	344	6.5	72
TX	University	Lubbock	154	5.1	10
TX	Methodist	Lubbock	163	0.0	7
TX	Methodist	Dallas	315	4.1	109
TX	Methodist	Houston	466	3.6	43
TX	Parkland Memrl.	Dallas	763	5.2	56
TX	Sierra	El Paso	368	0.0	3
TX	Texas Children's	Houston	188	4.5	6
TX	Baylor U.	Dallas	376	7.1	46
TX	East Texas	Tyler	227	2.6	19
TX	Wilford Hall	Lackland AFB	345	7.2	46
UT	Latter-Day Saints	Salt Lake City	360	11.8	76
UT	U. Of Utah	Salt Lake City	328	4.7	48
VA	Henrico Doctors	Richmond	NA	4.2	6
VA	Medical College Of Va.	Richmond	NA	4.2	48
VA	Sentara Norfolk General	Norfolk	657	8.6	60
VA	U. of Va.	Charlottesville	388	4.3	47
VT	Medical Center Of Vermont	Burlington	NA	13.9	21
WA	Children's	Seattle	NA	4.0	6
WA	Sacred Heart	Spokane	193	7.9	27
WA	Swedish	Seattle	NA	7.5	56
WA	University	Seattle	NA	4.6	38
WA	Va. Mason	Seattle	759	7.3	97
WI	Children's Of Wisconsin	Milwaukee	NA	4.8	6
WI	Froedtert Memrl. Luthrn.	Milwaukee	725	7.3	114
WI	U. Of Wisconsin	Madison	754	2.9	202
WV	Charleston Area	Charleston	NA	8.6	25
WV	West Va. U.	Morgantown	666	4.7	13

PANCREAS

STATE	HOSPITAL	CITY	WAIT	M	V
AL	U. of Alabama	Birmingham	NA	31.8	6
AR	University	Little Rock	NA	16.7	6
CA	California Pacific	San Francisco	NA	30.8	4
CA	U. Of California	San Francisco	NA	2.9	12
CA	U. of Calif. Davis	Sacramento	NA	12.5	3
CA	Stanford U.	Palo Alto	NA	0.0	1
CA	UCLA	Los Angeles	NA	0.0	1
CO	Presby./St. Luke's	Denver	NA	22.2	3
DC	Georgetown U.	Washington	NA	0.0	4
DC	Washington	Washington	NA	10.0	10
FL	Jackson Memrl.	Miami	NA	0.0	3
IA	U. Of Iowa	Iowa City	NA	12.9	16
IL	U. Of Chicago	Chicago	NA	7.9	16
IL	U. Of Illinois	Chicago	NA	33.3	6
IN	Indiana U.	Indianapolis	NA	14.3	5
KS	St. Francis	Wichita	NA	25.0	1
KY	Jewish	Louisville	NA	15.0	5
LA	Ochsner	New Orleans	NA	0.0	7
MD	U. Of Maryland	Baltimore	600	0.0	9
MA	Beth Israel	Boston	NA	20.0	3
MA	New England Deaconess	Boston	NA	3.6	7
MA	Massachusetts General	Boston	NA	8	8
MI	Henry Ford	Detroit	NA	11.1	2
MI	U. of Michigan	Ann Arbor	NA	50.0	1
MN	Rochester Methodist	Rochester	NA	8.3	9
MN	U. Of Minnesota	Minneapolis	181	11.2	49
MO	St. Louis U.	St. Louis	NA	5.9	9
NC	Duke U.	Durham	NA	5.9	12
NE	Bishop Clarkson Memrl.	Omaha	NA	4.2	24
NY	Montefiore	Bronx	NA	50.0	1
OH	Cleveland Clinic	Cleveland	NA	8.3	4
OH	Ohio State	Columbus	290	7.6	33
OH	U. Of Cincinnati	Cincinnati	NA	10.5	5
OH	University	Cleveland	NA	5.0	10
OR	Oregon Health Sciences	Portland	NA	6.7	5
PA	Albert Einstein	Philadelphia	NA	11.1	11
PA	Allegheny General	Pittsburgh	NA	40.0	3
PA	Penn St/Hershey	Hershey	NA	0.0	3
PA	U. Of Penna.	Philadelphia	NA	2.5	10
SC	Medical U.	Charleston	99	11.1	9
TN	Centennial /Parkview	Nashville	NA	0.0	3
TN	U. Of Tennessee	Memphis	NA	13.0	15
TN	Vanderbilt	Nashville	NA	17.6	6
TX	U. Of Texas	Galveston	NA	9.1	8
TX	Methodist	Dallas	NA	0.0	7
TX	Methodist	Houston	NA	15.4	7
TX	Parkland Memrl.	Dallas	NA	9.1	6
TX	Wilford Hall	Lackland AFB	NA	27.3	4
UT	Latter-Day Saints	Salt Lake City	NA	17.4	12
VA	U. of Va.	Charlottesville	NA	5.3	5
WA	University	Seattle	NA	3.6	14
WI	Froedtert Memrl. Luthrn.	Milwaukee	NA	7.9	10
WI	U. Of Wisconsin	Madison	NA	4.3	41

HEART-LUNG

STATE	HOSPITAL	CITY	WAIT	M	V
AL	U. of Alabama	Birmingham	NA	0.0	1
AZ	University	Tucson	NA	26.7	4
CA	UCSD	San Diego	NA	0.0	1
CA	Stanford U.	Palo Alto	535	33.3	14
CO	Presby./St. Luke's	Denver	NA	75.0	1
GA	Emory U.	Atlanta	NA	75.0	1
IA	U. Of Iowa	Iowa City	NA	100.0	1
IL	Loyola U.	Maywood	NA	60.0	2
IN	Methodist	Indianapolis	NA	50.0	1
LA	Ochsner	New Orleans	NA	0.0	1
MI	U. of Michigan	Ann Arbor	NA	100.0	1
MN	Abbott-Northwestern	Minneapolis	NA	16.7	2
MN	U. Of Minnesota	Minneapolis	NA	20.0	5
MO	St. Louis U.	St. Louis	NA	75.0	1
NC	U. Of North Carolina	Chapel Hill	NA	50.0	2
NY	Presby.	New York	NA	63.6	3
PA	Children's	Pittsburgh	NA	0.0	2
PA	Presby.-U.	Pittsburgh	NA	43.5	6
TN	Baptist Memrl.	Memphis	NA	0.0	1
TN	Vanderbilt	Nashville	NA	33.3	3
TX	San Antonio Regional	San Antonio	147	75.0	1
TX	Baylor	Dallas	NA	100.0	2
VA	Medical College Of Va.	Richmond	NA	25.0	1
VA	McGuire VA	Richmond	NA	100.0	1
VA	U. of Va.	Charlottesville	NA	100.0	2
WI	U. Of Wisconsin	Madison	NA	0.0	1

LUNG

STATE	HOSPITAL	CITY	WAIT	M	V
AL	U. of Alabama	Birmingham	77	33.3	3
AZ	University	Tucson	NA	37.5	4
CA	Cedars-Sinai	Los Angeles	273	43.3	8
CA	UCSD	San Diego	371	5.6	9
CA	U. Of California	San Francisco	269	0.0	1
CA	Donald N. Sharp Memrl.	San Diego	NA	33.3	2
CA	U. of Calif. Davis	Sacramento	130	NA	NA
CA	Stanford U.	Palo Alto	363	34.8	8
CA	UCLA	Los Angeles	417	33.3	2
CO	Presby./St. Luke's	Denver	NA	77.8	2
CO	University	Denver	333	NA	NA
FL	Shands Teaching	Gainesville	124	NA	NA
GA	Emory U.	Atlanta	239	NA	NA
IA	U. Of Iowa	Iowa City	NA	57.1	2
IL	Loyola U.	Maywood	274	40.0	4
IL	U. Of Illinois	Chicago	282	NA	NA
IN	Methodist	Indianapolis	598	0.0	7
IN	Indiana U.	Indianapolis	NA	25.0	4
IN	Lutheran	Fort Wayne	NA	60.0	2
KY	Jewish	Louisville	233	0.0	1
KY	University	Lexington	114	100.0	1
LA	Ochsner	New Orleans	43	50.0	2
MA	Children's	Boston	NA	50.0	1
MA	Mass. General	Boston	NA	28.6	7
MA	Brigham & Women's	Boston	NA	27.3	7
MI	U. of Michigan	Ann Arbor	793	30.0	10
MN	Abbott-Northwestern	Minneapolis	NA	22.2	2
MN	St. Mary's	Rochester	NA	33.3	3
MN	U. Of Minnesota	Minneapolis	366	19.4	8
MO	Barnes	St. Louis	690	23.6	27
MO	St. Louis Children's	St. Louis	408	53.8	7
MO	St. Louis U.	St. Louis	NA	28.6	2
MS	U. Of Mississippi	Jackson	NA	66.7	3
NC	Duke U.	Durham	449	NA	NA
NC	U. Of North Carolina	Chapel Hill	762	16.7	18
NJ	Newark Beth Israel	Newark	347	NA	NA
NY	Presbyterian	New York	801	36.1	12
OH	Cleveland Clinic	Cleveland	332	43.5	12
OK	Baptist	Okla. City	NA	33.3	3
PA	Children's	Pittsburgh	NA	16.7	2
PA	Children's	Philadelphia	62	NA	NA
PA	Temple U.	Philadelphia	148	NA	NA
SC	Medical U.	Charleston	99	NA	NA
TN	Baptist Memrl.	Memphis	NA	50.0	2
TN	Vanderbilt	Nashville	80	0.0	7
TX	UTHSC at San Antonio	San Antonio	317	35.8	13
TX	San Antonio Regional	San Antonio	NA	100.0	1
TX	Methodist	Houston	126	43.2	6
TX	St. Paul	Dallas	NA	100.0	1
TX	Baylor	Dallas	180	75.0	2
VA	Fairfax	Falls Church	NA	0.0	1
VA	Medical College Of Va.	Richmond	NA	0.0	3
VA	McGuire VA	Richmond	NA	100.0	1
VA	U. of Va.	Charlottesville	528	30.0	5
WA	Sacred Heart	Spokane	NA	25.0	8
WA	University	Seattle	246	NA	NA
WI	John L. Doyne	Milwaukee	155	0.0	2
WI	U. of Wisconsin	Madison	162	50.0	1

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FACSIMILE NUMBER (412)642-7543

TO: PRESIDENT CLINTON

202.456.6703

FROM: DAVE MATTER

SPECIAL INSTRUCTIONS OR MESSAGES:

ENCLOSED IS A NEWSPAPER ARTICLE ON THE LIVING-DONOR/SPLIT LIVER TRANSPLANTATION SURGERY I DESCRIBED.

NUMBER OF PAGES INCLUDING COVER PAGE 3

DATE: 2-9-97

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PITTSBURGH POST-GAZETTE ■ THURSDAY, JANUARY 30, 1997

Toddler gets part of father's liver

Living-related transplantation the first done here

By Byron Spice
Science Editor, Post-Gazette

Pittsburgh surgeons removed a baseball-sized chunk of a Kentucky man's healthy liver and transplanted it into his gravely ill 17-month-old son Tuesday to perform the area's first living-related liver transplant.

Both Lynn Thomas, 38, of Tompkinsville, Ky., and his son, Haden, were reported doing well yesterday as they recuperated from their respective surgeries.

Because the liver is able to regenerate itself, Lynn Thomas' liver is expected to grow to its former size within a few months. Removed in segments, the portion transplanted into Haden is about the size of the boy's former liver and will grow as his body does.

More than 500 living-related liver transplants have been performed worldwide. Doctors at the University of Pittsburgh's Starzl Transplantation Institute decided to offer this option because the success rate now equals that of liver transplants from deceased donors. Also, the shortage of donor livers shows no signs of easing.

Haden was born with biliary atresia, an abnormality that prevents bile from draining properly from the liver. Transplantation is the only cure for the condition, which kills

SEE **LIVER,** PAGE A-3

☐ A polio vaccine given to thousands of Pittsburghers was contaminated with a monkey virus that now has scientists worried. **Page A-3**

Tot gets portion of dad's liver; a first here

LIVER FROM PAGE A-1

most patients within two years without treatment.

The boy had waited for more than a year for a donor organ. When intestinal bleeding in November signaled that his condition was deteriorating, both of Haden's parents offered to donate pieces of their own livers.

"It wasn't hard to say 'Let's do it,'" Nanette Thomas said. "Haden needed it. . . . It was hard for both of them to do it, but it was the best thing for all of us."

Both Nanette and Lynn Thomas were evaluated as donors. Lynn Thomas was selected because he and his son share the same blood type.

Dr. Jorge Reyes, director of transplantation at Children's Hospital, said he and Dr. Adrian Casavilla had spent more than a year preparing for the living-related donor program. They plan to offer it routinely to parents whose children need liver transplants.

The donation of part of a liver by parents "is not only very courageous, but it is probably the maximum demonstration of love to their child," Reyes said.

He estimated that perhaps 30 or 40 children now on the waiting list for livers at Children's might be suitable for living-related donation.

Reyes acknowledged that this option could place great pressure on a parent to make a donation.

"But how much pressure is appropriate?" he said. "It only accentuates the fact that these are life-and-death situations."

Only a few years ago, doctors at Pitt hesitated to offer the procedure

Lynn Thomas with his son, Haden, at Children's Hospital.

woman Lisa Rossi said. In Pittsburgh, where the boy was referred for treatment by his Kentucky gastroenterologist, he waited more than a year without success.

The concept of transplanting only a portion of the liver is not new. Pitt surgeons routinely divide donor livers from deceased adults — transplanting a small portion into a child

determine if the Thomases were suitable donors. Radiologists then studied Lynn Thomas' liver closely, estimating the size of each segment and the location of its arteries. Physicians were then able to calculate how much of his liver would have to be removed to replace Haden's.

Casavilla and Reyes performed

[illegible] success rates were less than 70 percent, Reyes said. But today, the success rate is about the same as for regular liver transplants — 88 percent at Children's — and donor livers are increasingly hard to come by.

Pitt transplantation officials have long argued that the United Network for Organ Sharing's policies for distributing donor organs have created geographic inequities that penalize large transplant referral centers, such as Pitt.

In Haden Thomas' native Kentucky, the average wait for a donor liver is just 40 days, Pitt spokes-

[illegible] the largest portion into an adult recipient — so they can perform two transplants with one organ.

Last year, 12 such operations were performed at Presbyterian University and Children's hospitals.

Though a single organ, the liver is divided into four lobes, each with its own blood supply. One or more segments and their blood vessels can be removed without damaging the remainder of the organ. Such surgery often is performed, for instance, for treating some liver cancers.

Before Tuesday's operations, Dr. Jorge Rakela, Pitt's chief of gastroenterology, supervised testing to

the 7½-hour operation to remove 15 percent to 20 percent of Lynn Thomas' liver at Presbyterian. The procedure is meticulous, Reyes said, "so the segment comes out almost perfect."

Reyes then moved to an operating room at Children's, where he transplanted the segments into Haden. That operation was identical to previous operations in which segments of an adult liver have been transplanted to a child.

Doctors expect Lynn Thomas to remain in the hospital for a week. Haden could be discharged in 10 to 14 days.

VP

Rachel

Podesta

Mathews

Reed

Bowles

PRESIDENT HAS SEEN
2-14-97

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT AND THE VICE PRESIDENT

FROM: **GENE B. SPERLING**
KATHLEEN WALLMAN

SUBJECT: **POSSIBLE POLICY ANNOUNCEMENTS RELATED TO LABOR ISSUES**

DATE: **FEBRUARY 13, 1997**

The NEC has met and deliberated the merits of several possible executive actions and possible announcements of legislative positions that have implications for organized labor. In view of the Vice President's upcoming trip to the AFL-CIO Convention on February 18, we thought it timely to advance our recommendations to you to see if you find these ripe for decision. If so, the Vice President could be in a position to make appropriate announcements and field likely questions when he addresses the AFL-CIO's Executive Council. Our recommendations are offered below.

1. Possible amendments to federal procurement regulations.

Federal law provides that the government should maintain a position of neutrality in labor disputes between unions and federal contractors. Nevertheless, under current federal contracting policies, contractors may be reimbursed for the costs of resisting unionization efforts and litigating against unfair labor practice charges, and remain eligible to receive new contracts.

To address what it perceives as the unfair "tilt" against unions that these federal contracting policies embody, the AFL-CIO has urged that the Administration direct the Federal Acquisition Regulatory Council, which operates under the auspices of the Office of Federal Procurement Programs within OMB, to initiate a notice and comment rulemaking to amend the Federal Acquisition Regulations (FAR) in three respects. We summarize the actions under consideration and the pros and cons of each. Since all three proposals go to the unions' neutrality principle, and since some members of your NEC believed it important to consider their impact together, we summarize the Cabinet Departments' recommendations at the end of this section rather than at the end of the discussion of each individual proposal.

a. Amend the FAR to cease reimbursement to contractors for costs incurred to defend against unfair labor practice allegations that are in litigation.

The Federal Acquisition Regulations (FAR) currently do not permit federal contractors to be reimbursed for the costs of defending criminal and certain civil proceedings brought by the

government, nor for penalties resulting from those proceedings. In the case of civil proceedings, reimbursement is disallowed, however, only where a monetary penalty could have been imposed. Since the National Labor Relations Act does not include monetary penalties, the current regulations have often been construed to permit reimbursement of defense costs associated with unfair labor practice proceedings initiated by the General Counsel of the NLRB.

Proposal: Amend the FAR to make clear that any and all costs relating to defending unfair labor practice charges and complaints brought by the NLRB General Counsel are not allowable, both in evaluating bids for fixed price contracts as well as reimbursement for cost reimbursement contracts.

Pro: Taxpayers' dollars should not be used to "tilt the playing field" in favor of employers against unions and employees. Eliminating this reimbursement will bring treatment of NLRB litigation costs in line with other kinds of litigation costs.

Con: No serious objections or downsides were identified, although a negative reaction from government contractors who have been permitted thus far to treat these costs as reimbursable is predictable.

b. Amend the FAR to cease reimbursement for costs incurred to try to persuade employees not to unionize.

The FAR currently provides that costs incurred by a contractor in maintaining satisfactory labor relations between the contractor and its employees, including costs of shop stewards, labor management committees, employee publications, and other related activities, are allowable costs. Under this provision, contractors have sought and been reimbursed for activities that undermine rather than promote satisfactory labor relations. On occasion, the costs that are being paid for by the taxpayers are for persistent anti-union organizing activity.

Proposal: Amend the FAR to provide that contractor costs incurred for activities related to influencing employees respecting unionization are specifically unallowable.

Pro: Taxpayers should not be subsidizing an employer's efforts to defeat union organizing activities when it is clear that these activities are not designed, and do not have the effect of, "maintaining satisfactory labor relations." A number of other statutes explicitly prohibit the use of government funds to promote, assist, or deter union organizing activities, such as the Job Training Partnership Act, the National Community Service Act, Head Start, and Medicare. Accordingly, there is precedent for this kind of provision. Auditors with responsibilities in these other statutory areas have had to determine whether an employer's labor relations costs were or were not allowable, so it can be done.

Con: Disallowing costs for employee meetings by contractors would be characterized by the business community as pulling the rug out from labor-management cooperation. They will argue that it will not be possible in practice to separate legitimate activities from anti-union persuasion. This provision will require auditors to make decisions about what costs are allowable that they are not well equipped to make, and will increase litigation, particularly with respect to Defense Department contracts where the auditors are most likely to be strict enforcers. In addition, this provision will likely be viewed by the contractors as a burdensome requirement not otherwise imposed in the private sector, contrary to expressed Administration procurement reform goals.

c. Amend the FAR to allow government contracting officers to consider, when deciding whether a contractor is a "responsible" contractor (a term of art under the existing FAR), the bidder's record of labor and employment policies and practices.

The FAR provides that a prospective government contractor must be found to be a "responsible contractor" before being awarded a government contact. "Responsibility" requires that a prospective contractor be capable of performing the contract, that it has a satisfactory performance record, and that it has satisfactory "integrity and business ethics".

The concern has been raised that, although violations of the NLRA and other laws may become grounds for non-responsibility determinations under the FAR, more commonly, a contractor has no such finally adjudicated violations, and there are instead pending charges -- sometimes many of them -- that will take time to wend their way through the administrative process at the NLRB, the EEOC or through the courts. Sometimes the allegations are never adjudicated; for example, most unfair labor practice complaints are ultimately settled. Absent an actual civil violation, agencies will not find a contractor non-responsible. (This corresponds to the standard applied by procuring agencies in other areas of law; civil complaints in any area virtually never are grounds for non-responsibility determinations, and the very few known examples of civil complaints serving as grounds for such determinations involve civil complaints before courts rather than administrative agencies.)

Proposal: Add to the FAR language indicating that the responsibility determination must take into account whether the bidder has a "satisfactory record of labor and employment policies and practices". This is the approach that the AFL-CIO strongly prefers to the alternative set out below.

Alternative Proposal: The Office of Federal Procurement Programs believes that the AFL-CIO's preferred approach, set out above, is unworkable and will be subject to legal challenge because it gives labor relations and employment practices and policies prominence above all others kinds of compliance considerations, and, in effect uses the procurement process to impose a punishment. OFPP proposes that, at the very most, the FAR could be amended to

say that, in making responsibility determination, contracting officers should take into account whether the prospective bidder has "labor relations and employment practices and policies adequate to assure delivery of the required products and services". The AFL-CIO believes that this approach is toothless because applying it to the real world will create a null set.

Pro: The existing FAR already allows contracting officers to weigh the bidder's "business ethics", its "integrity" and its "capability" to perform the contract. Labor relations and employment conditions are an equally important and appropriate consideration, and the Administration ought to say so clearly in the FAR in a meaningful way, which argues for the formulation favored by the AFL-CIO, rather than the alternative offered by OFPP.

Con: Evaluating "satisfactory" labor relations and employment conditions, which the contracting officer would have to do under either proposal, is a qualitative judgment that contracting officers are not well equipped to make, especially where the disputed actions or conditions have not been adjudicated. Compliance will also be burdensome for contractors who will have to worry about meeting a non-quantifiable standard. Moreover, using the OFPP alternative proposal language may raise expectations unwarrantedly. There may be, in fact, very few cases where labor relations or employment practices or policies are so poor that they threaten performance. Those who try to persuade contracting officers under this new provision will most often be disappointed.

Option 1: *Authorize (a) only*. Commerce and Defense take this view. None of the other departments quarrels with doing at least (a), but the AFL-CIO would view doing only this as a weak gesture that simply highlights in a potentially embarrassing way the little known and arguably surprising practice of reimbursing these costs. AFL-CIO would have the same view if you authorized only (a) and (b), an option that none of the Departments advanced.

Option 2: *Authorize (a) and but not (b); authorize "interpretive guidance" to meet the concept of (c) but do not amend the FAR.* SBA and OMB advocate this approach. They disfavor your authorizing (b) because of the practical difficulties in implementing it and the burdens it would place on contractors. The possibility of issuing interpretive guidance in lieu of amending the FAR was explored with AFL-CIO, but provoked concerns that it might be inadequate to reach the stated goal since such interpretive guidance has no force of law.

Option 3: *Authorize (a) and (c), but not (b)* . Treasury advocates this approach. It shares the implementation concerns about (b) articulated by SBA and OMB.

Option 4: *Authorize all three initiatives*. Labor urges this approach, and the Office of the Vice President indicated it favored this approach. We concur. The main argument against (b) is that it is difficult, but not impossible, to implement, so it seems that it can be done. The main arguments against (c) are that it would give labor and employment considerations special status

and that it could raise litigation risks. The counterarguments are that it is a reasonable policy choice for the Administration to go on record, in a meaningful way by amending the FAR, in support of the importance of these considerations. This argues for authorizing the formulation of (c) that the AFL-CIO prefers. As for litigation risk, Justice advises us that the amendment is not, of course, risk free, but there are good arguments in support of it, even in light of the striker replacement lawsuit.

____**Option 1** ____**Option 2** _____**Option 3** ____**Option 4** ✓ **Discuss Further**

2. Possible executive order encouraging the use of project labor agreements

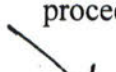
Project labor agreements, also known as "pre-hire agreements," are specially negotiated agreements between a project owner or construction manager and one or more labor organizations. The agreements are reached at the outset of a project in order to ensure efficient, timely and quality work; establish fair and consistent labor standards and work rules; supply a skilled, experienced and highly competent workforce; and assure stable labor-management relations throughout the term of the project. These agreements have long been used for public and private construction projects that involve a large volume of work, extend over a substantial period of time, include a substantial number of contractors, and entail substantial costs. It is well established that these agreements are effective and may be lawfully used in both the private and public sector for construction industry projects.

Proposal: Issue an Executive Order that directs Executive departments and agencies authorized to implement or fund a project for the construction of a federal facility to determine on a project-by-project basis whether a project labor agreement will promote labor-management stability; advance the public interest in economical, efficient, quality and time project performance; and assist project compliance with applicable legal requirements governing health and safety, equal employment opportunity, and labor standards. **The Executive Order would not require the use of a project labor agreement on any particular project**.

Pro: Project labor agreements are useful and lawful, but federal agencies may not be aware of their availability and have not been using them in a significant way. Issuing an Executive Order would make clear that federal contracting agencies have this authority and should consider using such agreements in appropriate circumstances.

Con: No serious objections or downsides have been identified to an approach that permits but does not require the use of these agreements, although this action, in combination with other actions on the list of labor-related initiatives and announcements you authorize could send a signal as to the tone you intend to take on labor-management issues.

Recommendation: There was a consensus in support of issuance of an executive order that encourages but does not require the use of these agreements. It would make sense to proceed to do so.



____ Agree **____ Disagree** **____Discuss Further**

3. Possible linkage of flex time legislation to legislation that expands the FMLA

The two comp time bills currently being considered on the Hill -- both Republican-sponsored -- fail to address FMLA expansion, and provide fewer guarantees of employee choice and fewer protections against potential abuse than your flex time bill, which was sent to Congress last September.

Specifically, the bills do not exclude vulnerable workers; do not include special protections for workers whose employers go bankrupt; do not guarantee real choice for employees; among other shortcomings. The Ashcroft comp time bill in particular has provisions that would effectively eliminate the 40-hour week. The labor movement strongly opposes the Republican comp time bills, and finds these Ashcroft provisions to be particularly offensive.

With respect to FMLA, Democrats in both houses have introduced bills to expand the current law. Several bills are consistent with your proposal to expand FMLA for an additional 24 hours for the purposes of routine medical care for children and elderly parents or school related activities. Other Democratic bills would lower the threshold of FMLA applicability from 50 to 25 employees, a provision that was not included in your bill. Predictably, while most Republicans oppose FMLA expansion, the bills have support from women's groups and the labor movement. Small businesses, including some represented on your Conference on Small Business, have concerns about lowering the threshold for applicability. The Democratic legislative strategy is to try to add FMLA expansion to the Republican bills while criticizing their comp time components.

In light of this strategy, the labor movement has urged that the Administration threaten to veto any bill that does not (1) link FMLA expansion and flex time, and (2) improve the comp time provisions to provide real choice and real protections for employees (as in your flex time bill).

Everyone on your economic team and inside the White House believe that you should propose your flex-time bill linked with FMLA expansion. Everyone also agrees that you should give a clear veto threat to any comp-time or flex-time that does not meet your principles -- which center around ensuring true employee choice and preventing coercion. The principles for an acceptable flex time bill would be the following:

- **Real guarantees of employee choice to earn and use their flex time.**

too broad ?

The underlying issues are:

- allow employees to use flex time unless it would cause the employer "substantial (and grievous) injury"
- limit employers' ability to cash out employees' flex time

- **Real protection for employees against potential employer abuse**

The underlying issues are:

- exclusions for the most vulnerable workers
- special protections for workers whose employers go bankrupt or shut down unexpectedly
- strong remedies for violations

ISSUE FOR DECISION:

The sole issue for you to decide is whether or not you should issue a veto threat to any bill that does not include FMLA expansion.

The NEC weighed three options and discussed them at length:

Option 1: Threaten to veto even any flex-time bill if it does not include FMLA expansion.

Option 2: Threaten to veto any comp-time that does not meet your principles, but not tie your veto threat to inclusion of FMLA expansion.

Option 3: Threaten to veto any comp-time bill that does not meet your principles, but make expanding family leave as a principle.

Option 1: Veto Without Linkage:

Pros:

- Would strengthen the position of congressional democrats to improve the Republican bills.

- Opponents could be seen as unreasonable for failing to meet the President's request to simply let workers take off a couple of hours to take

their children to the doctor.

- Would be strongly favored by the AFl-CIO who could use the linkage as a means of trying to get their troops to be supportive, or at least to prevent active opposition by labor and workers opposed to comp time.

- Some feel that it is highly unlikely that we would get a strong enough flex-time bill, that we would be put in a situation where we would have to veto a good flex-time bill.

Cons:

- Could force the President to veto an otherwise acceptable flex-time bill -- if Republicans moved our way on employee choice protections.

- May seem unreasonable -- or hard to explain -- to veto a bill because of what is not included.

Option 2: Not Insist on Linkage:

Pros:

- Flex-time is popular and affects tens of millions of workers and we should not limit our ability to sign it because FMLA expansion was not included.

- Daschle's staff is also skeptical that Senate Democrats will support a strategy that insists on FMLA expansion as the price for any comp time bill, however strong.

Cons:

- Will not be seen as a strong statement by labor and other groups that are generally opposed to comp time.

- Will miss an opportunity to side with groups that we may have to oppose on coming budget and trade issues.

Option 3: This Option would add the following measure to the principles that must be met to avoid a Presidential veto:

"Expanded right to use leave on a recurring basis for family and medical needs."

Pros:

- This is an option created by John Hilley that he feels would give the advantages of linkage, yet by using principles, it gives us more flexibility.

- Allows us to point to several grounds to veto a bad bill.

Cons:

- Could get the worst of all worlds: labor feels that we are weak in our veto threat, yet it could still be seen as hard enough to lock the President into vetoing a flex-time bill that meets our flex-time principles.

____Option 1 _____Option 2 ____ Option 3 _____Discuss Further

4. Position on Beck legislation aimed at limiting the use of union dues in political activity

The Republicans in Congress have made clear that they will try to attach a "Beck provision" to some piece of legislation that you want to sign. This provision (named after a Supreme Court case) would prevent a union from using compulsory dues for political purposes unless a union member specifically authorizes such use. It goes much further than current law, which allows a union to use dues for political activity except when a union member specifically objects and demands reimbursement. Unions correctly believe that the Republican Beck provision (there may be a Democratic version that simply codifies current law) would gravely interfere with their political activity. They would like the President to threaten a veto of such legislation.

Option 1: State that you will veto Beck legislation if it is attached to campaign finance legislation. None of your advisers advocated this approach because it puts you in the unattractive position of announcing early on an item that would cause you to veto campaign finance legislation, which you have identified as one of your priorities.

Option 2: State strong opposition to Beck legislation, no matter what it is attached to, but refrain from making a veto threat. There seemed to be unanimity that this was the better approach. It will make clear your vehement opposition to this legislation and will fortify Congressional Democrats in trying to defeat it. It will not, however, back you into a corner in the event Republicans succeed in attaching the Beck provision to some essential bill -- whether the campaign finance bill or otherwise.

5. Restating last year's veto threats on (i) TEAM legislation (ii) Davis-Bacon legislation and (iii) legislation to weaken OSHA.

Last year, you indicated you would veto the TEAM bill and the other two legislative proposals. It is proposed that the Vice President would restate your position in Los Angeles, with language that leaves room for improvements in TEAM legislation that you may conclude somewhere down the road that you may wish to sign.

Recommendation: There was consensus among the members of your NEC that restating your previous positions with carefully crafted language that does not prevent you from considering an improved TEAM bill would be the right path to take.

____ Agree **____ Disagree** **____ Discuss Further**

6. Welfare reform and minimum wage

The AFL-CIO will press the Vice President to take a position on whether worker protection statutes -- particularly the Fair Labor Standards Act (FLSA) -- apply to welfare recipients participating in work activities under the new welfare law. Bruce Reed and Ken Apfel of OMB have been running an interagency process (involving DOL, HHS, USDA, and others) to hammer out an answer to this question. The trick is to figure out how to apply the minimum wage law to workfare participants without imposing large new costs on states. Bruce and Ken are confident that a solution can be worked out that goes a fair way toward satisfying the unions, yet does not upset many governors. But they are a few weeks away from presenting this proposed solution to you. And everyone seems to agree that if the Vice President announces an Administration position favorable to the unions at the Council meeting, both the governors and the Congress could react very negatively. There is a danger that such an announcement would make a complex and studied welfare implementation decision look like a mere gift to the unions.

Recommendation: There was consensus that it would be best if the Vice President did not raise the minimum wage issue at the Council meeting. Nevertheless, members of the Vice President's staff could give John Sweeney some private assurances that the Administration will soon put out its position and that the key questions -- most notably, whether workfare participants count as "employees" for purposes of the minimum wage law -- will come out his way. When asked about the issue, the Vice President should make a strong statement of principle that workers shouldn't be paid a subminimum wage, whether or not they come off the welfare rolls. But he should also be careful to note that the Administration is still in the process of developing its final positions on the complex issues arising from the intersection of the labor laws and welfare law.

This approach will not fully satisfy members of the AFL Council, who would prefer a clear and public statement of the Administration's position at or prior to the Council meeting,

but it will minimize the likelihood of a backlash from governors and/or Congress, by giving the Administration time to refine its position so as to make it more palatable to the states and by issuing the position in a non-political setting.

THE WHITE HOUSE

WASHINGTON

cc: w/ incoming
Bob Nash
good college
friend
Young - I'd like to help
Bill

February 13, 1997

Andy Wolcott
4116 Holloway Drive
Salt Lake City, Utah 84124

Dear Andy:

Thanks for your kind note. I was so pleased you were here for the luncheon though I'm sorry you weren't able to visit with Hillary. Surely, there will be another, less hectic, time -- either here or in Utah.

Also, I'm grateful for your willingness to serve the Administration and have made Bob Nash, Director of Presidential Personnel, aware of your offer.

Tell Michelle I got a great kick out of the service she received after the Inaugural -- hope to see you again soon.

Sincerely,

Bill

Andrea (Andy) Wolcott
January 25th
cc Rose Mauree

Dear Bill,

It was a singular honor to have been invited to join the group in celebrating your second inauguration last Saturday. To say that it was well worth the trip is an understatement but as I told you, I wouldn't have missed it! It's always good to see you, whether at the White House or not, but especially so there you belong.

Please extend my thanks also to Hillary. I had hoped to have the chance to meet her on Saturday but with a plane to catch and long lines to visit with her, it was not to be – next time.

Michelle and Melaine came from Chicago and Salt Lake to be there on Monday for all of the events, a once-in-a-lifetime opportunity they're not likely to forget any time soon.

They had a great time & you'll be amused to know that back in Chicago a day or two later Michelle received a (most welcome) phone call from a young Secret Service agent she met at the Inaugural Ball ~ just checking to see that she got home OK – now that's service!

As you set out on this second term, you'll need more of those "people to do great things" Kit talked about. Although there's much I still want to accomplish here at the Fed, I'm also interested in contributing more directly to your success. I can send you more to work with than just a statement of interest if you wish.

In any case, I look forward to seeing you the next time I'm in Washington (or you're in Utah.) Incidentally, the Escalante Grand Staircase monument was a great idea ~ you might be surprised at how many Utahns think so.

Thanks again, Andy

THE WHITE HOUSE
WASHINGTON

February 14, 1997

Bob --

Attached is a letter to the President from Stephanie Weldon, a Georgetown friend of his who is a GAO lawyer working on a critical study of the U.S. Civil Rights Commission. In her letter, Weldon tells the President that the Commission is a mess and proposes that she be appointed to the position of Staff Director to help straighten it out. How do you want to handle this?

Todd Stern

cc: John Podesta
Chuck Ruff

Phil -
Any idea how to handle?
She's a G-town friend -
TS

9026 Fairview Road
Silver Spring, MD 20910

31 January 1997

The President
The White House
Washington, DC

'97 FEB 13 AM8:52

Dear Bill,

First let me say congratulations and offer all of our best wishes and hopes for the next 4 years. Also let me say how much my whole family enjoyed the lunch party on January 18. It was thrilling and just plain fun to see you and the classmates and to be in the White House as your home, rather than a national monument. Thank you for being such a good friend, remembering us, and wanting us to share in your joy.

I do want to talk a little bit about some work I am doing now because it is in an area which you made clear in your Inaugural speech is very important to you–Civil Rights. I am currently an attorney with the U.S. General Accounting Office doing an extensive study of the U.S. Civil Rights Commission in anticipation of hearings this spring on its reauthorization. The current authorization expired last September 30.

What I am telling you is not public knowledge yet, but I believe I have a good reason for telling the Boss. Although our work is still in the drafting stage, what we have discovered over the last six months is extremely disconcerting. The commission is a deeply troubled, mismanaged, divided and internally mistrustful agency. This in turn has created extreme animosity between itself and the Chairman of its House oversight committee and his staff, which could have disastrous effects on it when the Congress begins consideration of the commission's reauthorization.

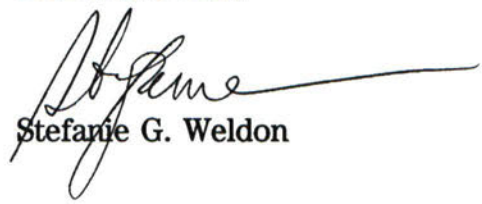
When I started the investigation, good Democrat that I am, I was prepared to believe that the agency was just being picked on by big, bad Republicans and that if we could get an accurate picture and portray it fairly, then the partisan pressures would go away. This, however, is not the case. The agency is unproductive, secretive, threatening to its employees, lacks all manner of fiscal controls, and in general presents a face of obfuscation and obstruction to all who question it. Sadly, the source of much of the difficulty at the present time appears to be its current Chair. This is why I am writing to you now. The most important administrative position at the Commission, the Staff Director, is appointed by you with the approval of a majority of the Commissioners. The prior staff directors have been under the Chair's influence and have perpetuated the many problems. The last staff director resigned abruptly last December having perturbed Chairman Canady to the point that he had inserted in one reauthorization that the Staff Director could be removed by a majority of the Commissioners. The Office of Personnel

Management released its report on the agency and found, among many other things, that the current acting Staff Director was illegally hired and that she should fire herself.

My concern is that the Chair will bring some pressure to bear to appoint a new Staff Director quickly, which if the Chair has a voice in the selection, could further exacerbate the situation. Knowing what I do about the agency and with my experience as Counsel to two large Navy organizations and to the Deputy Assistant Secretary for Civil Rights at the Department of State, I would like to ask you to consider my appointment to the position of Staff Director. I believe that I could bring knowledge and an outsider's integrity to the organization in the hopes of keeping the agency alive.

I have enjoyed my eight years here at GAO, learning much about the legislative process, agency oversight and critical analysis. I would like to bring those special GAO skills to an agency greatly in need of a fresh start and to serve in the Executive Branch under a Democrat. If, in your mind, this proposal merits any consideration, I would be honored.

Sincerely yours,



Stefanie G. Weldon

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 2-14

TO: Robby Sylvia

FROM: Staff Secretary

We should talk to JK about Staff Sec. travel. I do think we should go on ~~another day~~ longer trips. We should discuss what cutoff ought to be. We've never gone on same day & I don't feel strongly about overnights - my sense is if we're getting into 3 days, two nights or longer, it makes sense for us to go. Let me know when you want to talk. RO

TRAVEL AUTHORIZATION

WHITE HOUSE OFFICE

NUMBER: _____

DATE OF REQUEST: 2/14/97

Please Print

Last Name	First Name
Howell,	Helen

Extension:	Room:	
62702	Gd Fl WW	☒ White House Staff ☐ Advance ☐ Other:

2. PURPOSE(S) / **EVENT DATE(S)**

PURPOSE(S)	EVENT DATE(S)
Accompany President to Events in New York and Boston	2/18/97 and 2/19/97

3. ITINERARY *(List all cities including those through which flights are routed):*

Origin: Washington, D.C.

Destination: New York, New York
Boston, Massachusetts

Return to: Washington, D.C.

4. DEPARTURE

Date:	Time:	Mode:
2/18/97	7:40 am	Govt Trans

RETURN

Date:	Time:	Mode:
2/19/97	3:00 pm	Govt Trans

5. FUNDING SOURCE:

☒ Official ☐ Political ☐ 501 (c)(3) ☐ Other: _____

Note: *For travel funded by political, 501(c)(3) or other sources, an approved "Travel Expenses From Outside Source" form must be attached.*

Please Read Instructions Regarding Travel Expenses on Reverse side of this Form

6. SPECIAL EXPENSES

☐ Mini-Van Rental ☐ Privately Owned Vehicle ☐ Standard Vehicle Rental

Hotel:

Per Diem: **Air Fare:**

7. TRAVELER'S SIGNATURE

Helen P. Howell

(I have read and agree to the terms set forth on the reverse side)

8. FORM COMPLETED BY: *please print*

Carolyn E. Cleveland

9. APPROVING SIGNATURES:

Office Head:

Political Travel Approval *(for political travel only):*

Chief of Staff:

10. FOR ADMINISTRATIVE OFFICE USE ONLY

OFFICE CODE:	TOTAL OBLIGATED COST:	TRIP CODE:	AIRFARE:

(REV. 4/96)

ORIGINAL (Return With Voucher)

★ U.S. GPO: 1996-420-180/40174

THE PRESIDENT HAS SEEN
2-14-97

'97 FEB 11 PM6:29

THE WHITE HOUSE

WASHINGTON

February 11, 1997

MEMORANDUM TO: THE PRESIDENT
THE VICE PRESIDENT

FROM: RAHM EMANUEL
JOHN HILLEY
WENDY SMITH

SUBJECT: POLITICAL REFORM

OBJECTIVES: There are three objectives we must accomplish over the next five months. We must reinstate the Administration's credibility on political reform. We must pass and sign into law bipartisan campaign finance reform. And finally, we must establish a solid working relationship between the Administration and outside political reform groups.

Advocating bipartisan campaign finance reform, although essential, is only one step in an overall approach to political reform. The best analogy to campaign finance reform is the 1994 Crime bill. Passing and signing the Crime bill into law was only one piece of the Administration's crime agenda. The Brady Bill and the Crime bill provided credibility and additional leverage that allowed the President to seize the crime issue.

It is important to remember that unlike the Crime bill, campaign finance reform is the final step on the Administration's political reform agenda. Previous steps include; the Motor-Voter Bill, the 1993 elimination of taxpayer subsidies for lobbying expenses, the first overhaul of lobby disclosure laws in fifty years, and our attack on individual special interests (i.e. gun lobby corporate tobacco, and big banks.)

We must always put our campaign finance reform efforts into a larger context. The more we relate campaign finance to our previous political reform record, the less defensive our efforts appear.

These objectives require a focused and determined effort. The Administration's communication strategy, the schedule of the President and Vice President, and Administration's actions must follow a comprehensive strategy.

LANGUAGE: ~~The public does not care about campaign finance reform as much as breaking the influence of special interests~~. Public opinion survey after survey indicates a public more antagonistic towards special interests than they are in demanding campaign finance reform.

This attitude provides the Administration with a unique opportunity. If you look at previous political reforms, (i.e. the 1993 elimination of taxpayer subsidizing lobbying expenses, the 1996 lobbyist disclosure act, the Brady Bill, Assault Weapons ban, Ban on tobacco advertising, etc.) Each initiative represents a concerted effort to break the political system free of special interest influence.

Campaign finance reform must be cast in similar language. Our effort to pass campaign finance reform is not new. It is part of a larger political reform agenda targeted at the special interests.

We are aware that at first the press will ridicule such a claim. However, laying claim to a political reform record and portraying our push for campaign finance reform in the context of freeing the system of special interest influences can serve a number of purposes; it will remind the public of our political reform record, rightfully claim ownership to the most persuasive rhetoric and move the Administration efforts for campaign finance reform out of a pure defensive tactic to a proactive agenda.

AGENDA: In the coming months we have a number of opportunities to highlight our reform agenda. Each event and speech must advance our goal of passing campaign finance reform and build our political reform agenda. In addition to announcing new co-sponsors to the bi-partisan campaign finance reform legislation, which we are scheduled to do Tuesday, we must soon announce our National Citizens Committee.

The National Citizen Committee for campaign finance reform is essential to any credibility on the issue. The press and outside groups see this as key to the sincerity of our intent. If we cannot name a full committee within the month, then we must name National co-chairs by the end of the month.

The next item on the agenda is our appointments to the FEC. There are three openings on the board. The appointments we control must communicate a commitment to reform. These appointments to the FEC should be seen as opportunities to establish our credibility.

The gambling commission is another opportunity to reiterate our commitment to political reform. Significant upcoming events are the March 11th Paul Taylor Free TV symposium, the anniversary of the lobbying disclosure legislation, the FEC supplement funding, and the request of the FEC to review soft money restrictions.

OUTREACH: Part of our first step towards reform is reaching out to political reform groups. These groups are similar to other constituency groups. They must feel a connection to the Administration and their efforts. We were successful at establishing and maintaining relationships with law enforcement groups during our work on the Crime bill because we reached out and included them in our efforts. We need to set up the same outreach operation for political reform groups. Public Liaison need assign a staff member to political reform groups who not only communicates to them the President's efforts but also involves them in those efforts.

LEGISLATION: We are planning an internal meeting this Wednesday to begin developing a legislative strategy that reflects the objectives outlined in this memo.

WASHINGTON
February 14, 1997

To: Bruce Lindsey

From: Phil Caplan

cc: Dorskind
Hale

STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

ANGUS S. KING, JR.
GOVERNOR

February 13, 1997

The Honorable William Jefferson Clinton
President of the United States
The White House
Washington, D.C. 20500

'97 FEB 14 AM9:13

Re: American Airlines

Dear President Clinton:

As the final few hours of the negotiations between American and their pilots approach the midnight Friday deadline, I would urge you to take all available steps to avert a strike.

Although Maine is not directly serviced by American Airlines, many Maine citizens make American connections through Boston's Logan Airport, Maine goods are transported on the airline and some Maine companies are vendors to American. Its cessation of flights, even for a short term, would have direct detrimental impact upon our state.

I would not urge you lightly to enact the extraordinary powers available to you in the event the parties do not settle before the deadline, but I do think that such action in this case is justifiable due to the economic impact a strike at American would have on our citizens.

Thank you for your consideration of this action.

Sincerely,

Angus S. King, Jr.
Governor

PHONE: (207) 287-3531(Voice)

PRINTED ON RECYCLED PAPER

FAX: (207) 287-1034

2/14
original to
McCurry
&

THE WHITE HOUSE

WASHINGTON

February 14, 1997

MEMORANDUM FOR MIKE MCCURRY

THROUGH: TODD STERN Rec'd for Todd

FROM: JIM DORSKIND

SUBJECT: PRESIDENTS' DAY, 1997

Attached is the President's message for PRESIDENTS' DAY, 1997, which you may want to release to the media.

Thank you.

THE WHITE HOUSE

WASHINGTON

PRESIDENTS' DAY, 1997

I am pleased to join all Americans in celebrating Presidents' Day, 1997.

Each year at this time, we reflect with pride and gratitude on the achievements of our former Presidents; and we pay special tribute to George Washington and Abraham Lincoln, two extraordinary leaders whose clarity of vision and strength of character did so much to shape our country's destiny.

Presidents Washington and Lincoln led America at pivotal moments in our history, moments that profoundly affected our nation's character and course for decades to follow. George Washington helped to win our liberty and give us a democracy strong enough to endure through the centuries and flexible enough to survive the fresh challenges that face each generation of Americans. During the dark days of the Civil War, Abraham Lincoln held together the frayed fabric of our Union and reaffirmed our founders' commitment to the self-evident truths of liberty and equality.

Today we stand at another defining moment in our national journey. We must chart a course for America into a new century and a new millennium. Inspired by the wisdom of Washington and strengthened by the determination of Lincoln, we will build a new American community, based on responsible citizenship and a resolve to realize the full potential of all our citizens. In this way, we can best keep faith with the remarkable leaders whose memory we honor today.

Best wishes for a wonderful observance.

Bill Clinton

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

PRESIDENTS' DAY, 1997

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Best wishes for a wonderful observance.

WILLIAM J. CLINTON

# # #

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 2/14/97

John Podesta
TO: Bruce Reed
Gene Sperling
FROM: **Staff Secretary**

Thought you should see this

Phil Caplan

cc: Jim Dorskind for reply

Original letter
to Dorskind for response

Communications Workers of America
AFL-CIO, CLC

501 Third Street, N.W.
Washington, D.C. 20001-2797
202/434-1110 Fax 202/434-1139

Morton Bahr
President

FEB 13 1997

February 10, 1997

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

Dear Mr. President:

In general, I enjoyed listening to your State of the Union address. You have done an excellent job in highlighting the need to focus on education and indicated many important innovations in that area. As you know, I am particularly pleased with the references to continuing education and lifelong learning, as I discussed with you briefly the evening before.

Unfortunately, for most of us in CWA and the Labor Movement, your special mention of Sprint was most disappointing. For more than five months, on three separate occasions, I have written to the White House and our staff has called regarding this continuing special treatment. Your staff is well aware that Sprint is currently the worst violator of this nation's labor laws in decades. On December 31, the National Labor Relations Board issued a final decision finding Sprint liable for the firing of nearly 200 Latino workers at its wholly-owned subsidiary, La Conexcion Familiar. Mr. President, this closing occurred two and one half years ago, yet Sprint continues to refuse to comply with the NLRB. The liability is currently more than $10 million, making it the highest such penalty connected to a union organizing effort in recent U.S. labor history.

As you know, American workers, their unions, and even the NLRB have found it impossible to protect organizing rights in our nation. Sprint has now become the leading symbol of the total intolerance of corporate management to accept organization of their own workers.

I would ask that the White House no longer vet Sprint or its management in any way. Further, I would ask that our organization be able to discuss this issue further with senior White House staff.

On a brighter note, we look forward to working with you to implement your agenda for the next century.

Sincerely,

Morton Bahr
President

cc: Erskine Bowles
Doug Sosnick

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 2/14/97

TO: Sandy Berger
John Podesta
John Hilley
Bob Nash

FROM: Staff Secretary

I thought you should see this.

Phil Caplen

cc: Chris Walker for reply

original letter sent to Chris Walker for reply

CHARLES B. RANGEL
15TH CONGRESSIONAL DISTRICT
NEW YORK

DEPUTY WHIP

COMMITTEE:
WAYS AND MEANS
RANKING MEMBER
SUBCOMMITTEE ON TRADE

JOINT COMMITTEE ON TAXATION

Congress of the United States
House of Representatives
Washington, DC 20515–3215

2354 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–3215
TELEPHONE: (202) 225–4365

DISTRICT OFFICES:
MS. VIVIAN E. JONES
DISTRICT ADMINISTRATOR

163 WEST 125TH STREET
NEW YORK, NY 10027
TELEPHONE: (212) 663–3900

2110 FIRST AVENUE
NEW YORK, NY 10029
TELEPHONE: (212) 348–9630

PLEASE RESPOND TO
OFFICE CHECKED

FEB 13 1997

February 4, 1997

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

Dear Mr. President:

At the beginning of your first term, I was privileged to chair a group of prominent African-Americans who met with your transition team and then with Secretary of State Warren Christopher. Our main concern was the appointment of African-Americans to senior levels of the Department of State and the other agencies which determine U.S. foreign policy. We were pleased that we were able to impact upon the appointment process and that you appointed the first African-American to serve as the Deputy Secretary of State as well as the first African-American to serve as Assistant Secretary for Africa.

Early appointments of African-Americans to significant decision-making positions in the foreign policy agencies were not sustained, and by the end of your first term the number had decreased and was lower than at the beginning of your first term. I believe it is vitally important that our foreign policymakers reflect the diversity of our society, and that you have the benefit of the foreign policy talent and experience in the minority community.

I am, therefore, particularly concerned that there are no African-American candidates under consideration to serve at the highest levels of the Department of State and as U.S. Ambassadors. We are unaware, for example, that African-Americans are being considered for any of the senior positions in the Departments of State or Defense, the National Security Council, the office of the United State Trade Representative or the National Economic Council. Traditionally, African-Americans are the last to be considered and selected for critical foreign policy positions and it appears that this historical reality may be repeating itself.

I ask you to personally intervene with those who are selecting the leaders of foreign policy initiatives for your second term, to ensure that African-Americans with experience in foreign affairs be seriously considered for senior policymaking positions in these agencies and to serve our nation as Ambassadors.

I would like to reconvene the group of African-American leaders who assisted your Administration in the decision-making process of your first term, to assist again in the vitally important process of inclusion of African-Americans in the leadership of your foreign policy team and to assist the Secretaries of State and Defense as well as the Office of White House Personnel in their effort to select a foreign policy leadership that looks like America. As the selection process is well underway, I ask that a meeting be scheduled as early as possible and certainly within the next week.

I await your response and look forward to working with you and those who are staffing your foreign affairs agencies.

The attached list are the individuals that I am working with. I will also be calling on former Secretary of State Lawrence Eagleburger with whom I worked on this matter earlier.

Sincerely,

CHARLES B. RANGEL
Member of Congress

Enclosure
cc: Erskine Bowles, Chief of Staff
Hon. Madeleine Albright, Secretary of State
Hon. William Cohen, Secretary of Defense
Bob Nash, Director of White House Personnel
Ambassador Charlene Barshefsky, United States Trade Representative
Hon. Samuel Berger, National Security Advisor
Robert Kyle, Director National Economic Council

CBR/mr

Foreign Affairs Diversity Task Force

Ernest Green

Richard Mays

Amb. Don McHenry

Amb. Irvin Hicks

Amb. Horace Dawson

Hon. William Gray

Amb. Edward Perkins

Amb. John Reinhardt

Amb. Anne Forrester

C. Payne Lucas

Randall Robinson

Mel Foote

Gay McDougall

Prof. Ernest Wilson

Prof. Ron Walters

Mr. Salih Booker, Council on Foregin Relations

Mr. Michael Brown, Ronald Brown Foundation

Dr. Edison Jackson, Medgar Evers College

Dr. Julius Coles, Ralph Bunche International Affairs Center, Howard University

Cong. Donald Payne

Cong. Maxine Waters

Cong. Alcee Hastings

Cong. Cynthia McKinney

Alan Wheat

Vivian Derryck

Wandra Mitchell

CBR/mr

thru staff sec cc: Streett/Hawle

'97 FEB 14 PM5:38

HARVARD SCHOOL OF PUBLIC HEALTH

Deborah Prothrow-Stith, M.D.
Assistant Dean, Government and Community Programs
Professor, Public Health Practice
Department of Health Policy and Management

Post-it™ brand fax transmittal memo 7671	# of pages ▸ 3
To N. Hennrich	From Deborah Stith
Co.	Co.
Dept.	Phone #
Fax # (202) 456-6703	Fax #

February 13, 1997

Dear Mr. President:

I am excited to learn of your plans to come to Boston and celebrate our success in reducing the youth violence rate in the City. It is important that the success be attributed to the thousands of people (including the police) in the city who have worked on violence **prevention** and not just a single new policing strategy. I have enclosed a copy of a Boston Globe opinion editorial piece that I wrote with a colleague addressing this concern. I am available to answer any questions you have and certainly can arrange for you to meet any of the heroes we mention in the article.

The First Lady filmed a video for the group of parents who lost children to violence and formed the National Coalition of Survivors of Violence. Many of the Coalition members are here in Boston and are partially responsible for Boston's success. I know they would be honored to meet with you during your visit. In order to encourage their work and sustain the myriad of prevention programs that have been in place over the last decade and a half, I am asking that your visit not highlight policing and probation strategies to the exclusion of others.

I really appreciate your attention to this issue and look forward to your visit.

Sincerely,

Deborah

Deborah Prothrow-Stith

the Stith's are friends of the President. !

Mailing Address: 677 Huntington Avenue, Boston, MA 02115
Location: 718 Huntington Avenue, 1st Floor, Boston, MA 02115
Office: (617) 432-0814
Fax: (617) 432-0068

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02 13 97 05:18PM *O N E P01

THE BOSTON SUNDAY GLOBE • NOVEMBER 24, 1996

There have been no juvenile homicides in Boston so far this year. Why are the rates declining?

Turning the tide on violence

DEBORAH PROTHROW-STITH and HOWARD SPIVAK

We started 14 years ago.

Recent national media attention has focused on the great news that there has not been a single juvenile homicide in Boston so far this year. US Attorney General Janet Reno is reporting Boston's success to numerous audiences, and news organizations around the country are highlighting the achievement. Unlike times when there was sporadic decline in juvenile homicide, there appears to be a clear three-year trend under way, and 1996 may end with zero juvenile homicides.

This news merits careful analysis. Why are the rates declining? What has happened in Boston to cause this reduction? What can we learn that will help sustain it?

As we try to understand the reasons for Boston's reduction in youth homicide, we should be mindful of the many factors that contribute to youth violence and the many violence prevention initiatives that exist in Boston.

There is a common tendency to look to police for explanations of rises and falls in violence. The Boston Strike Force has been given well-deserved credit for contributing to the decline in juvenile homicides. However, to limit our understanding of the problem and its solutions to policing interventions alone would limit our ability to assure that the decline in violence will be sustained. There is not a single cause for the epidemic of adolescent violence that affected Boston in the 1980s, and there is not a single effort that has caused this notable decline.

Over the years, thousands have been trained in prevention programs.

One program that has helped in the decline of adolescent violence is the Boston Program for High Risk Youths, started in 1982 at Boston City Hospital. It was funded by the Robert Wood Johnson Foundation to address adolescent violence as a public health problem.

Applying public health techniques to violence prevention meant planning a diverse and comprehensive set of strategies that would be employed for many years. The basic strategy of the Boston Program was to train youth-serving professionals in the key ingredients needed to address the problem of youth violence and assist them in developing a program to integrate into their agency and work. One ingredient emphasized during the trainings is to focus on prevention strategies and not just ways to respond to violence.

Over the years several thousand professionals from Boston's schools, youth programs, human service agencies, police and criminal justice, religious institutions, business groups, recreation programs, [illegible] and hospitals, residents of public housing and teenagers were trained in violence prevention. This has resulted in numerous spinoffs, prevention programs and efforts.

Obtaining a thorough chronological inventory of violence prevention programs and activities in Boston to compare it statistically with that of other cities would be complicated and expensive. Without such an inventory, however, it remains important to highlight a few of the noteworthy efforts and programs in order to support and encourage those who struggle daily to maintain them.

"The Violence Prevention Curriculum for Adolescents," published in the August issue of the Journal of Adolescent Health, associates declines in student suspension rates with using the curriculum in two Boston public high schools.

In 1990, the Boston City Hospital Violence Prevention Program (now the Adolescent Wellness Program) began a project of visiting and providing special violence prevention counseling to adolescents admitted to the hospital for gunshot or stab wounds and to their friends and family. A safety plan is developed for each patient, and follow-up includes more than attention to the physical wound.

Citizens for Safety was founded in 1990. It has held several gun buy-back programs in conjunction with the police and has sponsored several neighborhood-based public policy initiatives.

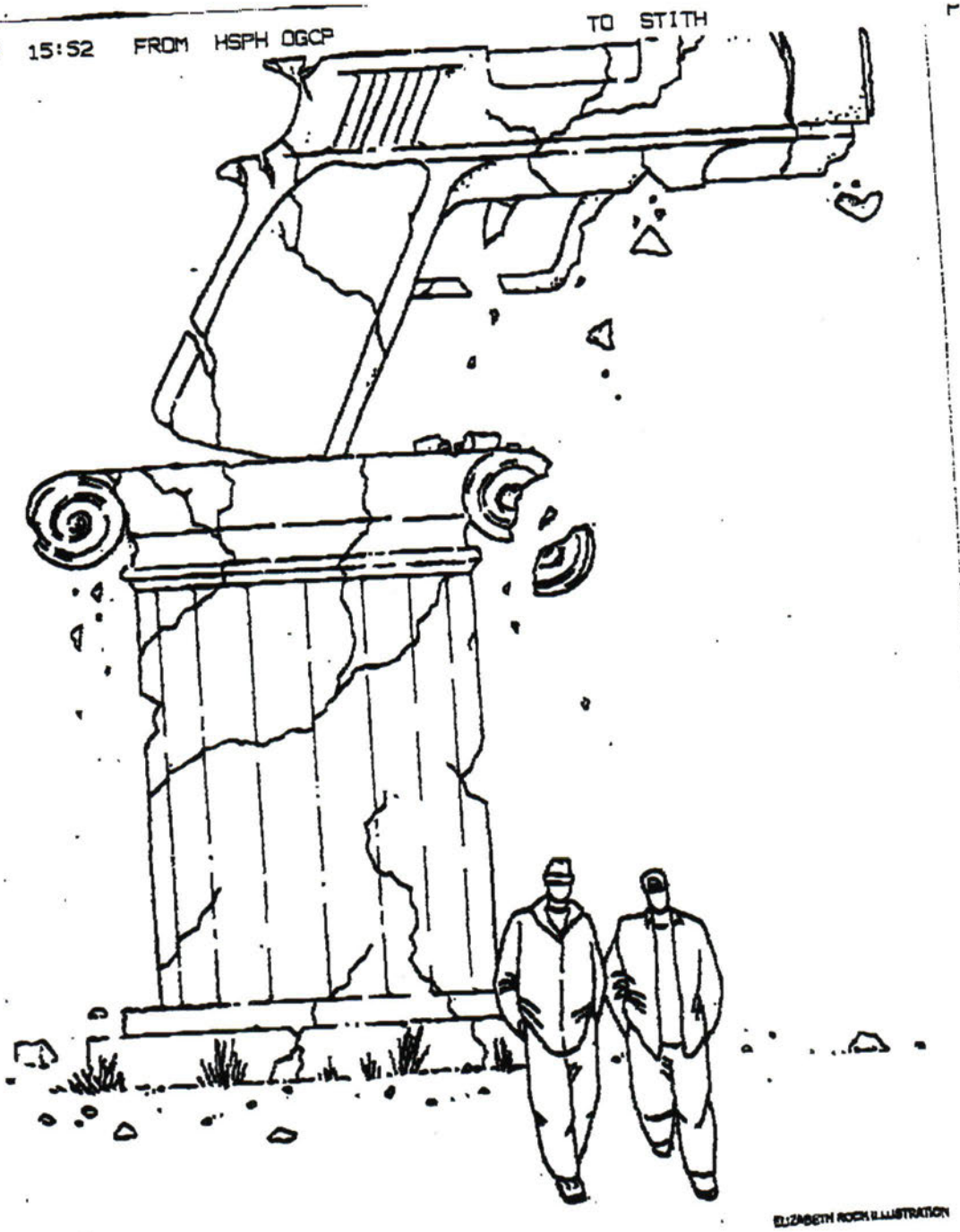
Joseph and Clementina Cherry started the Louis D. Brown Peace Curriculum after their son was killed in 1992. Now it is used throughout the Boston Public Schools.

Ann Bishop, director of the school-based clinic at Brighton High School, has been teaching violence prevention to Boston teen-agers for 12 years and runs a special initiative for students who have experienced or witnessed violence. Her students developed and produced a rap song on violence prevention.

Peter Stringham, a physician at East Boston Health Center, has been teaching his patients violence prevention strategies for years. He has been providing anticipatory guidance around discipline practices and their arguing patterns as early as the first well-baby visit. He also teaches other physicians to do the same.

Boston City Hospital has a special program for children who witness violence, and the Harvard Community Health Plan Foundation has sponsored parent information brochures on television-watching and disciplinary techniques in addition to their "Think – Violence is for Those Who Don't" campaign. WBZ-TV's "Stop the Violence" campaign is four years old and represents a concerted media blitz with measurable impact on public policy and funding for domestic violence initiatives.

Numerous other programs have been established over the past decade, including Gang Peace, the Living After Murder Program of the Roxbury Comprehensive Health Center, the peer leadership programs at the local health centers, and the teen peer theater



ELIZABETH ROCH ILLUSTRATION

and education group, W.E.A.T.O.C.

The list goes on and on and includes several new initiatives, such as the national "Squash It" campaign, which focuses on using the media to make it acceptable to walk away from fights. National initiatives that have complemented efforts here include the Children's Defense Fund's Safe Start Initiative, the Center to Prevent Handgun Violence's efforts, the American Medical Association and the American Academy of Pediatrics and several publicly funded programs from the Centers for Disease Control, the National Institutes of Justice and the Department of Education.

A lot of us started 14 years ago. Those responsible for the prevention programs and activities are numerous and only a few have been mentioned.

While we are moving in the right direction, we must not become complacent, fall back on overly simple, one-dimensional solutions or assume that the epidemic is over.

We are all stakeholders in continuing and even furthering Boston's successes. The challenge is to celebrate the current efforts as well as look for better ways to protect children. This requires enhanced resources from philanthropy, business and government. Our children's lives depend on it.

Dr. Deborah Prothrow-Stith is professor of public health practice at Harvard School of Public Health. Dr. Howard Spivak is vice president for community programs at New England Medical Center.

THE PRESIDENT HAS SEEN
2-14-97

Department each month overstates the actual rate of inflation, but it is reluctant to rush into what may prove to be ``an easy fix."

Instead, the report suggested issuing two indexes, at least for the time being: the current monthly statistics, which would be used to track inflation in the economy, and a delayed, more comprehensive index that would be used to adjust Social Security benefits and tax brackets.

The report also predicted that, with no major imbalances to overcome, the economy would remain strong in 1997 and beyond, with overall output growing at a 2 percent annual rate this year, the unemployment rate remaining at about 5.3 percent and inflation in the 2.6 percent range.

B RMcGinty
Is this a good thing?
Bc

Clinton Makes Fervent Pitch for Standardized [illegible]
(Annapolis, Md.) By Elizabeth Shogren
(c) 1997, Los Angeles Times

ANNAPOLIS, Md. President Clinton tried to head off grassroots resistance to his education initiatives Monday, saying that America's children will be hurt and ``the rest of the country will pay the price" unless schools begin administering nationwide tests of student performance.

The president made his most fervent and lengthy pitch yet for his proposal to institute standardized tests to ensure that all fourth-graders have learned to read and all eighth-graders are proficient in math.

The proposal, perhaps the most controversial of Clinton's broad package of education initiatives, has been criticized by some educators and politicians as an attempt by the federal government to usurp state control over education.

``That's nonsense," Clinton said in response. He accused his opponents of hiding behind a ``very small fig leaf," and suggested the only way U.S. students will be able to catch up to those in other industrialized countries is if people stop talking about states' rights and start giving students national tests that reflect global standards.

``I say, from Maryland to Michigan to Montana, reading is reading and math is math," Clinton told members of the Maryland Legislature gathered in the ornate House chamber of the state capitol. ``No school board is in charge of algebra, and no state legislature can enact the law of physics."

Although Clinton made a point of describing his quick trip to Annapolis as an effort to persuade states to support his education priorities, he was clearly preaching to the converted in Maryland, where both legislative houses are controlled by Democrats and state officials already are pursuing education initiatives similar to the president's.

``He has very little to sell here," said Nancy Grasmick, Maryland's state superintendent of schools, adding that the president's proposals are ``totally congruent with what Maryland is doing."

But the president clearly would receive mixed reviews on his testing proposal in many other state capitals, and in Washington the GOP-controlled Congress has already expressed skepticism.

``This is not the federal government's job. It's the state's job," said Robert Calfee, a professor of education and psychology at Stanford University and a co-chairman of the California commission charged with developing statewide academic standards.

``If you're going to move ahead on a nationwide test, it makes sense only if you move ahead with nationwide curriculum," he added. ``But then states would ask, `Why is the federal government is taking over our responsibility?' "

California's experience shows how controversial even statewide tests can be. Its latest statewide exam system was dismantled a few years ago amid criticism from conservatives that it failed to measure basic skills and was intrusive. The standards being developed by Calfee's commission will likely be turned into a new statewide assessment system, but new tests are not expected to be ready for classroom use until after 2000, Calfee said.

Most states, however, do have their own statewide testing programs. They also use the National Assessment of Education Progress Test to evaluate a sample of their students. Clinton's proposed fourth-grade reading test would be modeled on this exam, and the eighth-grade math evaluation would be derived from the Third International Math and Science Study, a test that the United States and a dozen other nations use to determine and compare student achievement in those subjects.

``We've got the most diverse democracy in the world," Clinton said. ``Who are we kidding that we're going to create the kind of country we want where everybody's got a chance to make it when we haven't even taken the first elemental step to say, here's how everyone should read by the fourth grade, here's the math everybody ought to know by eighth grade."

Clinton Administration Plans Campaign to Thin Forests (Washn) By James Gerstenzang
(c) 1997, Los Angeles Times

WASHINGTON Despite fears the idea prompts in the West, the Clinton administration is launching a major campaign to thin U.S. forests by igniting more controlled fires and allowing a greater number of naturally occurring blazes to burn themselves out.

Interior Secretary Bruce Babbitt will open the campaign in a speech Tuesday in Idaho, and the administration intends to more than double, over several years, the amount it spends for planned fires. The plan reflects a reversal of a century-old policy under which the federal government and state agencies deployed whatever forces were necessary in a war-like stance to extinguish all forest and grass fires as quickly as possible.

While the federal policy shift began a decade ago, forest managers have been slow to put it into practice. Forestry experts complain that there has been a dangerous gap between the continuing practice of fire suppression and the policy of starting or allowing burns in forests where they destroy undergrowth but leave mature healthy trees undamaged.

Babbitt's campaign is part of a broader focus on the health of the nation's forests, and puts the administration in the middle of a battle involving timber companies, Congress, environmentalists, state agencies and local communities over how to protect forests while also taking advantage of their timber as a natural resource.

Those who favor greater use of fires say it is the best way to help forests and reduce the number of out-of-control blazes that have ravaged the West in recent years.

But critics in California and other forest-rich states say supervised fires can burn out of control, threatening the communities and fouling the air, while timber interests want to make sure the policy won't diminish the number of trees for logging.

At stake, proponents say, is nothing less than the future health of millions of acres of ponderosa pines and other old-growth stands of western giants, and the safety of communities throughout the fire-prone states from Arizona to Montana and west across the Sierra range to the Pacific shores: Will they be destroyed in catastrophic, uncontrolled fires, or can their health be maintained through limited, controlled burning?

Environmentalists and representatives of the timber industry, nearly always at odds, find themselves supporting a policy of increased burning. But budget concerns and what some describe as bureaucratic inertia stand in the way.

So, too, do concerns that burning forests could create air pollution problems, because where there's fire, there's smoke so thick and choking that during fire season it fouls the air across broad stretches of the West and settles so heavily that its fog-like conditions cause auto accidents.

In California, limited funding has allowed foresters to burn only a few hundred acres a year in Yosemite National Park and other federally run forest land, even though there is a need to burn several thousand acres annually, said Norm Christensen, dean of the Nicholas School of the Environment at Duke University. Thick underbrush remains a potential fire problem throughout many Southern California forests, Christensen said.

As Babbitt explains the problem, it stems from an interruption of a natural process in which fires thin out low-lying brush and saplings that compete with established trees for water and nutrients. Without such fires, the newer growth sucks up ground water and crowds space for roots. The older trees grow spindly and, their immune systems weakened, fall prey to infestation of beetles and disease.

When fires occur, either naturally from lightning or by arson or accident, the brush provides fuel, the younger trees offer ladders for the spreading fire to climb, and the older trees are unable to resist combustion, their green crowns bursting into flame 150 to 200 feet above the ground.

The fires grow so hot that ``the heat can explode a tree a quarter mile away," Babbitt said in a recent interview.

Indeed, he said, the uncontrolled forest infernos of the past decade, beginning with the Yellowstone National Park fire in 1988 and later fires in other western forests, reached an unprecedented intensity as a direct result of the failure to maintain healthy forests with the help of cleansing fires.

The shift in the federal government's emphasis can be seen in budget figures for planned fires. In 1994, the Interior Department spent $4.3

nillion on prescribed burning and the U.S. Forest Service, an agency of the Agriculture Department, allotted $12.7 million, officials in each agency said.

For fiscal 1998, the Clinton administration is asking Congress for permission to spend as much as $62.8 million on similar activities, up from the $36.9 million allocated in the current year.

Environmental groups and independent forestry experts praised Babbitt's emphasis on prescribed burning, and so did representatives of the timber industry.

However, John Heisenbuttel, senior director of the forest resource program at the American Forest & Paper Association, said he is concerned that the administration is focusing too heavily ``on controlled burning as the silver bullet" while ignoring ``mechanical thinning" heading into the forest with chain saws to cut trees for timber.

And within the Agriculture Department, say forestry experts including some in the Forest Service, there is a gap between policy set in Washington and how it is carried out in individual forests.

``Institutional inertia among line managers," as well as the interruption planned fires would cause in logging and recreation in national forests, are responsible for the failure to carry out burning policies set in Washington, Christensen said.

OUTLOOK: Parties Recoil From Bipartisanship
(Washn) By Ronald Brownstein
(c) 1997, Los Angeles Times

WASHINGTON It's getting to the point where someone in Washington is bound to stand up soon and announce that Rodney King got it backward. Tired of the two parties pledging to get along, a gathering chorus of contrarians is asking: Can't we all disagree?

This recoil from bipartisanship is itself thoroughly bipartisan. On the right, it's heard in voices like that of virtuecrat William J. Bennett, the former education secretary, who last week accused Newt Gingrich of ``cozying up" to the left. And there's Christopher Buckley, the witty conservative satirist who last week managed to work up a fine curmudgeonly lather against comity. ``To paraphrase another memorable line in Clinton's second inaugural," Buckley wrote in the New York Times, ``nothing big ever came of being nice."

The left concedes nothing to this grumbling on the right. Arthur Schlesinger Jr., the unofficial curator of the Franklin D. Roosevelt and Kennedy brother legacies, has fired off several essays threatening the First Student in the White House with mediocre grades from history if he doesn't confront the Republicans by crusading for a new wave of government activism. Schlesinger coined the term ``the vital center" nearly 50 years ago, and he considers the agenda President Clinton has assembled under that label today a dilution of the bloodline. ``The vital center from which to navigate the mysterious future does not lie in the middle of the road," Schlesinger solemnly lectured the president in Slate magazine.

Casual readers of the headlines may find all this anxiety a bit mysterious, if not misguided. On a daily basis, Washington seems to be suffering no drought of disagreement. The two parties are beginning a major struggle over a balanced-budget amendment to the Constitution. A sustained guerrilla war seems likely over campaign-finance reform. House Republicans in particular spared few adjectives in lashing Clinton's new budget plan last week.

So ingrained is the reflex of contention that even seemingly unobjectionable ideas provoke it. Several Republican governors already have raised the cry of ``unacceptable federal interference" over Clinton's call for the fedefting responsibility from the government to organizations like churches and charities, the House Republican Conference had this to say about Clinton's call for the mobilization of million volunteers to help teach all third-graders to read: ``Does the president's proposal ask more of volunteers than they can reasonably be expected to do?"

All of this suggests that anyone who enjoys C-SPAN for what it has in common with American Gladiators will not feel entirely cheated this spring. But it doesn't mean that those who suspect the distance between the two parties is shrinking are wrong.

On the central question that has consumed Washington for the past four years the role and responsibilities of the federal government the debate is converging. If the past four years have taught us anything, it is that the public is not willing to let either side restructure the government as thoroughly as it would like. Clinton's efforts to dramatically expand government's reach in his first two years prompted voters to turn toward the GOP in the 1994 election. The congressional Republicans' efforts to rout the welfare state in 1995 were greeted with an equally powerful turn back toward Clintonallel failures, both sides have visibly trimmed their sails this year. With Clinton offering an agenda defined by moderation (and often modesty), and Republicans still leery of being branded as extremists, the range of the politically possible has suddenly contracted into a narrow space just to the right of the political center. In this environment, the differences between the two parties are not trivial, but neither are they fundamental.

The full-scale ideological dust-up; but the debate's impact is bounded by the fact that both sides have already committed to balance the budget, however the vote turns out. And on the budget itself, notwithstanding the GOP criticisms (some legitimate), Clinton's new plan marked the continuing narrowing of the distance between the parties.

Whether the federal government should write new educational tests is an interesting question, but hardly as basic as whether the federal government should retain an Education Department. Besides, that's hardly universal: Michigan's Republican Gov. John Engler has already told Clinton that he wants to be one of the first to implement the new tests.

Even with the House GOP's carping, it's difficult to imagine a real firefight over other Clinton educational priorities like expanding charter schools. The new conservative push (endorsed by the Christian Coalition among others) for more involvement by charities in the lives of the poor suggests that Clinton isn't the only one now looking for less polarizing crusades.

As Bill Pascoe, political director of the American Conservative Union, puts it, almost all of the political debate is now occurring ``between the 45-yard lines." And that, he says, is not a very attractive space for ideologues of the left or the right ``who want to play on the whole field."

Nowhere is this symmetrical frustration more evident than in the debate over the budget. Although pleased with several of Clinton's individual initiatives, liberals fret that his commitment to a balanced like inner-city poverty.

On the right, the fiscal debate is taking an even more surprising turn. James K. Glassman, a leading conservative columnist, recently complained that conservatives were too focused on balancing the budget. His logic: The steady growth in federal revenue from an improving economy has made it too easy to reach balance ``without making significant" reductions in existing federal programs ``and getting reforms is far more important than getting to zero."

Glassman's argument (echoed last week by Wall Street Journnly implicit that for many conservatives the balanced budget is only a means toward their real end: shrinking the federal government as much as possible. Helped by the brightening revenue picture, Clinton is confounding these activists by offering a budget that meets the GOP test of balance by 2002, without eliminating any Cabinet departments indeed while increasing spending on education and training by 40 percent.

Clinton's budget has glaring flaws particularly his tendency to tilt his spending and deficit-reduction until 2001 and 2002. Public investment other than education and training continues to be squeezed partly because Clinton remains cautious about squeezing entitlements. As a share of the economy, domestic public investment in 1998 documents show.

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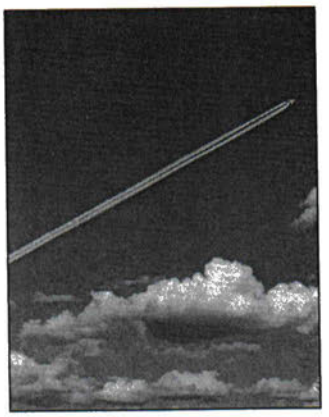
The Economist
JANUARY 11TH 1997

THE PRESIDENT HAS SEEN
2-14-97

How safe is your airline?



WITH the possible exception of the nuclear bomb, no modern invention has inspired such a perverse mixture of gratitude and terror as the jet airliner. From one perspective, the modern passenger aircraft has made the world smaller: Sydney is now only a day's journey from London, Los Angeles an afternoon away from New York. And it has made long-distance travel far more secure, in terms of accidents for distance covered, than any other form of transport—15 times safer than cars in Britain. Yet there are few passengers who do not silently make a prayer every time that they enter an aeroplane, or do not glance up nervously at least once from behind their newspaper during the safety demonstration.

Airlines, aircraft manufacturers and air-safety authorities all like to blame this "irrational" fear on misinformation. Because air crashes are both big and infrequent, they always make the news headlines, whilst the steady, far greater carnage on the world's roads and railways is largely unreported. Besides, add the airlines, customers know that they are being irrational: if they were really frightened of crashes, they would give up flying. Instead, the number of passengers taking to the skies is growing rapidly.

Yet rationality is not always on the airlines' side. If you measure the riskiness by comparing deaths with the number of trips made rather than the miles covered, aircraft score worse than cars. And, thanks to those rising passenger numbers, large air crashes could soon become weekly occurrences (see page 55). In the next decade, worries about safety could become the airline industry's biggest headache—and one of the key battlegrounds between carriers. So it should: this is a matter far better dealt with by the airlines themselves than by bureaucrats or politicians.

You take the high road

Air travel seems to have stopped becoming safer. From 1960 to the early 1980s the introduction of jet engines helped bring down the rate of fatal accidents per 1m landings from around 50 to two (excluding the Soviet Union). For the past ten years, however, the figure for scheduled flights (again excluding the former Soviet Union) has remained stuck at around 1.5 fatal accidents per 1m departures. Indeed, thanks to disasters like the ValuJet crash in Florida and the TWA crash off Long Island, 1996's figure will probably be considerably higher than 1995's figure of 1.3 fatal accidents per 1m departures.

Can this be improved upon, at an acceptable cost? Most crashes, including the many that go under the frightening acronym CFIT (or "controlled flight into terrain"), are the result of "pilot error". In a few cases—such as when a pilot handed over the controls to his son or when a pilot's English was too poor to communicate properly with the control tower—the error appears to be blatant. But in most cases, the term "pilot error" is more complicated: it means only that if the crew had reacted differently, then the crash would not have occurred.

At present, aircraft are driven by an uneven mix of computers and people. So-called "fly by wire" technology means that pilots have less to do; but the new gizmos still need some human help. There is evidence that older pilots in particular have found it difficult to adapt to the new technology: rules should be changed so that seniority counts for less than competence. Pilot training, too, needs to be tweaked. At present, training focuses on how to avoid errors in the first place: fair enough, but greater emphasis should also be placed on how to deal with errors when they are made, as they inevitably will be.

If training needs to become a little more reactive, then exactly the opposite seems to be required in terms of air-safety standards. The cause of air safety currently advances from crash to crash: each disaster ushers in a new range of checks. Rather than waiting for accidents to happen, air-safety organisations should take up the initiative themselves. One good example is promoting new global-positioning satellite technology that should give pilots much more accurate information about their exact position.

Rising on the wings of reason

These changes would probably make air travel a little safer, but never perfectly safe. Indeed, in the foreseeable future, thanks to the increase in the number of flights, the number of crashes is bound to increase. This is a problem of success—more demand, more flights—rather than failure. The solution to it must lie in information and openness. What consumers will want is not information about whether air travel is safe but about which airlines are safest.

Ideally, that information would be provided voluntarily by airlines; but in practice if it is to be trusted it will have to be required by and certified by regulators. This means forcing carriers not only to reveal their number of crashes but also their number of safety-fault violations, average age of planes, near misses and so on. Virtually all these statistics are already collected by air-safety authorities; they are just kept secret.

Airline league tables will be greeted with just as much horror by people in the industry as they have been by doctors. This is both naive and arrogant. The naivety comes in imagining that league tables will not evolve anyway. Consumers already have their own informal ideas of how safe airlines are (remember the character in "Rain Man" who will fly from Cincinnati to Los Angeles only via Australia because Qantas,

Australia's main airline, has never had a crash).

The arrogance comes from assuming that consumers are not sensible enough to weigh statistics properly, balancing long-term safety records against particular recent crashes. Yet, from hospitals to stockmarkets, consumers have usually reacted perfectly intelligently to information. Indeed, once they were better informed, they might well feel more rational about air travel. Once again, this will not bring certainty. "How safe is your airline?" is a question that will always have an incomplete answer. But it is worth asking.

A better sort of Japan-basher

Ryutaro Hashimoto could well surprise his critics by proving to be a radical deregulator. It is in Japan's, and his own, interest that he does

IT HAS not been an easy start to the year for Ryutaro Hashimoto, Japan's prime minister. Since December 17th his government has been embroiled in a terrorist siege, thousands of miles away at the Japanese ambassador's residence in Peru; more than 70 hostages are still being held, some of them Japanese. Back home Japan's 125m people are far more worried about economic matters, and with good reason: the world's second-largest economy appears to be heading downhill again after an upward spurt at the start of 1996. Mr Hashimoto's government is being blamed for being too slow to deregulate and too fast, in its budget for 1997-98, to raise taxes. The Tokyo stockmarket has been tumbling, and so has the yen. And this is hardly surprising, say most pundits—Mr Hashimoto's Liberal Democratic Party, which has ruled Japan for most of the post-war period, was never likely to make the sort of radical changes the country really needs.

Yet that judgment would be both unfair and premature. Unfair, because since October 20th when Japan's election returned Mr Hashimoto and his party to government the prime minister has in fact been a surprisingly bold and enthusiastic reformer. Many of his proposals have yet to become law, but the signs are that Mr Hashimoto is going to shake up the bureaucracy and deregulate the economy far more than most people expected (see pages 19-21). The judgment would be premature not only for that reason but also because this process of deregulation and governmental change is directed at the long term, not the short. And that process is of international importance: it could make the difference between a Japan that is vibrant, confident and outward-looking, and one that is sluggish, jittery and parochial.

A matter of self-interest

Why should Japan make radical reforms? And why should Mr Hashimoto be the man to make them? The second question is the simpler to answer: because public opinion is pressing for reforms, and Mr Hashimoto knows that if he fails to deliver he will hand the fragmented opposition an ideal flag around which to rally. His party fell just short of an overall majority in parliament in October, so he needs the support of some tiny parties and knows that a fresh election may not be far away. He and his party have a selfish interest in change. There is nothing wrong in that. So does Japan.

There is a basic difference between this bout of reform and the many waves of "market-opening" that Japanese governments have announced over the past decade or more. It is that those waves occurred chiefly because of foreign pressure. Today's clamour for reform has nothing to do with American trade negotiators or other foreigners. It is entirely a domestic affair. And it is arising for two quite different reasons.

The first is purely pragmatic. Most areas of Japan's economy are intensely competitive, with Toyota slugging it out against Nissan, say, or Matsushita against Sony. Some, however, remain tightly regulated, with monopolies or oligopolies protected against new entrants, whether Japanese or foreign. This keeps prices high and discourages innovation. While the rest of the economy was booming, few people worried about this. Now, however, Japan has had four lean years; the next four look modest at best; and over the horizon can be seen the heavy burden on taxes and pensions likely to be imposed by the rapid ageing of Japan's population.

This has focused minds on the fact that many of the most protected, highly regulated sectors produce inputs for other companies and so their high prices make everyone suffer. This is particularly true of areas such as telecommunications, air transport, road freight, and wholesale and retail distribution, but it also applies to agriculture and construction. Opening these areas to competition and innovation would lower prices and generate new jobs and activity, just as it did in the 1980s in America and Britain. Those who would lose from deregulation are bound to oppose it, fiercely. Now, however, there is a wider interest in overcoming that opposition. Mr Hashimoto has made a good start in exploiting that interest, but he has a long way to go.

The second reason is philosophical. For years, decades even, most Japanese have believed that although politicians may be corrupt or incompetent, bureaucrats could be relied upon to save the day. Bureaucrats were hardly thought of as civil servants; more like civil masters, really. That is changing. The combination of a long-drawn-out recession and of frequent revelations of bureaucratic dishonesty and corruption mean that today's favourite sport, in politics, the media and among the public at large, is bureaucrat-bashing. The state apparatus is no longer seen as the solution to problems; it is seen as part of the problem.

In this lie both opportunities and threats. Opportunities, because recalcitrant officials will be less able to obstruct the deregulation that Japan needs. Many bureaucrats now support economic deregulation. But threats, too, because it is important in any democracy that there is a basic confidence in the institutions of government, and that is what Japan has lost. To restore it, Japan needs laws to enforce more openness on its ministries and to put checks on bureaucrats' power to make up rules as they go along. Such reforms, like those for economic deregulation, look easier in theory than they are in practice. It will take a bold prime minister to achieve them.

PRESIDENT HAS SEEN
2-14-97

CHANGING JAPAN

Whispering reform

Against all expectations, it looks as if Japan really is reforming its economy

"NOBODY bashes Japan any more; Japan is nothing to anyone," laments Isao Nakauchi, the boss of Daiei, Japan's biggest retailer. An exaggeration perhaps, but not much of one. Gone are the heady 1980s, when Japanese companies seemed unstoppable; when, briefly, back-of-the-envelope calculations suggested Tokyo's land was worth more than the whole of America; when some Japanese and western commentators opined that Japan had developed a form of capitalism newer and better than that practised elsewhere.

All this now smacks of hubris. Seven years after the bursting of the stockmarket and property bubbles, Japan's economy is still struggling. GDP fell in the second half of 1996, a period of strong world growth. So did Tokyo's stockmarket. Since 1992, America's GDP has expanded by a cumulative 22%, Japan's by 6%.

Can Japan bounce back? It has tried everything. Throwing public money at the economy succeeded, in 1992-96, in moderating the slump but it is now incapable of generating sustained growth. Nor, any longer, can Japan export its way out of trouble. In desperation, politicians and some bureaucrats seem to be embracing an idea they have paid lip service to for years: that the only way to get the economy moving is to cut bureaucratic control and deregulate.

In his first speech to parliament after retaining the prime ministership in October 1996, Ryutaro Hashimoto promised sweeping reforms and big reductions in the number and power of ministries. "It is clear," says the new trade and industry minister, Shinji Sato, "that the current Japanese economic system, which supported the half-century of economic development following world war two, has reached its limit."

Well, politicians have been saying this sort of thing for years. What is different now? The short answer is that this time there is more than waffle. In mid-November, for example, Mr Hashimoto said that Japan's financial markets, like Britain's ten years earlier, would get a "Big Bang"; by 2001 broking commissions are to be liberalised, and the walls separating Japan's compartmentalised financial industry torn down. The aim is to reverse the long-term decline in the share of GDP contributed by the financial sector.

Barely three weeks later, the prime minister declared that the finance ministry, Japan's most powerful bureaucracy, would be stripped of its powers to supervise financial institutions. The ministry has been shamed by its bungling of Japan's banking crisis. Supervisory powers are to be transferred to a new independent body reporting to the prime minister. In mid-December, Japan said it would deregulate insurance, one of the most closely controlled bits of the economy and the subject of a protracted trade row with America. Insurance premiums, which are presently fixed will, except in life insurance, be deregulated; insurers will be able to determine their own rates.

The financial sector is not alone. At the moment, in the domestic airline business, would-be carriers have to get permission for every route from the Ministry of Transport, which sets fares and the number of seats available. The ministry has refused to allow newcomers into the business. Now, it seems willing to countenance some competition. The day after Mr Hashimoto announced his financial Big Bang, Skymark, a discount airline, set up shop—the first new airline allowed for more than 40 years.

As with airlines, so with telecoms. In December, the government decided to restructure NTT, the world's biggest telephone company. For the first time NTT will be allowed to offer international calls; in return KDD, Japan's erstwhile state-owned overseas telephone company, and the two other private international telephone firms will be allowed into the domestic market.

A Japan that can say "Help"

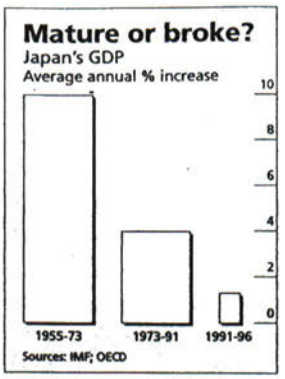
It is a long list and shows that something is genuinely going on: reform is not just talk. Still, the fact of reform is one thing, its real significance another. Japan's economy, after all, though competitive in most areas, remains extensively regulated in parts. There is a lot to do. Are the reforms undertaken or promised so far just piecemeal change, confined to areas where movement can no longer be avoided? Or are Japanese politicians to be taken seriously when they claim the reforms are an attempt to overhaul the entire system of economic management in modern Japan?

A conclusive answer is not yet possible but there are reasons for thinking that, with a couple of qualifications, the process is more likely to prove a bold overhaul than a modest tinkering. The first qualification is that the government has made life more difficult for itself by its fiscal stance. In the budget for 1997 (unveiled on December 25th) government spending is to

The old ways are such a bore

fall only slightly in real terms and rise in nominal terms. True, government borrowing will be cut, but only because taxes will rise. The government is still not resisting all old-style pork-barrel temptations: it will allocate ¥34 billion ($295m) to new bullet-train lines likely to lose money.

A second qualification is that anti-competitive measures could slip through and blunt the deregulatory edge of reform. Consider NTT. The company will not be broken up. Rather, it will become two local firms and one long-distance one, with shares in all three being held by a holding company. Unless the regulator is tough, there is no obvious competitive advance there—and in one respect it is a backward step. In order to push NTT's restructuring through, a ban on holding companies, in force since 1947, will have to be overturned. The ban was originally imposed to promote competition by breaking up the monopoly powers of the *zaibatsu*, conglomerates which once dominated Japanese industry (*zaibatsu* were controlled by holding companies). Permitting the return of the old ownership pattern, some people fear, could allow back an excessive concentration of power—though the danger is smaller now that Japan's economy is huge and sophisticated than it was when the economy was small and immature.



Why reform could bite

That said, there are three reasons for thinking reform could end up changing the economy for the better. The first is that it will be hard to restrict the scope of reform now it has started. Change one thing in Japan and you start changing many others.

At the moment, companies may fire people only if there are "reasonable grounds"—a provision usually interpreted to mean "if the company as a whole is losing money". If a firm is in profit overall, it cannot fire workers from loss-making divisions. The introduction of holding companies would enable bosses to redefine loss-making divisions as separate firms from which redundancies would be possible.

That is not all: holding companies would also require a change to Japan's tax system. At the moment, profits in one company may not be offset by losses in another. Holding companies need to be able to do this, so Japan will have to introduce consolidated taxes, which it plans to do by 1998. In short, the restructuring of NTT could lead, through holding companies and consolidated taxes, to a wider restructuring of corporate Japan, largely, though not entirely, for the better.

The second reason for thinking reform could be swift and thorough is that there appears to be near-consensual support for it among the great and good. At the end of November, in the space of a week, three committees came out with deregulatory proposals. One set up by the Ministry of International Trade and Industry (MITI) submitted 133 proposals. The Economic Council, which advises the prime minister, produced a list of six areas for reform. And the Administrative Reform Committee, set up at the end of 1994 in the prime minister's office, argued for accelerated reform in 13 areas.

Of these, the Economic Council was the most radical. It demanded the easing, then scrapping of building restrictions to loosen up the property market. It wanted to throw open telecoms to all entrants. It called for an end to many of the rules that make shipping and road haulage two of the country's most regulated and corrupt businesses. It recommended the abolition of restrictive laws affecting employment agencies. Behind such proposals lies an intellectual revolution: almost all decision makers agree that change must come.

The third reason for taking seriously Japanese politicians' professions of radicalism is that—to be blunt—they have little choice. Reform looks like their only chance to reinvigorate the economy. Apart from the bubble years of the late 1980s, Japan's economic growth has been slowing since the early 1970s (see chart). In the past five years such meagre growth as it has achieved has derived mostly from the ¥33.6 trillion ($300 billion) of reflationary public-spending packages. The biggest of these, in 1995, pumped a massive ¥9 trillion into the economy, equivalent to almost 2% of GDP.

So far, so-so

Number of proposed and completed items of deregulation, March 1996

	Pending	Completed	Total
Housing and land	54	72	126
Information, telecoms	87	49	136
Distribution system	62	100	162
Transport	108	150	258
Standards and certification	206	151	357
Finance and insurance	110	119	229
Energy	21	18	39
Employment and labour	35	15	50
The environment	17	14	31
Disaster relief and public security	157	56	213
Others	122	74	196
Total	979	818	1,797

Sources: OECD; Japanese Management and Co-ordination Agency

The economy duly surged by 8.4% in the first quarter of 1996 but, in confirmation that such a stimulus can now be nothing more than the shortest of short-term fixes, GDP shrank in the second quarter. Most economists think the economy will grow by only 1.5% in 1997. Some think even less.

What to do? Exports are not a solution. Even if a massive export drive were possible (which, given the shifting of manufacturing abroad, it may not be), such a drive would be politically unthinkable: no one in Japan wants more trade rows with the United States.

Interest rates are at rock bottom (the discount rate is just 0.5%); they cannot be reduced further. The government's finances are in a dreadful mess. Public debt has been soaring for the past five years and the government is desperate to tighten fiscal policy to restrain it. That will do nothing to boost economic growth.

So what is left? If fiscal and monetary tools are not available, if exports will not soar, if the cost of capital cannot be cut, then the case for deregulation grows ever stronger. True, it is an odd instrument to use to jump-start a stalled economy. It changes an economy's structure and takes years to make its full impact. Japan's immediate problem is at least partly a cyclical short-term matter, with consumer confidence, banks and companies still suffering the after-effects of the bust of 1991-92. Nevertheless, even if deregulation will not dramatically increase next year's growth, there is little doubt that it is needed—and will benefit the economy considerably in the long term.

The price is wrong

Contrary to rumour, Japan is not a planned economy. But over-regulation is a big problem, as Japan's high costs show. The cost of living in Tokyo is almost 60% higher than in New York, according to Japan's Economic Planning Agency (EPA). Sharp, an electronics company, compares operating costs in Japan with other countries. Apart from the cost of money, everything is pricier in Japan, often dramatically so (see table on next page).

High costs have many causes, regulation foremost amongst them. For example:

- **Housing.** Rules limit the amount of floor space that can be built on a plot of land to (normally) 200-300% of the size of the plot. Originally imposed because of the dangers of earthquakes, these "plot ratios" have become outdated: technological advances mean that tall buildings can be as safe as short ones. Yet Japanese cities sprawl outwards, two-storied, bidding up the cost of land.
- **Distribution.** Coastal shipping is a

cartel; new ships cannot be built unless old ones are scrapped. It costs more to ship something from Yokohama to Hokkaido than to Los Angeles. Ports are almost entirely regulated; entry to any port businesses, such as running warehouses, is virtually closed to newcomers. It is three times as expensive to move a container in the port of Kobe as in Hong Kong. Trucking firms are controlled by a bewildering system of permits.

• **Retailing.** The Large-Scale Retail Store Law still makes it difficult to set up large shops. Until 1992, any firm that wanted to set up a big shop had to ask permission from existing small ones. They rarely voted to commit commercial suicide. So Japan is dominated by shops employing two people or fewer; they account for 14% of total retail sales, double the figure for America. In 1992 the law was relaxed. Anyone who wanted to open a big shop merely had to seek permission from local-government committees. The number of shops of over 500 square metres has risen fast as a result. But permission for supermarkets is far from automatic: the committees that consider applications include many owners of small shops.

How much could the ending of such rules help businesses? In some sectors, enormously. The mobile-telephone market provides an extreme example. In 1994 the Japanese were, for the first time, allowed to own, not just rent, hand sets. In April of that year, there were 2.13m subscribers; two-and-a-half years later there were 20m. In 1996, DoCoMo, the mobile-telephone arm of NTT, spent the equivalent of almost 0.2% of GDP on investment on mobile telephones alone.

Not every business will do so well: there will be losers (such as some small shops) as well as winners. On balance, though, more jobs stand to be won in unshackled industries than lost in mollycoddled ones.

The EPA, which is the main official champion of deregulation, recently estimated that the government's limited deregulatory efforts so far had contributed 1.69 extra percentage points to GDP growth each year between 1990 and 1995. This somewhat rosy analysis (which looked at the benefits of growth in the big shops, but not at the effects of deregulation on small ones) is confirmed by a more thorough study of deregulation being undertaken by the OECD. The organisation is looking at five sectors: electricity, airlines, trucking, telecoms and retail distribution. These account for between 15% and 20% of GDP in the countries in the study (America, Germany, France, Britain and Japan). The preliminary results suggest that in Japan, deregulating these sectors alone could cut prices in those areas by between 10% and 20% and boost GDP by over 6% more than it would otherwise have grown over the next ten years. Why?

The answer is not just that these sectors are heavily regulated, but also that they provide inputs for other sectors of the economy. Deregulating them therefore has a big knock-on effect. The OECD, which is to publish the full study later in 1997, may well be underestimating how much of one. Even halving the productivity gap with the rest of the OECD would, on the OECD's own calculations, boost GDP by 2%—and increase real incomes by $120 billion a year.

The case against

The economics of reform might be unimpeachable. The reasons for adopting it might be compelling. The commitment to it of many politicians and officials might well be strong. Nevertheless, a measure of scepticism is always required when dealing with Japanese politics. How large a dose is needed now?

Mr Hashimoto is not, by nature, a radical reformer. His record after becoming prime minister in January 1996 hardly inspires confidence: big deregulatory decisions were postponed, raising suspicions about his commitment to change. Even if his reformist zeal were genuine, his ability to push through change is limited by the weakness of his office. He needs to keep the backing of party barons, some of whom, now that the LDP seems entrenched in power again, may hanker after a return to the pork-barrel politics of old.

Moreover, the LDP relies upon the vested interests that reform would cut down to size. Some of these interests will be immensely hard to tackle, in agriculture, for example, and construction. Reformers must also cope with what critics see as an "iron triangle", in which politicians get bureaucrats to distribute lucrative contracts to local companies; the companies provide money to politicians, and the bureaucrats eventually land plum jobs in the companies which have distributed largesse.

Yet these practices are increasingly getting the scrutiny and censure they deserve. Two examples have been gripping Japan of late. One involves the Ministry of Health and Welfare, whose top bureaucrat was arrested in December for allegedly taking bribes from a nursing-homes constructor. The other involves MITI, which investigated 130 of its bureaucrats for taking "favours" from an oil distributor; some have even been reprimanded. It is a start.

If the past five miserable years have had a silver lining, it is the soul-searching about why Japan's economy has performed so miserably of late. "Nobody", says Peter Tasker, an analyst at Dresdner Kleinwort Benson, an investment bank, "thinks that the way that Japan does things is better." The soul-searching has produced that intellectual revolution and near-consensus for reform which made the 1996 general election so dull; everyone was singing from the same hymn-book. But dull as it seems, it is this widespread agreement that could presage change.

Japan sometimes seems to be unalterable. Certainly, it eschews change through confrontation. But often, behind the facade, a consensus can coalesce for a new way of doing things. When that happens, change can be profound. It may be happening already. By the turn of the century the Japanese economy could well look very different—and more dynamic than it looks now.

How others compare

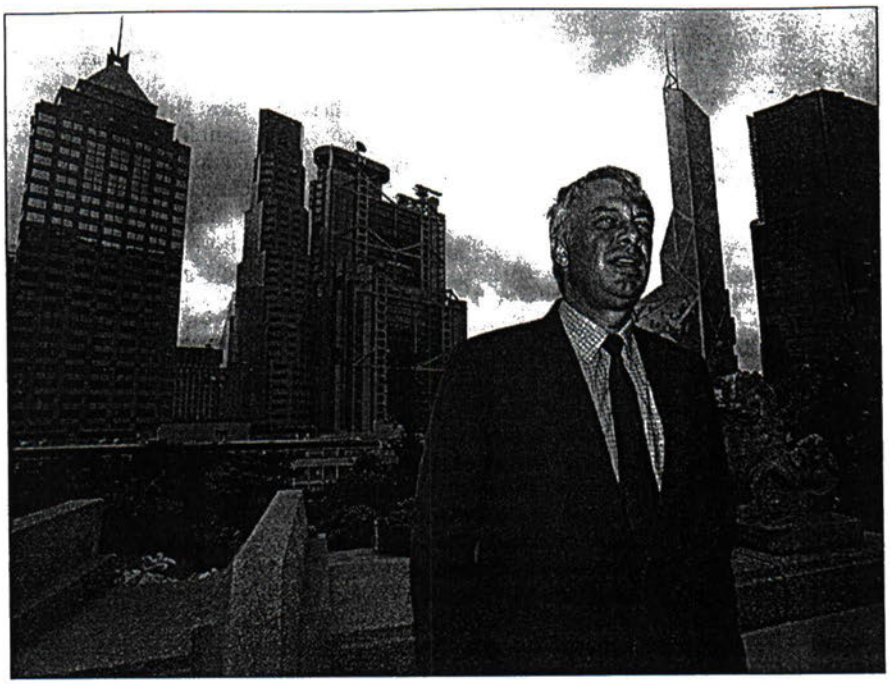
Business costs

Japan=100	America	Britain	Thailand
Land (factory areas), cost per m^2	8	4	1
Construction	73	56	45
Transport, container overland for 300km	19	15	25
Warehouse rental, per m^2 per month	20	10	20
Electricity, 1kw/h	30	25	45
Water, m^3	19	4	100*
Office expenses compared with sales	40	25	70
Corporate tax, basic rate	91	88	80
Short-term interest rate, Oct 1996	1,100	1,180	2,400

Source: Sharp

*Delivered by tanker truck

These new ideas are fun, aren't they?



Beyond the myths

Chris Patten, the British governor who in June will return Hong Kong to China, argues that economic success and political liberalism will converge

BY INVITATION

IT USED to be clothes that went in and out of fashion. These days it seems to be continents.

Only months ago, Asia's economic miracle was the hottest story in town. President Bill Clinton had already reminded us—borrowing the phrase from an admirable American ex-diplomat, Morton Abramowitz—that the dominoes had turned into dynamos. And, up to a point, he was right. Where 18 years ago we saw Vietnam, the original domino, invading Cambodia, today we are witnessing the foreign investors invading Vietnam. It is the story of most of the continent. From Mao to McDonald's in less than a generation.

Excessive consumption of hype always produces a hangover. So today the hunt is on for the opposite story. A slow-down in growth in East Asia—partly the result of tough market conditions in North America and Europe, and of over-supply of goods in the electronics markets—turns yesterday's cheer-leaders into today's Cassandras. We are told that nothing very remarkable has happened in Asia, and that tougher times in any event lie ahead.

How can we sensibly pick our way between these extremes? What has happened in Asia? What is going to happen? Are there any lessons for us in the OECD countries of the West? How should we handle the mysteries of the East?

Let's start with the "miracle". Has there been one? Not really. What has happened as economic growth has cascaded down from Japan to Hong Kong, Singapore, Taiwan and South Korea, then to Malaysia and Indonesia, now to China and Vietnam, is not alien or inexplicable. It replicates our own experience in Europe and America. The main difference is that today the process is much faster. It took the United States 50 years after 1840 to double per-capita output. China turned the same trick in a decade after 1978.

Asian economic success is tangible. You see it in high-rise urban developments, in improved health and housing standards, in increasing participation in tertiary education, in rising disposable income, in credit cards, shopping malls, golf courses and science parks. But we should not get it out of perspective. Europe and America are not about to be played off the pitch.

Britain's GDP today is almost twice the size of China's, and larger than those of Hong Kong, Thailand, Malaysia, Indonesia, Singapore, the Philippines and India put together. China's GDP is about the same as those of Belgium, the Netherlands and Luxembourg combined.

Of course, the pace of change could fundamentally alter these comparisons. Even there a dollop of caution is in order. If, repeat "if", Asia's economic growth rates of recent years are sustained, then the Asian economies will be larger than those of Western Europe and North America combined by about 2020. But by then Asia's population will be about three times as large as the combined populations of Western Europe and North America. So with the exception of Japan, Hong Kong and Singapore, incomes per head in Asia are likely to stay well below West European and North American levels.

We should also note that what Asia is, in fact, doing at the end of the century is to re-establish the position it had at the beginning. The IMF has estimated that Asia's economies will be half as large again by 2000 as they were in 1993 and that they will by then account for about 30% of world output. In 1900, their share was 32%. Asia is unlikely to recover its position of a century ago before 2010.

And while growth in Asia is likely to outpace growth in Europe and North America during the early part of the next century, as the region's economies mature so growth rates are likely to decline. Hong Kong is pretty typical: 9% growth rates in the 1960s and 1970s fell to 7% in the 1980s, and the 1990s look likely to hit about 5%. Maturity slows you down—though for a European politician like me, a 5% trot looks enviably pacy.

Seek truth from facts

Myths about Asian social and economic development abound. Where, for a start, are we talking about? Asia is not a single entity. As a continent Asia includes about 3 billion people, hundreds of races, cultures and languages.

We should also abandon the notion of Asian economic success being universal. It is not. Myanmar and North Korea are

Asian countries, but no one talks of economic miracles there. No lessons are required from Myanmar's State Law and Order Restoration Council on macroeconomics.

One other myth deserves dissection. Is Asia's economic renaissance explained by the continent's own unique values? This argument is put with bullying panache by some leaders of an authoritarian disposition to justify the curbs placed on the freedoms of those they rule. They contend that Asia has turned its back on the decadent liberalism of the West, which encourages feckless individualism and impoverishing licence. Asian success is based, so the theory continues, on Confucian discipline and order. GDP growth requires the smack of firm government, free from criticism or second-guessing by irresponsible journalists and unenlightened political opponents.

Europe, America and Asia are not identical, but nor are the countries within them. To talk of Asian values requires one to explain away the differences between democracy in India and market Leninism in China; between a free press in the Philippines and Hong Kong (still) and a controlled media in other places; between corruption in many Asian countries and clean government in Singapore. How do we lump under one collective headline Malay Muslims, Japanese Zen Buddhists, Philippine Catholics and Bali's inheritance of Hindu culture?

If we accept the concept of Asian values, we have to deny the universality of human rights. But free speech is free speech. A hit on the head with a riot stick raises a bruise wherever you are. It is racist to suggest that the values of freedom do not matter to Asians, many of whom—as Malaysia's deputy prime minister, Anwar Ibrahim, has argued—fought and died for liberty in the struggle for national independence. You do not have to be a missionary for a particular form of democracy to believe that in every country, as people get better off, travel more, learn to read, write and tap out their faxes, they will want to have a bigger say in the decisions taken in their name. Asian Canutes should note that a more accountable and participative government is invariably the consequence sooner or later of economic growth and the opening of markets.

And sometimes it is the cause. In searching to identify and preserve what is unique about Asian communities, it should not be necessary to deny what is universal in mankind.

Some leaders in Asia seem to lack confidence in their own community's ability to cope with economic success without losing their identity. But most visitors to Japan, for example, know that it is perfectly possible for Asian societies to embrace modernity without abandoning what is distinct and special about their own way of life. Japan is both very modern and very Japanese.

Digesting universal rights

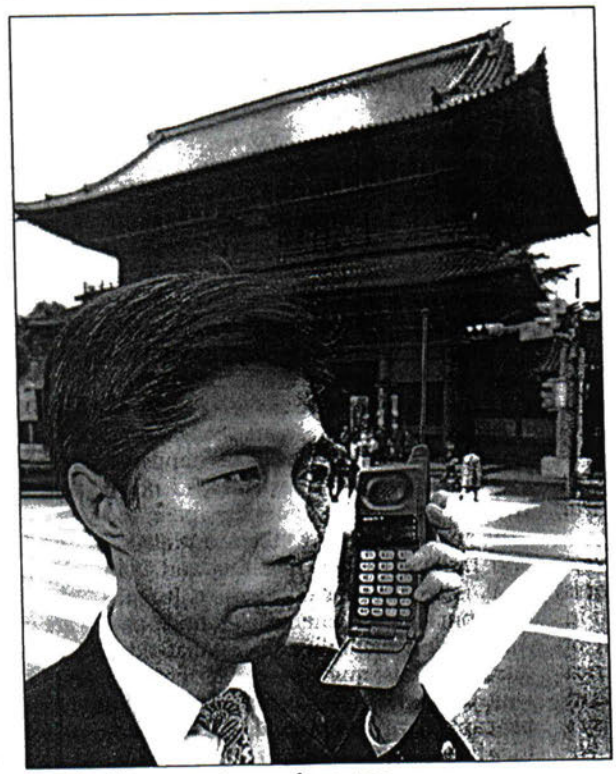
For those outside Asia who are seeking both to put together a sensible policy towards the countries in the region and to see what lessons can be taken from the region's success, there is one error which should be avoided. A successful policy does not require us to abandon our own values of liberal pluralism. We do not need to behave like evangelical missionaries. But why question or sideline a simple truth that has given the second half of our century some much needed decency and dignity, namely that the best and most successful government everywhere combines economic liberty and political freedom?

Ignoring the technicalities of the development process—high savings ratios, rates of increase in trade flows, investment rates and so on—what have really been the main factors in Asia's rise to prosperity?

First, there has been a belief in progress—the determination of Asians to haul their families out of subsistence and poverty towards a better life. After the heroic rebuilding of post-1945 Europe and the peaceful, if not unstressful, defeat of totalitarianism, it sometimes seems as if many Europeans have come to doubt whether further progress is possible or even desirable. Self-criticism elbows self-advancement off the communal stage. In Hong Kong's squatter settlements 40 years ago, in the overcrowded tenement blocks of post-1945 Singapore, and today in the impoverished villages of northern Thailand and in Manila's shanty towns, men and women have been pulling themselves up by their own sandal straps, believing that they can make things better by their own efforts. Perhaps this Victorian quality is a feature of a particular stage of economic development.

Second, by and large, the region's economies have pursued market-oriented policies. While many Asian governments were, and indeed remain, far from tolerant in their approach to civil and political liberties, most have come to recognise sooner or later the need to grant their citizens economic liberty. Here we run the gauntlet of generalisation. To describe Asian economies as though Adam Smith had given all of them his seal of approval is ludicrous.

Even in Hong Kong, where Adam Smith might have felt most at home, there has been huge government intervention, especially in housing, with results which would not have surprised the Scottish sage. Throughout the region as a whole, some markets have needed to be prised open; in some countries, governments themselves—see Japan—recognise the need for deregulation and less bureaucracy; subsidies and cartels have distorted some Asian economies; and, in the most successful economies, substantial public in-



On the line to western values, too

vestment has been made in social equity programmes—in health care and education, for instance. Allowing for all these "ifs" and "buts", it is still true that success in the region has been driven by liberal economics. You do not look at Asia's success stories and thank socialist economics.

Building on success

A belief in progress and economic liberty would have taken Asia part of the way to prosperity, but it was free trade which gave Asia its big break. Access to North American and West European markets helped East and South-East Asian economies to grow on the back of their exports. Protectionism in the OECD countries would have stopped Asian economic progress dead in its tracks—a useful point to remember for those Asian politicians who attack the allegedly corrosive influences of the West. Asia waxed on free trade with the West, and Asia would wane on protectionism. But, then, so would Europe and America. And that is the first lesson for policy makers.

Brighter days for Asia mean brighter days for the rest of us. The increase in disposable incomes in the pockets of Asian workers and their families will be one of the most powerful engines of global economic growth in the next generation, provided we can make room in the rest of the world for the goods they sell in our market places. This is the moment to press on with liberalising trade under the umbrella of the World Trade Organisation (WTO). It is no time for protectionism, however it may be disguised these days.

How much should we allow trade and politics to become confused? Should we use political pressures to extract trade concessions, or trade embargoes and threats to secure political goals, such as improvements in human rights? You cannot entirely separate trade from politics, but there is everything to be said for doing so as much as you can. Confuse the two, and you risk incoherence and the failure to make much progress with either set of objectives.

There is an important battle to secure easier access to global and national markets, and to bring services, public procurement and telecommunications within free-trade agreements. There is also a crucial international human-rights agenda—the struggle to extend and protect the liberties enjoyed by men and women everywhere. We should pursue both objectives—commercial and political—energetically.

If we are not to mix them up, then we should not permit Asian countries to play the same game in reverse, threatening that access to their markets can be allowed only to the politically correct, to those prepared to be muzzled over human rights. We should not allow ourselves to be demeaned in this way—with Europe played off against America and one European country played off against another, and with all of us treading gingerly around the sensitivities of one or two countries, deferring to the proposition that open and vigorous discussion should be avoided at all costs.

Still, for many, a long, hard slog

Deeds, not words

Does trade in any event respond to political twitches on the strings? Maybe at the margins. But overall trade flows tell a different story. Take China. While China takes only just over 2% of total OECD exports, its potential is substantial, so it is worth looking at the figures.

They show that since 1978, when China began its historic opening, the fastest OECD growth in exports was recorded by the United States, which has probably had the most difficult overall political relationship with China during the whole period. Britain's own trading performance in China appears paradoxically to be in inverse proportion to the cordiality of our political relations. Since 1992, British exports to China—after nose-diving in the late 1980s and early 1990s—rose by 95%, a higher figure than the average increase for all OECD countries. Germany's exports to China have risen substantially during the period—and Sino-German relations have been warm—but Germany's share of the Chinese market has actually dropped.

Conclusion? Do not believe everything the New China News Agency says about the terms on which China does trade. Look first at quality, types of product, price and concessional financing flows.

In any event, if the rest of us are going to separate politics and trade, so should China—a strong argument for speeding up China's accession to the WTO.

There is a third, and most easily distorted, lesson. It defies reason and experience to pretend that public spending and tax levels have nothing to do with Asian success or European problems. Some argue that those things are irrelevant. What lifts performance in Asia, they assert, is the level of savings and investment—investment in infrastructure, in people, in knowledge and in skill acquisition.

Up to a point. But where do the savings and investment come from? They are the result of the private acquisition of resources in economies where the state's appetite is constrained. And the growth that benignly materialises enables public spending to grow in line with the economy, investing in public goods without increasing in aggregate as a proportion of national income. To praise levels of saving and investment without explaining why and how they are possible is like explaining why people holiday in the Mediterranean without mentioning the weather.

What has happened in Asia in recent years should not provoke us into abandoning either common sense or principles. There are some lessons for us in the West, yet we should keep our sense of proportion, recognising the problems that lie ahead for many Asian countries. Demography, the environment, explosive urban growth and difficult political transitions are all going to shake and shape some of the Asian tigers as the next century unfolds. But what has begun in Asia is irreversible—economically and politically. And that is very good news for the rest of us.

Not old against young, but rich against poor

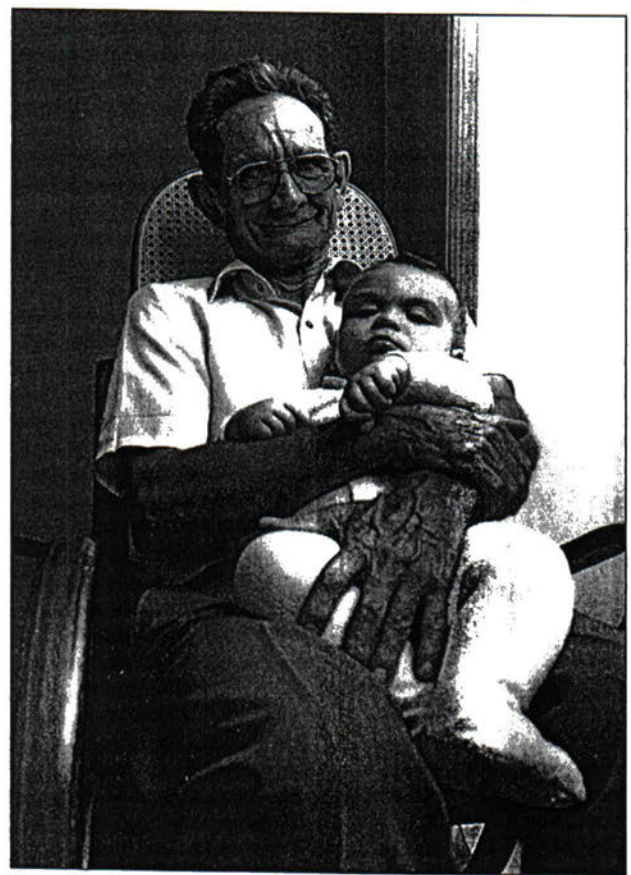
POLITICAL theatre does not come much richer. As the saga of Speaker Gingrich unfolded in Congress, and as Washington buzzed with preparations for Bill Clinton's second inauguration, observers might be forgiven for thinking that politics in that city is pure performance art. But American politicians do make policy sometimes; indeed, over the next few weeks, they must grapple with the budget. Already there is talk that the big issues will be fudged, notably reform of Medicare and Social Security, the two main entitlement programmes for the elderly. But reining in the retirees is not America's most urgent task. Inequities of class, not age, are the nation's real problem.

Consider first the common idea that a generational war lies at the heart of America's budget problems. Greedy pensioners, the argument goes, absorb entitlements and vote down school budgets while workers toil to pay the old folks' golfing fees. They swallow Social Security cheques at such a rate, indeed, that the system will eventually contain nothing for future generations. On January 6th a government advisory council reported that this would happen in 2029, and suggested that the Social Security trust fund should be invested in varying amounts in the stockmarket, where it should reap a better return than it does at present from government securities. One opinion poll has found that more under-35s believe in UFOs than believe they will ever receive a Social Security cheque.

Generosity to the current crop of elderly goes beyond pensions. Since 1965, total federal spending on the elderly has increased from 16% of the budget to 33%. Americans over 65, who make up 12% of the population, receive four times as much federal money as those under 18, who comprise 26%. The average citizen of pensionable age receives $13,190 in federal largesse—twice as much in real terms as in 1971, nine times as much as a child, and more than a family of three on welfare.

Elderly couples also do well on the tax side. A working household with an annual income of $30,000 and one child can expect to pay more than $7,000 in tax; an elderly couple will pay $690. That helps to explain why the percentage of elderly poor has halved since 1970, to 12%, while the child poverty rate has stagnated at 20%.

Not only do the elderly enjoy these windfalls at the apparent expense of the young; they also fight hard, at least at the local level, to preserve them. Susan MacManus, the author of a book on what she calls "generational combat", has noticed an increase in age-defined voting in Florida, long the mecca of the old. Based on exit surveys, Ms MacManus concludes that age is a better predictor of voting behaviour than race, sex or income. In fast-growing Tampa, for example, a half-cent increase in the sales tax to hire more police and build schools and a football stadium failed in 1995, when 29% of the voters were over 65, but won in 1996, when the boomers came out in force. According to Eric Kingson, who studies generation issues at Boston College, the elderly in many places have engaged in "reprehensible advocacy".



Equally deserving

The real inequity

Faced with these inequities, the young may well feel they are entitled to grumble. But there is another side to the story. For a start, the falling poverty rate among the elderly has to be considered good news in itself, and it is an exaggeration to argue that children are poor because old folk are less so. Before Social Security was introduced, an impecunious old age was commonplace. If the benefit were abolished now, it has been estimated that 42% of the retired would slip below the poverty line; although this does not take into account the probability that, without the government safety net, some of those 42% might have saved harder to keep themselves out of penury.

Second, much spending on the elderly also helps others: allowing old folks to live on their own, pamper their grandchildren, and even help to raise them. At present, 3.9m children live with their grandparents and 1.5m are being brought up by them, a 60% increase from 1980. And many a baby-boomer's financial worries will be eased when mum and dad die: the current generation of old people are expected to bequeath up to $10 trillion to their children.

What, then, of the elderly's compulsion to vote for spending on themselves rather than on spending for others? That too is overstated. In national elections, at least, there is little difference in voting patterns between the old and the rest of the population. Besides, age-based voting is not unique to the over-65 set. Younger voters do it too, by putting education at the top of their spending priorities.

To portray America as riven by generational warfare, young against old, is therefore an exaggeration. Worse, it obscures a deeper divide, of class rather than age. The old include both those who are poor, or would be poor

without government help, and those who are rich. The big problem of the American welfare state is not that the old get too much, but that the rich do.

Americans suppose that social-welfare programmes are about helping the poor. This is not true. More than 85% of all benefits go to the middle and upper classes, both old and young. Households with incomes above $100,000 get slightly more federal money each year than those earning a tenth of that. Programmes that require some evidence of need make up less than a quarter of federal entitlement dollars. And of these means-tested benefits, twice as much went to households making $50,000 or more than to the poor.

Even leaving aside helpful tax breaks (such as the mortgage-interest tax deduction, which even Bill Gates can claim for the building of his cyber-house, and which costs the government, all told, $55 billion a year), middle- and upper-class Americans get the lion's share of benefits. Much of this is unjustified. Although farm-price supports were reconfigured in the last Congress, Phillip Longman, a welfare-state analyst, has estimated that America's 30,000 wealthiest farmers take in $50,000 a head each year. All told, the huge array of farm supports costs $16 billion. Ex-servicemen, rich or poor, are entitled to subsidised food and medical care for life. Scions of middle-class families get student loans. And anyone daft enough to choose to live in a place that is prone to hurricanes or floods can qualify for disaster relief, whatever his income.

If there is widespread resentment about Social Security, it is for the same reason. Too many people receive it who do not need it, while spending on everyone else is squeezed—including on the 4m elderly who are officially poor. In 1997, an estimated $48.1 billion in Social Security benefits will go to households with income between $50,000 and $100,000. Another $15.5 billion—almost exactly what the government spends on income support for families on welfare—will be sent to households with incomes of more than $100,000.

Meanwhile, the 12.4% payroll tax that funds these payments hits the struggling much harder than the prosperous. The tax starts with the first dollar earned and stops at $65,400: thus a waitress making $20,000 pays on every dollar earned, while an executive making $200,000 pays on less than a third of her income. And while the payroll tax is higher than ever, the rate of return today's workers can expect is lower. Steve Goss, the chief actuary at the Social Security Administration, estimates that if the income limit on the payroll tax were lifted, two-thirds of the projected actuarial deficit would be eliminated. The advisory council on Social Security, however, did not dare touch this issue. The conventional wisdom is that making Social Security more progressive would mean losing the support of the wealthy.

Like Social Security, the Medicare health programme for the elderly is also financed through a payroll tax, which ironically is paid in part by the 20m or so Americans who work full-time and have no medical coverage. Medicare also spends lavishly on people who could do without it: more than $20 billion a year goes to households with an income of more than $50,000. Another third goes to treatment in the last year of life, much of it necessary only to avoid lawsuits.

At least Social Security benefits are taxed, up to a maximum rate of 85%, for wealthier households. But even elderly Rockefellers are not taxed on their Medicare benefits. A Republican effort to increase premiums for high-income recipients was shot down last year by the Democrats. It was not a pleasant sight to see the mostly middle-class grey lobby dancing in outrage over the stinginess of a projected 6.2% increase in Medicare spending (despite record deficits), while health-care and nutrition services for low-income mothers and children were cut.

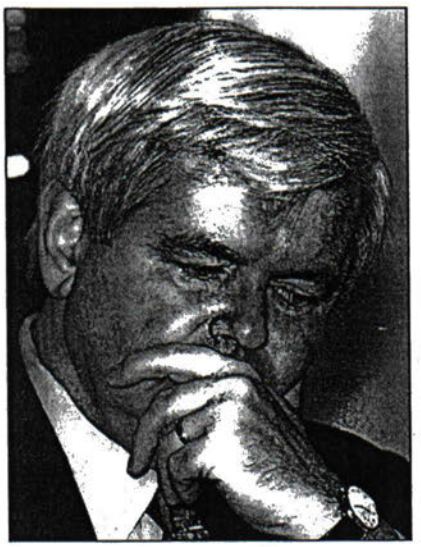
Although it is fashionable to decry social spending, it helps to blunt the harsher edges of a highly competitive economic system. Benefits such as food stamps and housing vouchers lifted some 27m people above the poverty line in 1995; Social Security does the same for many others. The fact that more than 30m Americans are poor is due in part to personal failures, and in part to circumstance. But some of the reason, too, is that social spending is misdirected. In a society as rich as America's, it is no wonder that a welfare state that spends almost nine out of every ten dollars on the prosperous does not find enough for the needy—and is going broke to boot.

Speaker squeaker

WASHINGTON, DC

A YEAR ago, Newt Gingrich shut down the government in order to get his budget cuts accepted. Recently he has come close to paralysing government again, by cutting corners on his own budget. For the past two weeks, and perhaps for the next two weeks as well, Republicans have been worrying less about policy than about Mr Gingrich's misuse of tax-exempt funds to pay for a lecture course. Although they re-elected Mr Gingrich as speaker of the House on January 7th, his troubles are not yet over.

A few days before the vote, Mr Gingrich seemed dangerously close to losing. In the event, he squeaked home: four Republicans voted against him and another five abstained. A humbled Mr Gingrich, who sometimes seems to have an answer for every question on earth, apologised for being brash and said he needed "divine guidance".



Are prayers tax-exempt?

He may do. Over the next two weeks, the House ethics committee will air the details of his tax transgressions, and will decide upon his punishment. If Mr Gingrich's misdemeanours turn out to be greater than is now thought, there is just a chance that he will be censured by the House, forcing his resignation.

Although most expect Mr Gingrich to survive, few think he will retain his old pre-eminence. Powerful committee chairmen will pursue their own goals, rather than do the speaker's bidding. Jim Leach, chairman of the banking committee, voted against Mr Gingrich this week; Bill Archer, head of Ways and Means, has recently held his own budget meetings with the president. For the past two years, Mr Gingrich has prided himself on the unity in his ranks. The next two may be different.

This is good news for Bill Clinton. In the past, the president could not get his way by tempting independent-minded Republicans to vote against their party. Since November, however, the Republican majority has been reduced; and the fight over Mr Gingrich's fate has increased the number of dissidents.

Yet it would be folly to write Mr Gingrich off. Despite his current woes, he is too clever to slip into the shadows.

THE PRESIDENT HAS SEEN
2-14-97

The Los Alamos National Laboratory

From Armageddon to animation

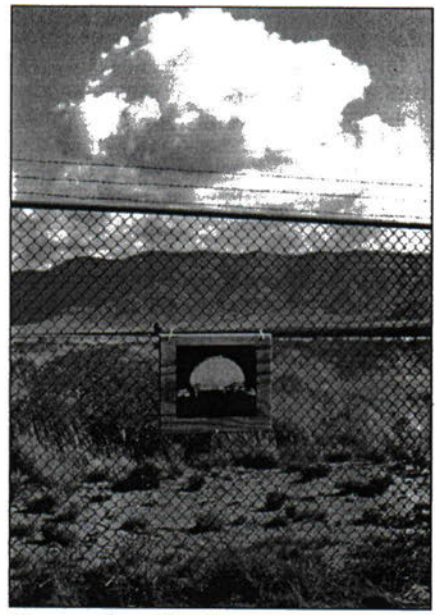
LOS ALAMOS, NEW MEXICO

THE casual visitor sipping a cappuccino in a café in Los Alamos, New Mexico, is likely to find himself baffled by the language spoken by his fellow customers. It is English of a sort, but spoken in a jarring, impenetrable dialect known as astrophysics. If the density of PhD scientists were an accurate indicator, then Los Alamos would be the brainiest city in the United States. It is also one of the most beautifully situated. Robert Oppenheimer chose the site of his boyhood summer camp as the base for unlocking the secrets of atomic weaponry; and the sweet-smelling pines and snow-clad mountains offer researchers a respite from their stealthy pursuit of ever-punchier nuclear warheads.

Of late that pursuit has become complicated. New weapons development has been ended, and—over the long-standing opposition of the Los Alamos boffins—the Nuclear Test-Ban Treaty has been signed. After a time of resentment and uncertainty, researchers at the Los Alamos National Laboratory (LANL) now accept that the era of high privilege and excitement is over, and that they have to find different jobs to do. Their main mission is clear: to ensure the safety and effectiveness of America's nuclear deterrent through the Department of Energy's Stockpile Stewardship and Management programme. Part of this involves "virtual testing", a replacement for real testing that requires the use of computers and accelerators to simulate the most powerful weapons yet invented. Their secondary mission—as they see it, to enhance America's industrial effectiveness by advancing research that may have useful civilian applications—is also growing fast, although it is unlikely to supplant defence as the central reason for the lab's existence.

Change is not new to Los Alamos. Under the Carter administration, almost 50% of LANL's budget was given over to alternative energy research. Once Ronald Reagan came into office, that funding dropped to 5%. By 1984, the star wars initiative (SDI) was taking up 25% of LANL's budget; it has now dropped to less than 1%. So far, mainly because it is jealously protected by New Mexico's congressmen and senators (especially by Pete Domenici, chairman of the Senate Budget Committee), LANL has been little affected by cuts in defence spending. With an annual operating budget of over $1 billion and a payroll of nearly 9,000, it continues to exert a huge economic impact on New Mexico, generating over $3.4 billion in economic activity annually.

The laboratory still proudly lists its achievements on the cutting edge of research and nuclear testing. When Bill Clinton signed the test-ban treaty, he was confident that LANL's virtual testing programme could do everything a material test could achieve. In October he approved the purchase by the lab of a new supercomputer from Cray Research, the most powerful in the world, which can complete more than four trillion calculations every second. Such a computer will come closer than anything else to simulating the dynamics of a nuclear explosion, as well as other complex natural phenomena, from sudden climatic changes to the behaviour of materials under pressure.



Non-nuclear cloud

Yet the Cray computer is still only as precise as the programs the LANL scientists write for it. In other words, it still contains a margin of error; and, good though it may be at simulations based on phenomena already observed, it is not much better than weathermen at predicting phenomena that have not yet occurred. The hawks who still haunt the corridors of LANL think this is not good enough. They worry, too—and it is a legitimate worry—that there will soon be almost no scientists left in America who have worked with live weapons. Los Alamos boffins are fond of saying that their nuclear stewardship is like examining, on screen, a Boeing 747 parked on the runway for 25 years, and then having to feel comfortable about flying it across the Atlantic at a moment's notice. Some of them would feel happy in the pilot's seat; others imagine they would crash on take-off.

Another slightly less challenging aspect of maintaining the nuclear stockpile is producing tritium, a radioactive form of hydrogen which boosts the explosive power of nuclear warheads but has the bad habit of decaying over time as the missiles sit in their silos. At present, tritium is produced by recycling dismantled warheads, but this will be insufficient for future needs. The Department of Energy has opted for a dual-track approach between reactor production and the cleaner but unproven accelerator method being tested at LANL.

A visit to LANL tends to confirm that the boffins' true love is defence technology, but in recent years the lab has been trying to earn its keep in different ways. More than 200 co-operative research and development agreements (CRADAS) have been set up with private industry. The CRADAS are meant to be a two-way street: private companies gain access to government equipment and expertise, and the government gains awareness of advances being made in the private sector. Generally, costs are shared: LANL contributes the running cost of the particular project, while the partner company chips in with people, equipment and—not least—the bright idea. At present, CRADA running costs account for about 5% of the LANL budget, a share that has actually been falling as budgets have been cut.

Since a large proportion of these agreements are paid in kind, it is hard to put a value on them. LANL officials claim they are worth $400m-500m; they range from plasma accelerator work to counterfeit-currency detectors. The laboratory has even started negotiations with Walt Disney to see whether LANL technologies might have a useful application in Disney's animations and theme parks. The greatest value of the CRADAS, however, is that they give the laboratory another reason for keeping its doors open and extracting money from Washington. To outsiders who wonder whether the government should be in the business of subsidising commercial innovation, the boffins have a swift reply: any invention that keeps America ahead of its competitors is helpful to national security, and every bit as worthy of government attention as the nuclear stockpile itself.

There is some sense in this. A facility such as LANL would never be built these days, but now that it exists it cannot be uninvented; even with its main work suspended, it remains an asset that should be exploited. It sits in a poor state, comprising by far the richest town in terms of educational achievement and income per head; but its usefulness spreads much wider. In the old paternalistic days, when Los Alamos was closed to all outsiders, it did not need to justify itself or its funding; nor did it have to prove its worth to the rest of the country. Now that it does, that can only be a good thing.

THE PRESIDENT HAS SEEN
2-14-97

Billion-dollar kisses

Mr Schwartz and Mr Schneider an option to buy Helmsley-Spear at book value on Mr Helmsley's death—or to receive about $10m apiece if they chose not to do so, in which case the firm would pass to Mrs Helmsley. That the two elderly partners opted to sue, however, suggests that they may already have decided to buy the company—and intend to extract compensation from Mrs Helmsley if the courts decide that she has "damaged" Helmsley-Spear (a charge Mrs Helmsley vigorously denies). Mrs Helmsley, in turn, has been shuffling management contracts and selling properties for what appears to be much the same reason: the fear that she will lose control of the cash-flow generated by Helmsley-Spear's leasing, management and service business.

Before Mr Helmsley's funeral on January 7th both sides were making conciliatory noises. But it is hard to believe that Mrs Helmsley—who once earned vilification as "The Queen of Mean" for bawling out employees and for opining that only "the little people" paid taxes—will give up her inheritance without a fight. Mr Schwartz and Mr Schneider seem equally unlikely to back down. So New Yorkers are eagerly awaiting a scrappy battle—and, in all probability, the gradual dismantling of one of the biggest property empires ever built.

Telemedicine

Big Sister is watching you

HAYS, KANSAS

WEARING a telephonist's headset, Kathy Rupp sits in a small office at Hays Medical Centre, a computer keyboard at her fingertips, a television screen in front of her. Mrs Rupp is not a telephonist but a nurse, and appearing on her screen is one of her patients, Idonna, an elderly lady sitting at home. Mrs Rupp asks Idonna how she's been feeling, and taps the answers to a series of questions into Idonna's computer records. Using simple electronic gadgets, Idonna takes her own blood pressure, measures her pulse rate and holds up a thermometer to the camera so that the nurse can read her temperature.

"It takes a bit of getting used to because you're not there and you don't have the hands-on contact," says Mrs Rupp. "But you learn to use your other senses." Administrators at Hays Medical Centre reckon that these televisits are as good as the traditional, hands-on version, and much more efficient. Patients, reassured by the link-up, may make fewer visits to the hospital. Mrs Rupp can see some 15 patients in four hours, whereas a nurse physically travelling from house to house may see only five or six patients in a day. Each televisit costs $36, compared with $135 for a home visit by a registered nurse such as Mrs Rupp or $60 for a visit by a certified nursing assistant. Under a managed-care system, with a fixed fee paid per person insured, telemedicine offers huge potential savings.

It is such calculations that make many people in rural America see telemedicine as a miracle cure. At the click of a button, distances disappear and the most advanced health care can be delivered, promptly and affordably, to the most remote areas. Hays Medical Centre, which serves a vast area of the western Kansas plains, has become a telemedicine pioneer.

At Hays, teleconferencing is used for teaching, for administration, for observing the behaviour of patients, and even—with the help of close-up cameras that can focus sharply on an area the size of a dime—for detailed clinical diagnosis. The doctors at Hays teleconsult with colleagues at distant primary-care hospitals, as well as with specialists at Kansas University. A team of radiologists examine x-rays transmitted to them, either at home or at the medical centre, from 12 sites in Kansas and neighbouring Colorado; they are thus instantly available to communities that could not afford a radiologist of their own.

Standing in the way of these newfangled possibilities is an old-fashioned problem: money. The trouble is the rules governing payment for services performed under Medicare, the health-care system for the elderly. With the notable exceptions of teleradiology and telepathology, only services performed the traditional way—that is, in person, face-to-face—currently qualify for Medicare reimbursement. State governments, which provide health services to the poor through Medicaid, and private insurers could in theory be bolder. But for the most part they are cautiously waiting to take the lead from the federal government and Medicare.

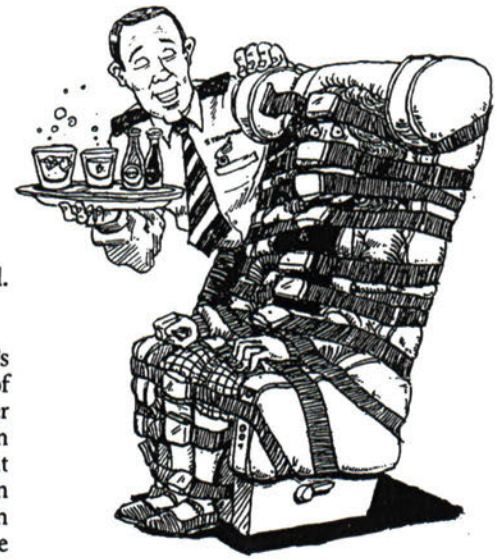
It could be a long wait. The Health Care Financing Administration (HCFA) has only just begun a three-year trial of Medicare reimbursement for teleconsultations involving "hub" hospitals and distant "spokes". The project is confined to four states (Georgia, Iowa, North Carolina and West Virginia). It will take five years or so before the recommendations are assessed and turned into law. The HCFA has no plans—and no money—for similar trials in telenursing such as Mrs Rupp is practising, under a Department of Commerce grant, in Hays.

Officials in Washington want to have an idea of how much telemedicine, once sanctioned under Medicare, is likely to cost. They have not forgotten their mistake in drastically underestimating the bill for reimbursing dialysis for end-stage renal disease. If getting an expert consultation becomes as easy as picking up a telephone, the volume of services seems bound to rise. There are also worries about the scope for fraud and abuse.

But the potential benefits in rural areas are so great that pressure for faster action in Washington is bound to grow. In the final days of the previous Congress, Senator Kent Conrad of North Dakota introduced a bill that would provide reimbursement for telemedical services by January 1998. Mr Conrad says telehealth holds "incredible promise" for rural America. So it does—provided someone will pay for it.

ACCIDENT WAS SEEN
2-14-97

Fasten your safety belts



Last year saw a big rise in the number of jet-airliner crashes. Worse lies ahead. That is spurring a new approach to air safety

WHEN the company that makes two out of every three jet airliners says baldly that there could be a big air crash once a week by 2010, it is time to start worrying: Boeing has no commercial interest in exaggerating the threat that hangs over aviation. But Boeing's bleak forecast has been echoed by others, including the head of America's Federal Aviation Administration. The steady improvement in airline safety is about to come to an end.

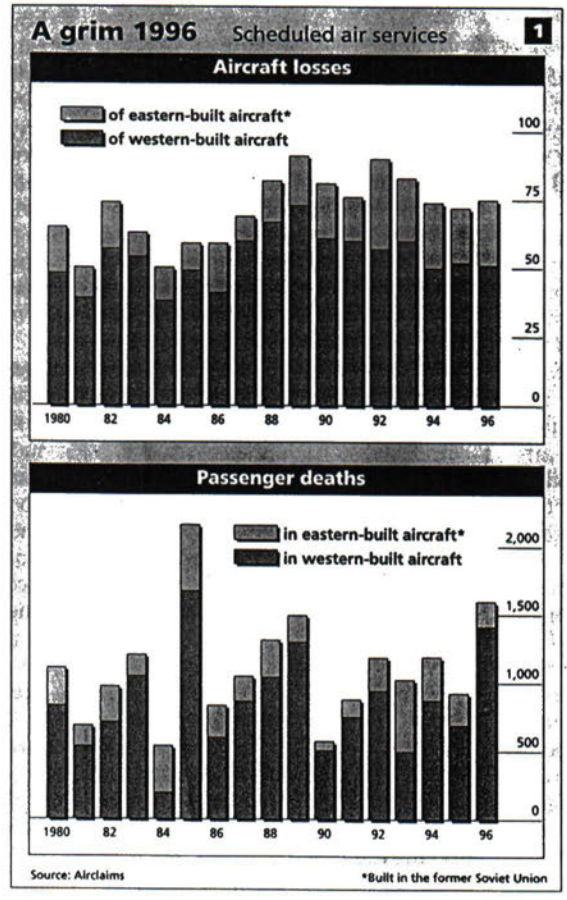
Last year was a particularly bad one for air disasters (see chart 1). It saw the ValuJet crash in a Florida swamp (killing 110), the explosion that blew flight TWA 800 out of the sky off Long Island (killing 230) and a disastrous mid-air collision near New Delhi in India (killing 349). On average, a jet was written off every 9.8 days.

According to statistics collated by Airclaims, an aviation-insurance consultancy, there were 75 accidents that totally wrecked commercial aircraft (jets and small turboprops) in 1996, compared with an average of 66.2 during the 1980s. These figures include the former Soviet Union. Crashes of big jet airliners—the kind nervous flyers have nightmares about—have risen from an average of 20.6 a year in the 1980s to 25 last year in the West, and from six a year in the 1980s to 12 in 1996 in the former Soviet Union.

That pushes up the fatality figures. The total number of deaths rose by 73% to 1,597 last year, compared with 924 in 1995 and an average of 1,136 through the 1980s. Airclaims suggests that "we may now be seeing the early stages of a gradual increase in the annual number of total losses, with the average for the 1990s being generally some 10% up on the late 1970s and the 1980s."

Before cancelling their next trip, nervous passengers ought to bear in mind that a rise in the absolute number of fatal crashes is not surprising, given that air travel has risen eightfold since the 1960s. Moreover, last year's big crashes have to be seen in the context of 12,000 jet airliners in the sky, making over 15m flights and carrying about 1.3 billion passengers every year. The overall accident rate per trip has fallen, from 50 in a million in the 1960s to just over one in a million today; the accident rate per kilometre flown is also lower than it was 20 years ago (see charts 2 and 3 on next page).

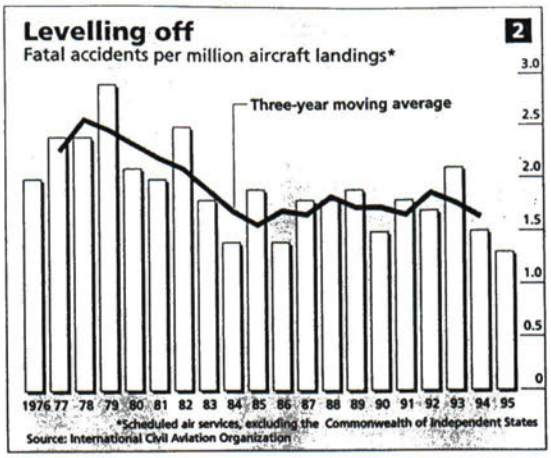
But there is still a worry. These accident rates, which fell dramatically in the 1960s and early 1970s, have barely budged in the past ten years. Since air travel is growing by around 6% a year, simple arithmetic suggests that the absolute number of crashes is bound to rise. That will certainly frighten travellers, and may check the growth in air travel. "There is no point in telling the people how remarkably safe air transport is if they see television film or read of a major crash somewhere in the world at the rate of one a week," says Pierre Jeanniot, director of the International Air Transport Association (IATA).

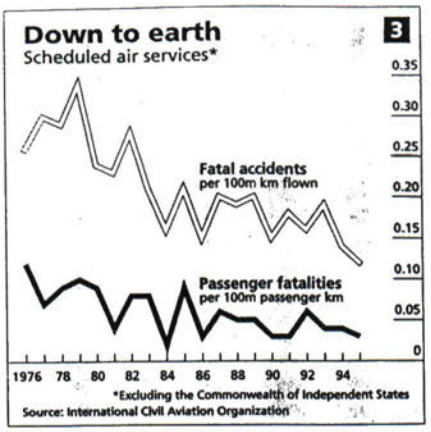


Travellers already react to what little information they are given on air safety: witness the way that American passengers deserted cheap no-frills airlines in the wake of the ValuJet disaster. They have gradually returned (thanks partly to reassuring changes in procedures by the airlines). But ValuJet's planes are barely half full—against an industry average of around 70%. As the number of crashes increases, travellers may look harder at the statistics.

Airlines and aircraft companies like to claim that commercial aviation is one of the safest ways to travel. That is absolutely right, if safety is measured in terms of deaths per distance travelled (table 4 on page 71). By this measure, one British study shows that flying is 176 times safer than walking, almost 15 times safer than travelling by car and about 300 times safer than riding a motorbike.

However, the figures are skewed by the huge distances covered safely by air travel. Thanks to the reliability of airframes and of modern jet engines (which have fewer moving parts to go wrong than did the old piston engines), accidents rarely happen during cruising. But 68% of accidents happen on take-off or landing, even though these opera-





tions occupy only about 6% of flight time. Recalculate the figures per number of trips, and cars look 12 times safer than aeroplanes, and only motorbikes look more dangerous (see table 4 again). Even the more neutral measure of the fatality rate per man-hour of exposure puts cars and aircraft on a par.

How not to crash

Different aircraft have different safety records (see chart 5 overleaf). All the same, the awful prospect of one big crash a week is galvanising air-safety regulators and the aviation industry into action. There are three main ways to make the numbers look better: find new and safer technologies; raise safety standards in the airlines of developing countries and the former Soviet Union; and improve the training of pilots.

The steep fall in the airline accident rate since the 1960s has been due mainly to the development of the jet engine. No such dramatic technical fixes are now on the horizon, although there are a few advances that will help. For instance, satellite mapping of the earth's surface (mostly for military purposes) means that all new aircraft may soon be fitted with software that will tell a pilot if he is heading for a high mountain, and perhaps even be programmed to make the plane climb over the obstacle automatically. Satellite positioning systems will also improve air-traffic control.

Improving the safety of the world's most unsafe airlines is harder. American and European regulators moan about the low standards that tend to prevail in South America, Africa, the former Soviet Union and China. Indeed, the British Foreign Office recently advised Her Majesty's subjects not to take internal flights in Russia. Germany has been considering banning some foreign airlines from picking up passengers in Germany since a Turkish airliner, leased to a Dominican company, crashed last year in the Dominican Republic, killing 189 mainly German holidaymakers.

The trouble is that the standards agreed under the international air safety regime established by the 1944 Chicago Convention are too vague and feeble for today's crowded skies. For instance, they stipulate that airlines should limit the number of hours pilots can fly—but not whether the

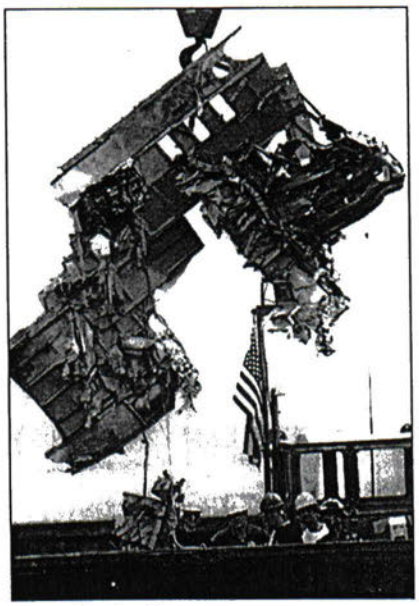
After TWA 800

AT PRESENT the cause of air safety lurches from crash to crash. Each disaster in turn produces a minor panic throughout the whole air industry. One recent example was the angst caused by TWA 800.

When the 24-year-old Boeing 747 exploded in mid-air off Long Island, most people at first suspected a terrorist bomb of causing the explosion; others thought it could be a missile test gone wrong. But the air industry was haunted by another (to it, more frightening) explanation: that the investigators would find some horrible technical fault associated with the aircraft's age. That might have grounded at least the older half of the world's fleet of about 1,000 jumbos, which are on average 18.8 years old.

In the event this did not happen. In late December the American investigators of the National Transportation Safety Board (NTSB) gave a much more muted verdict. They concluded that the explosion which wrecked the aircraft was probably caused by the ignition of fuel vapour in a nearly empty fuel tank attached to the centre of a wing. The source of the ignition could have been a small bomb or a missile, but was more probably the result of some malfunction such as a spark caused by faulty wiring.

Normally the only electric current to come near such a tank is for instrumentation and is too feeble to produce sparks. But flight TWA 800 had been standing on the tarmac at Kennedy airport for several hours in hot weather, with the aircraft's cabin air-conditioning unit running at full blast. The central wing fuel tank, situated next to the air-conditioning machinery, was empty because the flight to Paris would use only the main wing tanks. But the tanks did contain fuel vapour. The exhaust heat generated by the air-conditioning unit would have raised the temperature of the vapours to the point of maximum volatility, so the slightest spark could cause an explosion.



Now for the lessons

The NTSB has proposed a series of measures which it wants the Federal Aviation Administration, the regulator, to introduce. The FAA, which normally follows such recommendations, has until the middle of March to announce what it will do. But the changes are relatively minor and unlikely to ground many of these workhorses of the world's airways. The recommendations range from compelling airlines to keep the tanks full of fuel, or put in nitrogen gas, to fitting gauges to tell the pilots on the flight deck if a tank is overheating.

This has brought great relief to Boeing and to the world's airlines. But an industry that ships people around in machines half of which are on average almost two decades old may not be so lucky next time.

limit should be ten or 23 hours out of every 24. Most western countries have local standards much higher than those set by the Chicago rules.

Those rules allow countries to interfere in another country's airline-safety standards only when they have evident reasons to be anxious. That allows intervention when dangerous airlines fly into relatively safe countries. America's Federal Aviation Administration robustly bans foreign airlines from flying into the United States unless they let the FAA supervise them.

The third route to safety is to improve pilot training. Airlines now realise that they must give more intensive training to pilots who switch to automated cockpits. Indeed, for a time in the late 1980s it looked as though technology was causing more accidents than it prevented because of muddles over whether the pilot or the computerised flight-management system ("fly-by-wire") was in control. An international study, led by the FAA, concluded last autumn that there had been 24 accidents or serious incidents caused by such problems.

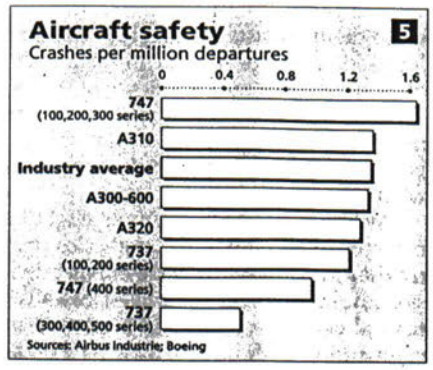
Since pilot error is reckoned to play a part in about 70% of accidents, more attention is being paid to training. "The best pilots are no longer the traditional macho guys with the best bodily motor skills," says Michael Willett, safety director at the Civil Aviation Authority in Britain. "They are now those with the best information-management skills to work with digital cockpits." At present, pilot training and testing rightly concentrates on reducing errors: pilots are tested on their ability to fly with no mistakes, following correct procedures. But to achieve a further reduction in accidents pilots also need to be tested on their ability to overcome the consequences of the inevitable human errors.

Until now, the emphasis of air safety has been reactive. If an aircraft crashes, a painstaking investigation attempts to pinpoint the cause and the regulators then order changes to the design of an aircraft or to the way it is flown or maintained. Now there is an attempt to apply "quality management" techniques, as used in other industries, in air safety. International data on safety problems, near-misses and accidents are being pooled. IATA's Mr Jeanniot wants his member airlines to aim to halve the accident rate over the next ten years by, for instance, bringing in outsiders to audit their safety-management procedures. Perhaps when such steps are taken, aviation will get closer to its goal of zero accidents.

Dangers with a difference 4
Fatality rate 1992, Britain

Mode of transport	Per 100m passenger: journeys	hours	km
Motorbike	100	300	9.7
Air†	55	15	0.03
Water†	25	12	0.6
Pedal cycle	12	60	4.3
Foot	5.1	20	5.3
Car	4.5	15	0.4
Van	2.7	6.6	0.2
Rail†	2.7	4.8	0.1
Bus or coach†	0.3	0.1	0.04

†Average 1975-92 ‡Average 1988/89-92/93
Source: Royal Society for the Prevention of Accidents



Apple Computer

Keep polishing

SAN FRANCISCO

THE world loves an underdog, which is what Apple Computer is in the computer industry. Whether facing IBM in bygone days or Microsoft of late, Apple has always been far more visible than its small share of the crowded computer market would justify. But affection goes only so far—and not, these days, all the way to the average consumer's buying decisions.

On January 3rd Apple announced that it will declare a quarterly loss of as much as $150m at the end of the month, which will bring its cumulative losses since the end of 1995 to about $1 billion. That alone is something of a distinction: no other American company has lost so much in the same period. Consumers are fleeing the troubled Macintosh in favour of PCs, and Apple's share of the world market has shrunk to about 5%—two-thirds of what it was just a year ago.

Part of Apple's problem is that the Betamax/VHS-style battle for the computer industry is over, and the PC, rather than the Mac, has won. But Apple is even having trouble retaining its customers in normally loyal niches such as media and education. Its one claim to superiority—advanced technology and ease of use—is wearing thin. After pulling off the fiendishly difficult trick of switching to an entirely different microprocessor in 1994, Apple now finds itself stuck with the equally difficult problem of replacing an aged operating system. Its new software chief, Ellen Hancock, has ditched the company's efforts to develop a new operating system internally.

Rather than start again from scratch, Apple in December agreed to buy NeXT, a software company founded by Steve Jobs, Apple's charismatic co-founder, for $400m. Mr Jobs himself comes back just as a part-time consultant, but his reappearance, a reminder of former glories, has at least cheered the troops. The technical object of the deal is less obviously cheering, but far more important. Apple wants to use NeXT's software technology, called OpenStep, to regain a technological lead for the Mac operating system.

On January 7th Gil Amelio, Apple's boss, explained to a packed house of the remaining faithful at the annual Macworld conference how he wants this to work. In mid-1998, Apple plans to release a mass-market version of its next operating system, code-named Rhapsody. It will be based on OpenStep and, Apple promises, will be able to run today's Macintosh software on today's Macintosh computers. That will allow current owners—not to mention prospective buyers—to keep using their hardware and software.

Such "backward compatibility" is essential: without it, Apple would be launching a completely new kind of computer, and trying to build from scratch a network of independent companies writing and selling compatible software. That would be unimaginably difficult in a market already settled on the PC standard.

But ensuring that the new operating system is compatibile only avoids making a ruinous mistake. To regain ground that Apple has already lost, the new operating system will have to do more—in particular, more than its competition, Microsoft's Windows NT. OpenStep, despite being based on a design more than a decade old, seems to be modern enough. And with the Mac's beloved desktop interface, rubbish bin and all, grafted on to it, current Apple owners will feel at home.

The pairing with NeXT will also have some appeal for independent software developers—a group that Apple cannot afford to continue losing. It needs these people to produce enough good—and preferably unique—software for the Mac. The new operating system is based on a building-block technology that makes writing software easier than for Windows, and that will also be useful to corporate buyers, a market where Apple has not found much support in the past.

Apple's demise in the near future is un-

THE PRESIDENT HAS SEEN
2-14-97

TO Ce. Ruff / Counsel Office

AMERICAN SURVEY

A slow retreat from freedom

WASHINGTON, DC

AMERICA has the Super Bowl, the hamburger, the baseball cap; America has the first amendment. From the civics classes of their school days, Americans know that this addition to their constitution, adopted in the first years of the Republic as part of the Bill of Rights, guarantees freedom of religion, speech and assembly. For a young country, rebelling against the authoritarianism of the old world, these freedoms amounted to an animating creed. For the mature America of today, they remain a national icon.

The Freedom Forum, a think-tank, recently distributed 1997 first-amendment calendars: each day a new page offers a quotation (from eminences such as O.J. Simpson, Hillary Clinton, Sophocles) on the preciousness of freedom. A hot new movie, "The People vs Larry Flynt", celebrates the first amendment too. The film's hero, publisher of *Hustler* magazine, is set upon by wrong-thinkers who feel pornography should not be allowed. At the high point of the movie, the battle reaches the Supreme Court, and Mr Flynt's lawyer argues that to condemn pornography on grounds of bad taste would be to violate the first amendment. A legal argument about a constitutional sub-clause becomes the stuff of melodrama: only in America.

And yet, in diverse ways, America is starting to doubt the wisdom of this exceptionalism. The first amendment has been used to extend free expression beyond the limits tolerated in most advanced societies; the resulting costs are remarked upon increasingly. Freedom, it is now said both on the left and on the right, must be weighed against other goods, such as equity, morality and social order. The first amendment is no longer such a sacred text; where it is invoked, it should be tested.

Consider, for example, the hottest free-speech issue of the day: the question of whether the first amendment protects campaign spending. In 1976 the Supreme Court threw out post-Watergate limits on election spending, arguing that political advertisements (and, indeed, the spending of money per se) are a form of speech, and so must be unrestricted. The result is that campaign spending has ballooned to a point that most Americans find disgusting. Even before the current scandal concerning the Democrats' fund-raising techniques (see page 29), many thought the Supreme Court's decision wrong. Now a growing band—including Dick Gephardt, the Democratic leader in the House—advocates a constitutional amendment to reverse it.

The idea of expenditure as speech is a relatively new and tendentious one; but forms of speech long protected by the first amendment are equally under attack. Take indecency. Last February Bill Clinton signed the Communications Decency Act, which aspires to control pornography on the Internet (see pages 64-66). In November Wal-Mart was found to be cleansing its shelves of CDs with sexual or violent lyrics, to applause from moralistic politicians. In December political pressure induced television moguls to offer a system of ratings for violent or obscene programmes, modelled on the ones already used in cinemas.

The first amendment also lays down that "Congress shall make no law respecting an establishment of religion"; this bars the government from helping any faith, lest rival ones suffer. Again, this principle has grown unpopular. These days Republicans and Democrats agree that religion is such an essential social glue that the state has an interest in promoting it. Many Republicans favour a constitutional amendment to allow prayer in government schools. The Clinton administration has found ways of channeling government money to religious charities, and religious schools are now model partners in government-subsidised voucher schemes.

In 1964 a Supreme Court ruling based on the first amendment gave America the world's freest press; increasingly, Americans doubt whether this was sensible. The court laid down that, in order to win a libel case, a public figure had to prove that an allegation was not merely inaccurate; it had to be deliberately malicious. As a result, American journalists can print allegations about politicians or tycoons without being required to prove that they are true, a ruinous course in some other countries, especially Britain. This makes it easier to deflate big shots, which is good. But it also makes for uncivil public debate, which stokes public revulsion with the media. Last month a Harris poll found that 84% of Americans believe government should regulate journalists in order to root out bias; 70% support court-imposed fines for inaccurate or biased reporting.

In sum, first amendment freedoms are increasingly questioned; and judges who uphold the prevailing wisdom of the courts, no matter how long-established, may find themselves at loggerheads with public opinion, sometimes in the shape of their own juries. This seems especially true in the case of press freedom. Though judges make it hard to convict journalists for libel, juries vent their wrath against the media by imposing monumental awards on the un-

lucky few who lose their cases. To inflict maximum pain, they punish individual journalists as well as media firms. Last month ABC television was ordered to pay $10m in damages to Alan Levan, a financier; the producer of the offending report was ordered to pay $500,000.

A second case, also involving ABC last month, demonstrates another way in which courts intimidate reporters. Food Lion, a supermarket chain, sued ABC over a documentary that showed employees doctoring spoiled meat and bleaching fish to make it smell better. Food Lion did not claim that the report was wrong, and did not sue for libel. But it successfully sued ABC for fraud: its journalists had lied about themselves in order to get jobs with Food Lion and opportunities to film its unhygienic practices. This legal device—attack reporting techniques rather than the reports themselves—has grown popular in recent years. Despite the first amendment, journalists are on the defensive.

And so, by various routes, America is reconsidering its famous love of freedom. Some may think this no bad thing. America may be returning to its old balance, correcting the libertarian excesses of first-amendment judgments made in the past couple of generations. It may also be responding sensibly to changed times: and particularly to the view that, since the media has come to saturate American life, protection of free speech in the broadest sense may not be possible without certain limitations.

Yet the slow retreat from freedom does contain a danger. America has disdained the first amendment before, and the results have not been edifying. In the 1950s Joe McCarthy's Red-baiting was made possible by the courts' refusal to help his victims when they invoked first-amendment rights. This shameful episode partially explains why courts embraced the first amendment with compensating zeal in later years. It would be nice if Americans remembered this history rather than repeated it.

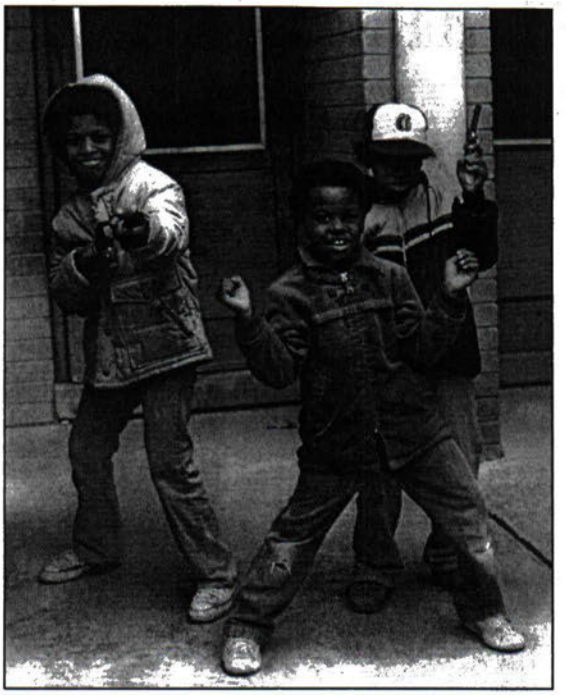
Education

The Ebonics virus

SAN FRANCISCO

THEY never meant to do it, but on December 18th the local school board in Oakland, California unleashed the liveliest educational debate for several years. On that day, the board proposed a new approach to the teaching of standard English to black children in elementary grades.

There are 28,000 black pupils in the Oakland school system, around half of the total. Many of them do badly in school. Blacks account for 71% of the children from Oakland in "special" (remedial) education, 61% of the children who are required to repeat a grade, and 80% of those who are suspended; their grade-point average is 1.8, on a scale of 4, compared with the district average of 2.4. At least some of their problems stem from a basic difficulty: they speak the language of the inner-city streets, rather than standard English. The school board thought it might help if the slang these children used at home were recognised as a distinct primary language, separate from English; and if teachers showed respect for this language, and used it in the classroom, as a means to bridge the gap between standard English and the speech of the ghetto.



Speaking another language?

The quasi-language in question has been christened "Ebonics", a lumpish blend of "ebony" and "phonics". Supporters of Ebonics say it derives from the structures of Niger-Congo African languages and marks the persistent legacy of slavery. Other linguistic scholars note that some usages have appeared only recently, as the ghettos have become more isolated from mainstream American life. Speakers typically leave the "g" off the end of words ("She be playin' in the park"), turn a "th" sound to "d", play fast and loose with the verb "to be" ("He be tall"), and prefer the double negative ("Didn't nobody see it"). Unwisely, the board said this language was "genetically based", when they meant to say that it was based on long-established linguistic structures. That set off a flurry. But the board was soon engulfed in a storm

Capital letters

WASHINGTON, DC

EBONICS could be just the beginning. If school officials in Oakland can claim that inner-city blackspeak should be recognised as a language in its own right, surely other variants of English should claim similar status?

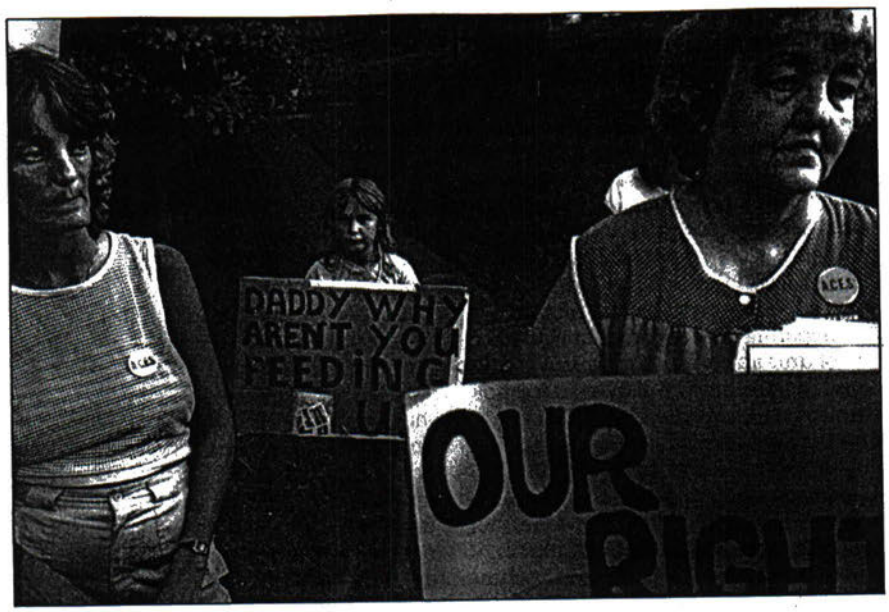
Take Federish—derived from the words "federal" and "gibberish"—hitherto considered a mere dialect peculiar to the District of Columbia. Federish-speakers think they are talking standard English. In reality, much of what they say is incomprehensible to ordinary Americans beyond the Washington Beltway.

Federish is peppered with strange words such as cloture, recusal and rescission, not to mention obscure combinations of letters such as OMB, NEC and ACDA. Only if you insist on a translation will a Federish-speaker impatiently explain that when he refers to, say, LIHEAP, he means the Low Income Home Energy Assistance Programme. Fluent speakers may talk nonchalantly about POTUS (President of the United States), FLOTUS (First Lady of the United States) and FROSH (congressional freshmen). In Federish, "Heritage" has nothing to do with historical roots and "National" often means an airport.

Federish has its grammatical and semantic peculiarities. It favours the use of plural over singular: "I want" in standard English becomes "The American people want" in Federish. The meaning of certain words is reversed: if a Federish-speaker wishes to "clarify" something he has just said, he means that he wishes to obscure (or, preferably, retract) it. "I cannot recall" is a Federish phrase, commonly used in front of congressional committees, meaning "I'm not telling."

Do Federish-speakers need special help? You bet. Like Ebonics-speakers, they can be at a severe disadvantage in the job market. The most prominent recent victim was Bob Dole, who failed to win the presidency because he was talking a language very few Americans understood.

THE PRESIDENT HAS SEEN
2-14-97



Welfare, Inc

Revolution is happening in the administration of American poverty programmes. In future, some of them will be run entirely by companies

DEEP in the heart of Texas, there are rumbles of a revolution. Three bidders—Andersen Consulting, the world's biggest consultancy, and groups led by Lockheed Martin, the world's largest defence contractor, and by Electronic Data Systems, a huge information-services group—are competing for a five-year contract that may mark the biggest transformation of the 1990s in the role of government. The winner will be paid to run the entire state welfare system. Almost every aspect of welfare, from determining whether a claimant is eligible for help to preventing fraud and making the payments, will eventually be in private hands.

In future, Texans who claim state-financed income support, health care and food coupons, or who take part in job-training, drug-rehabilitation and pregnancy-prevention programmes, may never see a civil servant. About 30 social programmes, whose administration currently costs the state $550m a year, will be in private hands. "There has never been a system where a private entity deals with all the clients at the front end of the system," says Jerry Miller, who is in charge of Lockheed's bid. If the Texas experiment works, others will copy. Oregon, Maryland and Wisconsin are already working along similar lines; at least 20 more states have expressed an interest. In time, the idea may catch on abroad (see page 53).

America spends $1.4 trillion a year on social programmes; administering their share of this costs the 50 states almost $30 billion a year. The states hope that private administration will save some of that bill. Private companies have always been involved in welfare provision, supplying everything from desks to electronic-payment systems (see box on next page). But the welfare-reform law signed by President Clinton in August 1996 has allowed states far more flexibility in the use of private contractors. Under the legislation, the federal government will no longer set detailed administrative rules. Instead, states will receive a lump sum to spend as they wish. This will allow 50 different welfare systems to spring up, each with their own recipes for reducing poverty.

For poor families, these changes spell uncertainty; for business, opportunity. Already, business has become increasingly involved in social policy. Companies have frequently taken over administrative jobs such as processing claims for Medicaid, the medical fund for poor people, and designing electronic cards to track food stamps. They have concentrated mainly on transactions that are easy to measure, such as processing and collecting traffic fines and electronic tolls, and carrying out drug tests.

Now, companies are moving into activities which, since the New Deal, have been the prerogative of government or charity. Some are not names usually associated with welfare. Lockheed, for instance, bought a small company that managed car parks and handled tickets in 1984; this spurred it to explore other ways of providing computer support and systems integration to the public sector. Lockheed IMS, its human-services division, has 2,000 employees (which represents 1% of the Lockheed workforce) in 50 public offices, and is now among the fastest growing of the company's subsidiaries.

EDS first moved into human services in the mid-1970s, when state and local governments hired the company for data processing and information-technology management, which are still its core businesses. It subsequently undertook consulting and programme design, and became convinced that it could make welfare work better than governments now do. "We were taking the old processes, and doing them cheaper and faster," says Bob Stauffer, who markets EDS services to state and local governments. "Now we can ask: does it make sense to do it the old way?"

For richer, for poorer

The market for direct private provision of social services began in 1988 when the federal government started subsidising state enforcement of child-support payments. Many states found it more efficient to hire debt-collecting agencies than to recruit more staff. Since then, a majority of states have contracted out at least part of the collection of child-support payments, usually by paying a percentage of the sum collected. Lockheed alone collects more than $1 billion a year, almost 10% of child support nationwide, in 18 states.

Another profitable niche is finding work for welfare recipients. EDS and three small firms—Maximus, America Works, and Curtis and Associates—have won contracts from city governments to do so. All claim above-average success. For example, America Works canvasses local business for job placements and regularly sends its staff to visit their clients' workplaces, to help to

solve any problems. The company, which has total sales of $7m, gets $985 when a client is placed; $3,855 if she (most welfare claimants are women) is taken on full-time after a probationary period; and another $650 if she stays on.

States like privatising welfare-to-work because the private sector takes all the risk. Companies are paid only if they place clients in jobs; if they fail, the state is no worse off. This business will boom, thanks to Mr Clinton's welfare reforms, which threaten to strip states of their federal money if they fail to get at least half their recipients into work (compared with about 10% now). But several other aspects of welfare management are increasingly in private hands:

- Lockheed has taken over running employment and training programmes, and the case management of welfare recipients, in Dallas, Texas, and has started a new division, Welfare Reform Initiative, specifically to seek management contracts.
- EDS has helped to design and run child-welfare programmes in Illinois and California, determining how to handle foster care, child care and claims of child abuse. It also processes Medicaid claims in 20 states.
- Maximus, which has annual revenues of $100m, managed the caseload of 57,000 welfare claims for Los Angeles County between 1988 and 1993.
- Policy Studies of Denver collects child-support payments in ten states. In Tennessee, it can mandate DNA testing, establish a support order, ask the sheriff to throw a non-payer into jail and intercept tax returns.

The public-relations nightmare

Putting welfare management in private hands will foster experiment and efficiency—but also controversy. Already, some people worry that welfare-to-work companies ignore the 30-40% of claimants who are least employable. In fact, companies do not have a financial incentive to try: preparing a school dropout with a history of drug abuse for employment usually costs far more than the placement fee. Government will have to be clearer about its priorities, and they in turn will have to be built into the structure of fees in future.

The Texas contract raises more intractable issues. Because the private contractor will administer all social programmes, it will have to act with the authority of the state. That could mean refusing benefits to some people and ensuring that others are at school, or treating their children well, or going to drug counselling. Such oversight is annoying enough when government does it. Private firms will face questions over the propriety of granting special legal rights to profit-making firms, and assigning responsibility for poverty programmes to companies that are answerable primarily to shareholders.

In bidding for the Texas contract, Lockheed and EDS have sought to head off controversy by joining with state agencies—the Texas Department of Human Services and the Texas Workforce Commission respectively—to make their bids. The companies have not, however, been able to soothe the public-sector trade unions, which regard the provision of social welfare as a task for the state.

This row could be the first of many. Although the companies say that they are only putting government policy into practice, they may find themselves blamed for many of the changes caused by the shrinking amount of money available for the poor. Private welfare providers will have to develop thick skins.

Bar-coding the poor

AS FINLAND goes, so goes Namibia—at least when it comes to pensions. The two countries are among the pioneers of electronic pension provision, in which recipients draw their retirement cash by inserting a government-issued card into a cash dispenser, otherwise known as an automated teller machine.

This method of transferring cash from governments to people, known in the trade as "electronic benefit transfer" (EBT), looks likely to make order books and welfare cheques obsolete. More efficient and fraud-proof than paper, EBT systems are part of the welfare state of the future. Bits of northern Italy and three provinces in South Africa have already put EBT schemes in place for paying pensions; Mexico is experimenting with one that monitors the supply of subsidised milk and tortillas to some 2m poor families.

Britain is planning, ambitiously, to disburse electronically almost all its £90 billion ($150 billion) in social spending by 2000, a system the government estimates will cut fraud by £150m-200m a year. A pilot project administering child benefit is under way. People eligible for benefits will get a card, designed by ICL Pathway, that stores information on their entitlement. The card is swiped through a Post Office computer, which verifies the user's identity and notes how much the claimant is owed; a cashier dispenses the cash. There are no order books to filch, and no possibility of a third party cashing a stolen cheque.

The welfare-reform law passed in the United States last year demands that all 50 states must have EBT in place for food stamps by 2002. Most are taking the opportunity to include welfare payments to poor families in the card as well. Transactive, a subsidiary of GTECH, a company based in Rhode Island, has the biggest system in operation so far, in Texas. Under a seven-year contract, Transactive is paid $2 a month for each food-stamp recipient, and 97 cents for each income-support recipient. In return, it does all the training and sets up the infrastructure, such as installing terminals.

To receive their food stamps, Texas's 3m claimants swipe their "Lone Star Card" through a terminal at the checkout counter of a shop, and enter their PIN number. The cost of their food purchases is then automatically deducted from their entitlement, and added to the retailer's account. The system recognises the bar-codes of forbidden items such as alcohol and cigarettes, thus ensuring that food subsidies are actually spent on food. Texas officials noticed that, when towns introduced EBT, sales of alcohol tended to drop and of food to rise.

Such cards are not truly "smart". They use magnetic strips, not a microchip, to hold information, so they cannot process the data. Spain, however, has decided to be smart. In a programme known as TASS, Spanish authorities have begun to embed a vast range of information in new social-security cards.

Under the scheme, welfare benefits are still deposited directly into bank accounts. But Spaniards can use the card at designated kiosks to talk to any number of government agencies. They can check the status of their pensions and unemployment benefits, ask about job training, check their health insurance or book an appointment at a clinic. *Smart Card News*, a British industry newsletter, describes TASS as the biggest and broadest such initiative in the world. By 2002, every citizen will have a card; already, 2m Spaniards do. Ole!

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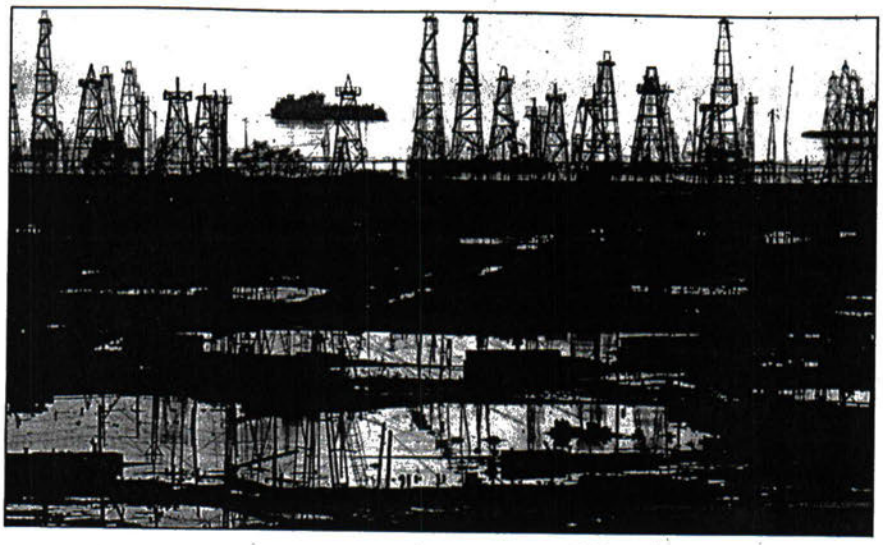


The combustible Caspian

BAKU, AZERBAIJAN

Arguments over the Caspian Sea—about oil, strategy and national pride—continue to fester. Why are they so dangerous? And who is winning?

THE town reeks of oil, and buzzes with oil men, diplomats and spies. Its broad and pleasantly seedy streets run down to a sea whose wealth can be smelled all too easily. The more intensively the Caspian is surveyed, the more oil it promises: its reserves may rival those of the Persian Gulf. The fact that it is landlocked means haggling not only over who gets the oil from under the sea, but also over who ships it to distant markets and how. Right now that could make Baku the wheeler-dealing capital of the world.

Last month's deal between the Azerbaijani national oil company, SOCAR, and a consortium of foreign partners to invest $2 billion in a new offshore field, marked the fourth big Caspian development contract. More recently, representatives of the Chechen government have been in Baku lobbying for oil to be exported via a restored Chechen pipeline. The transit fees would support the rebuilding of Chechnya's devastated economy—and also its struggle for independence.

But Russia—or, at any rate, its foreign ministry—has been finding it hard to bear the spectacle of Azerbaijan, Kazakhstan and Turkmenistan, all countries with Caspian shores, exploiting oil and gas reserves that Russia had scarcely noticed before the Soviet Union broke up. The flow of western capital and influence into Russia's backyard has merely added to its sense of injury, despite the fact that Russia's own biggest oil company, Lukoil, has also been a leading investor in the Azerbaijani consortia.

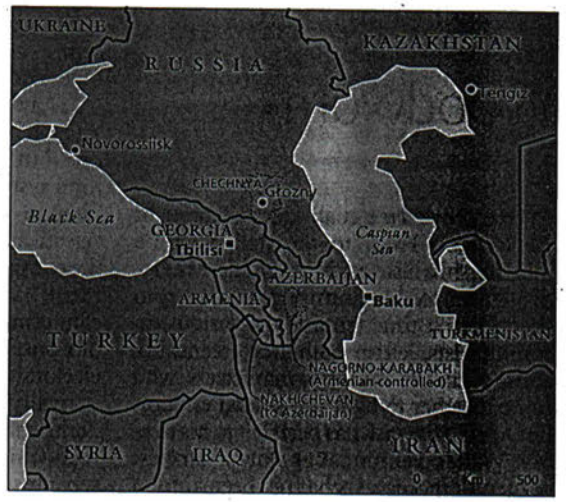
The question is what, if anything, Russia can do to improve its position. Having left its fingerprints on one or two past attempts to unseat Azerbaijan's president, Heidar Aliev (despite his being a leftover from Brezhnev's Politburo), Russia has been trying its hand more recently at legal argument. Azerbaijan has proclaimed a Caspian division entirely into national sectors—of which Russia's, and Iran's, promise the least oil. Russia has responded by demanding a condominium that would place the entire sea, save for narrow strips along the coastline, under the joint control of its five littoral countries.

Russia is brandishing in its support treaties struck between Iran and the Soviet Union in 1921 and 1940 that gave each country a ten-mile coastal fishing zone, with shared jurisdiction over the rest of the Caspian. Russia claims inheritance of the Soviet Union's rights under that treaty. It rejects application of the 1982 international convention on the Law of the Sea, which says landlocked seas can be carved up among the countries that border them. The Caspian, says Russia, is not a sea but a lake or basin, and argues that condominium ownership should help clean up the Caspian's ghastly pollution, which threatens to wipe out its sturgeon—"in which case", retorts one Azerbaijani diplomat, "Russia might start by not sending 12m tonnes of sewage down the Volga every year."

At a meeting of Caspian states in November, Russia produced a compromise offer: 72-kilometre (45-mile) territorial waters for each littoral country, plus "pinpoint jurisdiction" for Azerbaijan over fields it had started to develop outside that limit. That formula proved acceptable to Iran and Turkmenistan. Kazakhstan saw scope for different arrangements for mineral, fishing and other rights—a response Russia was quick to interpret as qualified support. Azerbaijan said "no deal".

Azerbaijan had reason to do so. The deeper waters farther off its shores are much too promising to sign away lightly. Its position has the support of American capital and of the American government. A measure of Azerbaijan's confidence was the omission of Lukoil from the most recent consortium deal—seemingly as a riposte to Russia's contradictory tactics of disputing title to Azerbaijan's waters while at the same time trying to invest in them.

But the contradiction is one that Russia, in its present circumstances, will be hard pushed to resolve. Its oil and gas compa-



nies are powerful enough to lock horns with the foreign ministry; and the foreign ministry is coming to understand, if not quite to accept wholeheartedly, that private enterprise can extend Russian influence and Russian interests in neighbouring countries at least as effectively as diplomats or soldiers can.

That said, the foreign ministry under Yevgeny Primakov, a former head of the revamped KGB, is playing a long game of its own. It knows that Mr Aliev, now 73, will not maintain his dictatorial grip on Azerbaijan for ever; and that it will be a volatile place when he goes. A less tightly ruled Azerbaijan might easily be drawn back into war with Armenia over the disputed territory of Nagorno-Karabakh (which Armenia conquered a few years ago), inviting Russian intervention. It might also be prey to Islamic fundamentalism, which Mr Aliev has kept down. Its revival would tend to push Azerbaijan towards Iran, Russia's ally of sorts, and away from the West—though a latent territorial dispute between Azerbaijan and Iran might complicate matters.

Russia has the comfort of knowing that Iran views the present situation with an equally baleful eye. In deference to America, Iran has been all but excluded from Azerbaijan's offshore consortia. Russia also has plenty of scope for bullying Kazakhstan: nearly two-fifths of its people are ethnic Russians, and Russia has actual or potential control over most export routes for Kazakhstan's rich oil and gas reserves. The economic and political factors that are slowly determining pipeline routings through the region are a labyrinth in themselves, created by the competing diplomatic wiles and economic leverage of Russia and Turkey, and by the volatile politics of the Caucasus and Transcaucasus.

The result is to leave national interests pressing massively on one another, like tectonic plates, around and beneath the Caspian. For the moment all is stable. The question is what will happen if and when one of the plates shifts.

Italy

Woodworm

ROME

THE Olive Tree coalition that brought Romano Prodi to the Italian prime ministership last year is in trouble. Mr Prodi has been too busy running the country to spend much time tending the various ex-communists, leftish Catholics, greens, liberals, socialists and free-marketeers who came together to fight the general election last April. That task has been left to his deputy, Walter Veltroni. But Italy's harshest winter for many years has not been kind to

the tender tree. It is creaking.

Few of its members are as enthusiastic about the Olive Tree as Mr Veltroni. Massimo D'Alema, the leader of the Democratic Party of the Left (PDS), the reformed bit of the old Communist Party which is the coalition's biggest component, has never shared Mr Veltroni's ambition to create an Italian counterpart to America's Democratic Party. Lamberto Dini, the foreign minister, has always been more interested in his own branch, Italian Renewal, now reduced to little more than a twig. Many of his colleagues also see a stronger Olive Tree as a threat to their own parties, and fear for their grandiosely named posts. Some talk openly of backing a return to proportional representation, which the voters threw out in a referendum in 1993. At least part of the intention then was to get rid of the plethora of political parties. Yet the throng persists: at least ten small groups crowd the political centre alone. They squabble with each other and are riven internally.

How has all this come about? Simple. Though the voters—over 80% of them—opted in 1993 for a first-past-the-post electoral system and went on to welcome the "second republic" that accompanied the "clean hands" investigation that exposed the corruption of the old political establishment, Italy's politicians have done all they can to make the new system work like the old one. To win seats, they have formed electoral coalitions that soon disintegrate in rivalry. It happened in 1994, when Silvio Berlusconi, leader of Forza Italia, a new right-wing movement, teamed up with the separatist Northern League, which then caused his downfall. Now it is happening again. Already the Refounded (but unreformed) Communists, on whom the Olive Tree depends for its parliamentary majority though it is not actually in the coalition, are growing presumptuous. This week the party's leader was being lovingly hugged by Fidel Castro in Cuba.

The talk now is of further basic change. Some want to see a constituent assembly elected to write a new constitution. Others think the job would be better done by a special committee drawn from both houses of parliament. But whatever they think about the means, there is wide agreement both that constitutional reform is needed and that it should be based on cross-party consensus—which means discussions between government and opposition. Yet suspicions are rife. Thus, when the PDS and Forza Italia, the two main parties, talk to each other, they are accused of wanting to go back to the bad old ways of running the country by cutting secret deals between the parties. And maybe they do.

It has certainly been easy to put a sinister construction upon the recent informal exchanges between Mr D'Alema and Mr Berlusconi. They were ostensibly talking about constitutional reform, but the suspicion that more was going on has been strengthened by the government's decision to extend by six months Mr Berlusconi's virtual monopoly of private-sector television. He badly wants a broadcasting bill that would perpetuate his company's dominance, which the Constitutional Court has ruled must end. He would presumably also like an amnesty to extricate him from his various legal tangles. No wonder voters have been invoking *inciucio*, a Neapolitan word that originally meant gossip but is now applied to politicians' desire to return to their old deal-making habits.

What Mr Prodi makes of all this is obscure. He remains calm, vowing that his government will last its full term, to 2001. It is not clear, however, that Mr Prodi has the measure either of Italy's professional politicians—he is an academic—or of its voters.

Germany's press

Through a glass sharply

HAMBURG

IF GUESTS think they spot Helmut Kohl, Germany's chancellor, at a gala for the news magazine *Der Spiegel* in Bonn next week, they may safely conclude they have had one too many. Mr Kohl loathes *Der Spiegel* (The Mirror), which is as large a German institution as he is. So the official honours at the hard-hitting weekly's 50th

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France and Africa

Why were they there?

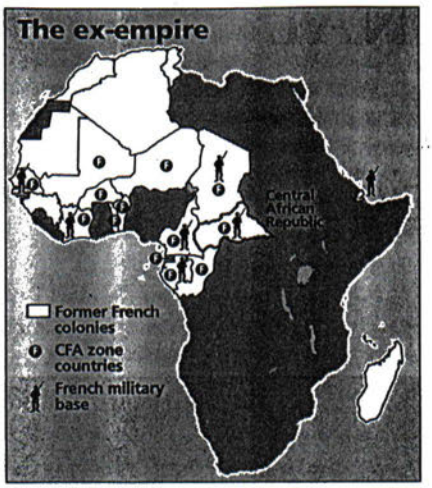
LAST Sunday night, French soldiers killed a number of Africans in Bangui, capital of the Central African Republic. How many Africans and just which ones? The French said ten mutinous CAR soldiers had died and 30 were taken prisoner. The local Red Cross said the toll had been far higher and included several civilians.

The French had made a night attack, with helicopter gunships and armoured cars, on part of the city held by opponents of the government. Two unarmed French officers, part of a team trying to mediate with the mutineers, had been shot dead as they tried to escape in a vehicle from an angry crowd on Saturday. The official French explanation for the raid—more than 24 hours later—was "legitimate defence". The unofficial one from a defence spokesman was cruder: "No one kills French soldiers and gets away with it."

Why, though, were more than 2,000 French soldiers in Bangui in the first place? France replies that it has defence agreements, dating to the early 1960s, with eight former colonies in Africa; and, once on the spot, its troops defend French and other foreign civilians. The rules of engagement that let helicopters spray an African town with gunfire in defence of French or any other civilians are not made public.

The simpler answer is that, though its African territories became independent over 30 years ago, France never actually left. It supports a currency shared by many of them, the CFA franc. It has military bases in seven ex-colonies and troops in more. The

Bangui, c'est nous



CAR, home to its second-largest military establishment in the continent, lies in the heart of Africa, giving it a long reach. France props up friendly presidents, often installed by French soldiers in the first place, with aid, advice, military training and, when need be, as recently in the CAR, with French troops.

This cosy relationship was long symbolised by one man. For some 25 years after decolonisation, French policy was run by Jacques Foccart, adviser to General de Gaulle and his two successors. He recently boasted how he had run Africa like a proconsul, appointing presidents, sacking them, and indeed getting their opponents killed by French secret-service agents.

All for what? True, in return French companies get a free hand and some cheap raw materials—and French political parties get donations. But why spend money and energy in a continent less than famous these days as a source of wealth? At one time, the policy delivered votes for France at the United Nations, but that no longer matters much. A loyal retinue of French-speaking heads of state, be they venal heads and feeble states, makes French presidents glow with pride, but what else?

In recent years some French politicians—Edouard Balladur, a past prime minister, and Alain Juppé, the current one, while he was foreign minister under Mr Balladur—have tried to replace the old patronage system with more normal ties. Mr Balladur even accepted IMF urgings and told France's friends to devalue the CFA franc by half in 1994. Many thought France was walking away from Africa at last, even though, there as in the urban fabric of Paris, a dying President François Mitterrand sought to uphold the imperial tradition.

President Jacques Chirac, elected in 1995, at first backed the new line, while maintaining a commitment to Africa. Last year he said the days of unilateral intervention were over: France would no longer play "the gendarme of Africa". But revelations of vigorous French backing—before President Chirac's day—for the genocidal regime in Rwanda stirred anti-French feeling in Africa. So, recently, have French support for Zaire's lamentable President Mobutu Sese Seko and reports of French mercenaries going to his aid. France and the United States recently traded insults over a French proposal for an intervention force for eastern Zaire.

Far from promoting a new policy, these events have reinvigorated the old one. Mr Chirac is looking more imperial, and trying to maintain the special relationship. Africa-watchers in Paris have been astounded to see an aged Mr Foccart haunting the president's Elysée Palace, where he has an office. While other departments responsible for Africa bicker, the defence ministry has won its way: proposals to cut French bases and renegotiate the defence agreements have been shelved.

Though French troops put down two army uprisings against the CAR's President Ange-Félix Patassé last year, and are still busy against this third one, which began—over army wages left unpaid—in November, he is hardly the ideal puppet. Once prime minister to the clownish "Emperor" Jean-Bédel Bokassa, he is seen as ineffective and is no great lover of France. Last year he sacked a pro-French prime minister.

But higher politics than the CAR's played a part. The eyes of France's other African protégés are on Bangui. France "lost" Rwanda, and was unable to stop a coup in Niger last year. Zaire is wobbling. Could France still be relied on? France's generals, with prestige at stake and facing budget cuts, wanted to prove that the answer, if the job were left to them, was still yes.

South Africa

The ambiguities of amnesty

JOHANNESBURG

NOT for the first time, South Africans are confused about right and wrong. The government has widened its offer of amnesty, open to those who confess to political crimes in the days of white rule. Yet it has cracked down on seemingly good guys.

Originally, the offer of amnesty covered crimes up to December 1993. But President Nelson Mandela last month extended that date to May 10th 1994, soon after the first all-race elections. This will allow various right-wing bombers, some of whom have begun to blow up people and buildings again, to apply. An even longer extension may be allowed to killers in the KwaZulu-Natal war between Inkatha and the African National Congress. Yet leaders of PAGAD, People against Gangsterism and Drugs, a

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their patches; instead, these livers would be made available to the neediest within a much larger region, usually across a couple of states. This move would go some way towards evening out the big geographical disparities in liver allocation. UNOS considered but rejected the idea of allocating livers according to a centralised national list. Livers have a short shelf-life, and flying them around America is no way to keep them at their best. Second, UNOS planned to standardise the rules that determine when a patient should be added to the waiting list.

The unexpected result of these technical fixes was uproar. Several transplant centres, including the University of Pittsburgh, New York's Mount Sinai Hospital and Baylor University in Houston, argued in favour of a single national list. The larger centres tend to get sicker patients, they argued, and thus should have higher priority in allocation. (Sceptics note that transplants are both profitable and good for medical reputations, and wonder if the big centres are not guilty of simply wanting to increase their market share.)

Others objected that moving acute patients up the priority list was a moral judgment that had no place in medicine. This is because much, though not all, chronic liver failure can be traced to drug and/or alcohol abuse. Patients on the waiting list with chronic liver failure feared that the regulatory tweaking meant they would never see a liver. In fact, the new policy, like the old one, will see 95% of liver transplants going to the chronically ill.

As the argument heated up, the federal Department of Health and Human Services (DHHS) held hearings on the proposed changes in December. They were inconclusive, so on January 20th the new rules went into effect for all future entrants to the waiting list. But a panel named by the DHHS may well devise its own regulations; in that case, these federal rules will supersede current practice. This would be something new for the department, which approves changes in transplant policy but leaves UNOS to make them.

The idea that the DHHS may decide to take over allocation is not popular in transplant circles. Despite controversies like the one over livers, the system generally works as intended. Transplant experts worry that the government will not do as well and that the process might be politicised.

The fundamental problem, of course, is simply that there are not enough organs to go round. This is a worldwide problem (see page 17). On January 15th, 7,511 Americans were waiting for a liver, but last year only 3,925 got one; without a functioning liver, which is the body's chemical processor, death is swift and certain. Bureaucratic fixes cannot do much to change that.

A busted flush

How America's love affair with casino gambling turned to disillusionment

IN 1995, 177m Americans went to watch the baseball, football, hockey and basketball matches, not to mention golf tournaments and car races, that make up what most people think of as away-from-home entertainment. Yet almost as many Americans, 154m of them, walked through the doors of the country's casinos. Americans in 1995 wagered an eye-popping $550 billion on all forms of gambling, handing the gambling industry a record $44.4 billion in profits, 11% more than the previous year (see chart on next page). Around 40% of that activity took place in casinos. On the face of it, casino gambling has become the most popular leisure activity—well, maybe the second most popular—in America.

It is at least as popular with Wall Street and American business. In the past year or so, Goldman Sachs and Morgan Stanley, two blue-chip investment banks, have set up research and banking teams to serve the "gaming and leisure" industries, as the gambling organisations like to be called. Respectable firms such as Hilton Hotels and ITT have acquired casino operators. Las Vegas and Atlantic City are expanding faster than ever before. To all appearances, casino gambling is a rich, successful and untroubled business.

It may seem strange, then, to argue that America's love affair with casinos is essentially over. Strange, too, to assert that the gambling industry is largely responsible for ensuring its own eventual decline. But there is growing evidence for both arguments. And the irony is that the roots of gambling's failure lie not only where one might expect—in moral objections—but in the consequences, expected and unexpected, of the economic success which helped the casinos' emergence into respectability.

Plenty of people are still willing to roll dice, draw cards and, most of all, play slot machines. But there has been a change of heart among the legislators whose tolerance of casino gambling gave it legal sanction. Since mid-1994, anti-gambling groups, led by the National Coalition Against Legalised Gambling, have helped to defeat more than 30 state legislative or ballot proposals to legalise or expand gambling businesses. Despite spending a fraction of their opponents' budgets on lobbying politicians and voters, the lobby against gambling has proved remarkably effective.

The gambling industry is hitting back. In June 1995 it organised itself into the American Gaming Association; it spends serious money trying to limit further dam-

age to its fortunes. But it is likely to be a bruising and losing battle.

In August 1996 President Clinton signed a law establishing a national commission whose nine members will, for the next two years, study the impact of gambling on American society. That is quite a change for an administration which had previously seemed to look on gambling simply as a source of revenue. In 1994, Mr Clinton floated the idea of a 4% federal tax on gambling revenues to create a fund for welfare reform. No fewer than 31 state governors replied that the tax, by lowering their own tax-take, would do great damage to their already stretched state budgets. The proposal was shelved. Now Mr Clinton, turning the other way, has set up his commission, and most people reckon its questions will make the casino firms squirm.

The false example

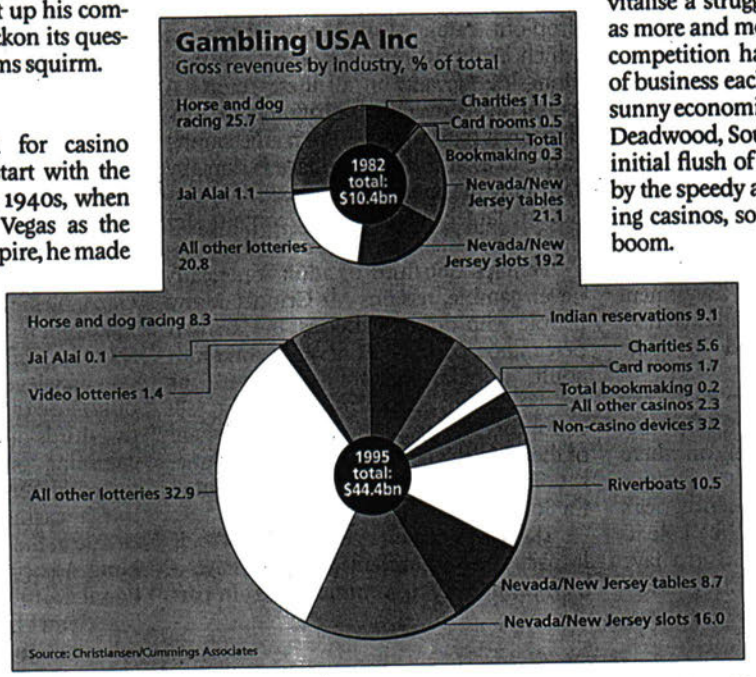
To understand the reason for casino gambling's coming failure, start with the reason for its success. In the 1940s, when Bugsy Siegel turned to Las Vegas as the place to set up a gambling empire, he made a shrewd guess: if you build a casino in the desert, people will flock to it. After a shaky start, the experiment proved a success. That was in part because Las Vegas at the time had a country-wide casino monopoly (the next casinos, in Atlantic City, New Jersey, were not approved until 1976).

The frenzied expansion of Las Vegas in the late 1980s and early 1990s caught the politicians' eyes. So too did the economic impact of casinos on equally isolated Indian reservations. As sovereign nations, tribes were for a long time allowed to run gambling operations when these were forbidden elsewhere. In the early 1990s, the economy of many parts of the country was stagnating, and state politicians were under pressure either to cut services or to raise taxes. Many suddenly had the same idea. Why not legalise casinos, thereby creating employment as well as a firm base for future taxes on the profits of the chosen local monopolist?

Gambling firms were quick to share the idea, promising lavish improvements in the infrastructure of run-down urban centres. Would-be operators of new casinos talked smoothly of repaved streets, splendid shops and thriving "eateries". And the politicians, for their part, found a further way to draw attention to the supposed advantages of legalised gambling. They could earmark gambling-tax revenues for some of the things voters wanted: for example, by 1991 13 states, including New York and California, had allocated some or all of their lottery receipts to education.

Look at Connecticut. Few states have had more bruising battles over whether to extend casino gambling. But since 1992 Connecticut has been home to America's most successful casino, Foxwoods, which sits on land belonging to the Mashantucket Pequot tribe of Indians. Thanks in part to the fact that 22m people live within 150 miles of Foxwoods, the casino gets around 45,000 visitors a day and makes an estimated daily profit of $1m.

Not surprisingly, other gambling interests have sought a share of the Connecticut pie. In the early 1990s, Steve Wynn, chief executive of the Mirage Corporation, a big casino operator, tried to win casino licences in Connecticut's state capital, Hartford—which has suffered from the decline of the big insurance firms that once dominated its economy—as well as in the decrepit town of Bridgeport. Despite generous spending, and his gleaming vision of what gambling would do for the economy, both of Mr Wynn's attempts failed. Yet casino operators are still seeking other places to expand. A lively debate is going on at present over proposals to legalise casinos in New York, specifically to draw "the gambling dollar" away from New Jersey and Connecticut.



How the reality dawned

The trouble, as some New York legislators are pointing out, is that the supposed casino miracle has two big problems in practice. First, with few exceptions, legalising gambling has failed to stimulate the expected economic miracle. According to Harrah's Casinos, which publishes an annual survey of the industry, casinos employed 367,000 people in 1995, more than half of them in Nevada. That was a 24% increase since the start of 1994. But the jobs created by the arrival of casinos are too often menial—money-counters, cleaners—and have all too often been cancelled out by the jobs that are lost as the newcomers drive older firms out of business. Moreover, bare statistics that show the growth of gambling jobs ignore the job creation that would have happened in the absence of a casino.

Belatedly, the politicians who welcomed casino gambling for its economic spin-offs have realised that it takes more than a few superficial improvements to revitalise a struggling city centre. Moreover, as more and more casinos have opened, so competition has diminished the amount of business each one can expect. The once-sunny economic projections have faded. In Deadwood, South Dakota, for example, an initial flush of profitability was destroyed by the speedy arrival of dozens of competing casinos, so that bust quickly followed boom.

Second, many places failed to understand that casinos, more than other forms of gambling such as lotteries, cause what economists call "negative externalities". There is a price to pay in the rising cost of such things as law enforcement, street cleaning and (some argue) the extra social services needed when gambling leads to the break-up of families. When these additional costs are taken into account, it is far from clear that gambling benefits anyone except the casino operators.

Both these problems were predictable. It was naive to extrapolate from the success of Las Vegas a guaranteed economic stimulus for any city that opened its doors to a casino. Robert Goodman, a professor at Hampshire College in Massachusetts who writes on the economics of the gambling industry, argues compellingly that Las Vegas was a misleading model for the rest of America. To experience the seedy glamour of that city in the desert, most visitors have to come from a long distance away. A trip to gamble therefore becomes a full-scale holiday, complete with a stay in a hotel, visits to local restaurants and no doubt a little shopping thrown in. In Las Vegas, casinos genuinely support the service economy.

Contrast this with, say, Atlantic City in New Jersey. The place is a bus ride away from New York city, and perhaps 30m people live close enough to visit its casinos for a day at a time. Many even cut their own sandwiches at home; they are the "brown-

THE PRESIDENT HAS SEEN
2-14-97

Why the U.S. and Iran Will Be Friends Again

By Robert D. Kaplan

Not since our estrangement from "Red" China have two important countries been so isolated from each other—yet so in need of each other—than the U.S. and Iran. Future historians will be mystified by the fact that the U.S. for so long had no formal or informal relations with the most populous country in the Middle East: an oil-rich nation with a better-educated population than Egypt's, a country whose culture and language have an overbearing influence eastward as far as India and northeastward through much of Central Asia.

Much more importantly, though, the world's last great oil boom before alternative energy sources truly become practical is about to commence in the Caspian Sea, with tens of billions of dollars at stake. Given the uncertainties of Russia's democratic transition, the U.S. will want non-Russian access to Caspian Sea oil, which can most effectively be provided by a rapprochement with Iran. Since we prefer not to buy oil from Libya or Iraq, if Saudi Arabia proves unstable we could become more dependent on a future, neoczarist Russia for energy supplies—unless we find a way to neutralize Iran's Islamic radicals.

Shop Till You Drop

The fact that Iran has a shop-till-you-drop policy regarding nuclear and chemical weapons makes it that much more vital that we have daily, multiple levels of influence upon it—including the carrots of dialogue, recognition and investment help, as well as the certain sticks of military attack and sanctions. When I asked a number of Iranian officials what they wanted to discuss with the U.S., they were quick to mention a host of issues, including Persian Gulf security and their own troubled borders. Iraq could unravel; Afghanistan already has. And Azerbaijan, an oil-rich Kuwait of the future, terrifies Iran, because it could become a lure for the quarter-or-so of Iran's population concentrated in the northwest who are Azeri speakers. Iranians believe that the U.S. can exert pivotal influence in all of these places.

Then there is the issue of European loans and investment. As successful as Iranian officials claim they have been in attracting European capital despite American sanctions, they are aware that until the U.S. and Iran improve their relationship, there is a ceiling on the amount of money that Europeans and others will risk in Iran.

Iranian officials are also aware that their society, in the words of one of them, "is undergoing vast change and modernization" that requires "new thinking" on Tehran's part. From my own extensive travels in Iran, I know that this is an understatement. Iran is in the calcified phase of its revolution, analogous to the period in which Konstantin Chernenko, Mikhail Gorbachev's immediate predecessor, ruled the Soviet Union. The battle between East and West is not being fought between

the West and Iran so much as inside Iran itself. It is not only the well-off in north Tehran (those who always hated the regime) who watch Western television now, but the subproletariat in south Teheran, too. If the price of oil drops in the future as Caspian Sea reserves come online, the Iranian regime may no longer have the financial means with which to bribe its own citizenry, and—in the ultimate of ironies—might need Washington to give it legitimacy with its own people.

Another irony is that it has been the partial democratization of Iran's political system since the shah fell that has hindered the sort of secret high-level diplomacy Henry Kissinger and Richard Nixon employed so brilliantly in China. In Iran, power has been dispersed among the "supreme leader," Ayatollah Ali Hoseini-Khamenei; the president, Hashemi Rafsanjani, and his Western-educated cabinet; and the faction-ridden Parliament—so that any approach to one power center would merely have alienated others. In few countries has foreign policy been used so effectively as a lever by some domestic groups against others as in Iran. The seizure of American hostages in 1979 was, in part, an attempt by one revolutionary faction to gain an advantage over others.

Iranian officials are aware that their society, as one says, "is undergoing vast change and modernization" that requires "new thinking" on Tehran's part.

But the retirement of President Rafsanjani in the spring along with new presidential elections will initially work to concentrate power back in the hands of Ayatollah Khamenei. This is because the likely winner of the presidential race, Ali Akbar Nateq-Noori, is a political ally of Mr. Khamenei. He lacks the skills or prestige of Mr. Rafsanjani, who forged his own power center. In fact, it is Iran's very move toward totalitarianism that may make high-level contacts more worthwhile by simplifying the process—a cynical calculation, perhaps, but a realistic one that must be faced by those entrusted with our national security.

A deal with Iran would be greeted with satisfaction in Israel, which maintained secret links with Tehran for several years after the revolution, and which historically has valued Iran as a wedge against the Arabs. Iran has always been central to the power politics of the Middle East in a way that not even Saudi Arabia has been; the real change in the region in 1979 was the Iranian revolution, not the cold, anemic peace treaty between Israel and Egypt.

The future Middle East may or may not include a comprehensive peace between Jews and Arabs, but one thing is clear: five or 10 years from now, oil power will be split between the Persian Gulf and the Caspian Sea. Baku, the Azeri capital—where Alfred Nobel, Calouste Gulbenkian and others made their fortunes at the start of the oil age in the late 19th century—will again be a major oil capital. It is inconceivable that under such circumstances Iran—the only country with long frontages on both the Caspian and the Persian Gulf—will be permanently estranged from the U.S.

New Geography

President Clinton talks often about a "bridge to the 21st century." Yet by seeing the Middle East in narrow Arab-Israel terms, while acting as if the break with Iran is permanent, he is ignoring the new geography of oil and power that will be a reality in the next century. For not only is the locus of oil moving north from the Persian Gulf to the Caspian, but the state systems of Iraq, Syria, Turkey and Saudi Arabia are all, in varying degrees, weakening. Iraq, for example, is a carapace of tyranny that masks an utter void, with all associational links between the family at the bottom and the regime at the top demolished. By the dismal standards of the region, the Iranian state, for all its evil, Byzantine complexities, may actually prove stable.

In 1829 an Iranian crowd stormed and destroyed the Russian embassy in Tehran and killed the ambassador, Alexander Griboyedov. But the Russians, at war with the Turks and in regional competition with the British, let the incident pass after an Iranian apology. Almost two decades have passed since our embassy siege. It's time to think strategically rather than emotionally about Iran and the Middle East.

Mr. Kaplan is a contributing editor of The Atlantic Monthly and author of "The Ends of the Earth" (Vintage Paperbacks, 1997).

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EPA Given More Time to Issue Revised Air Quality Standards

Reuter

A federal court yesterday gave the Environmental Protection Agency an additional three weeks to issue new air quality standards, giving the public more time to weigh in on the EPA's controversial proposal.

With the new deadline, the public comment period on the EPA's proposed soot and smog standards was extended to March 12 and the agency is to issue a final rule by July 19.

The EPA, at the urging of the National Governors' Association, had asked a U.S. District Court in Arizona to extend the public comment period and court-imposed deadline on the new air pollution rule by 60 days.

But the American Lung Association, which had sued the EPA in the Arizona court to force it to review its standard for dust and soot pollution, had said the agency should be ordered to meet the original June 28 deadline to issue the rule.

"Although we would have preferred more time, we will obviously comply with the court's order and complete the public comment period for proposed ozone and PM standards by March 12," EPA Administrator Carol Browner said in a statement.

Ozone is smog-forming pollution and PM is particulate matter, or soot and dust, that can penetrate deep into lung tissue.

In one of its most significant moves in recent years, the EPA has proposed much stricter standards against both types of pollutants that it said will prolong and improve lives of millions of children, older people and people with respiratory problems.

But a number of industries, along with some state and local government officials, have said the rules would cost billions of dollars to implement and would throw many areas out of compliance with air quality standards.

The Lung Association, in a statement, applauded the court's decision. The ruling "underscores the urgent need for EPA to get on with the business of protecting the public's health from this serious health hazard," said Fran Du Melle, the association's deputy managing director.

Teens Tell Researchers High School Is Too Easy

By Rene Sanchez
Washington Post Staff Writer

Teenagers nationwide have issued a decisive verdict on their high schools. A new study reports that most think their classes are not challenging enough, often lack exemplary teachers and are filled with too many disruptive students.

The study, conducted by the national nonprofit group Public Agenda, sketches a portrait of American high schools in which most students are coasting without much effort through their classes—and know it—and who view their years there as time spent to gain practical job skills and good work habits.

Most students who were questioned as part of the survey said they liked their schools overall. But about 70 percent said that unruly students distract them and undermine classes. Also, 65 percent of students said they do not try very hard to succeed in class, and half reported that teachers do not insist on high academic standards.

Researchers highlighted the comment of one California teenager who took part in the survey as typical of many student responses illustrating how easy it is to earn acceptable grades without much work: "I didn't do one piece of homework last year in math," he said. "I just took the tests. I'd get A's on the tests, not do the homework, and I got a B in class. There's just lots of ways to get around it."

The survey, titled "Getting By," included the responses of more than 1,300 high school students nationwide who were selected randomly and interviewed by telephone. Most of them attend public schools. Small groups of teenagers also were gathered together at five sites around the country to discuss their attitudes about high school.

The findings match those in other recent studies that found substantial numbers of students disengaged from learning. A survey of college freshmen nationwide conducted annually by researchers at UCLA this year found that a record number of them, 35.6 percent, reported that they often were bored in their high school classes.

The Public Agenda report also suggests that the priorities of most high school students are the same: They are eager to master basic reading and math, to work with computers and to gain values such as honesty and tolerance. But they often question the relevance of learning subjects such as history or literature.

In the survey, 75 percent of students said that learning computer skills was "extremely important." But only 32 percent gave the same priority to learning history or geography around the world, and only 23 percent to learning classics by Shakespeare or Plato. Studying modern American writers such as Ernest Hemingway or John Steinbeck ranked last on a list of subjects given to students to rate. Only 18 percent of them said that studying those works is extremely important.

"Teenagers see very little reason to study academic subjects such as history, science and literature," the study concludes. "They view most of what they learn in their classes—apart from the 'basics'—as tedious and irrelevant."

Still, researchers said they were heartened to find strong support among students for having tougher standards in class. Three-fourths of them said they believed they would learn more, and that school would seem more meaningful, if they were pushed harder by better teachers.

"The students seem to be crying out for the adults in their lives to take a stand and inspire them to do more," said Deborah Wadsworth, Public Agenda's executive director. Copies of the survey can be obtained by calling the group at 212-686-6610.

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TUESDAY, FEBRUARY 11, 1997

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Rash of Shootings That Have Claimed Children Shakes Miami

By MIREYA NAVARRO

MIAMI, Feb. 10 — Rickia Issac, the youngest of five siblings, was a 5-year-old kindergartner who loved junk food, recited the alphabet in an earnest voice and was just learning to add. Three weeks ago, while walking home with a baby sitter from a Martin Luther King Day parade, she was shot to death.

The bullet that killed Rickia was not meant for her. The Dade County police say three men, two of them teen-agers, were breaking into a home about 6:30 P.M. on Jan. 20 when they began firing handguns. One stray round hit her in the head.

Rickia's was one of three recent fatal shootings of children in South Florida, each an example underlying a sobering set of national statistics:

The Federal Centers for Disease Control and Prevention reported on Friday that the United States had a rate of firearm-related deaths among children under the age of 15 that was 12 times higher than that of the rest of the industrialized world. The agency's researchers found that while most causes of childhood death dropped from 1950 to 1993, the nation's homicide rate among under-15 youths tripled, to 2.57 per 100,000. The nation's total of such homicides in 1993 was 1,464, and more than a third involved guns.

The figures documenting unprecedented levels of child-killing run counter to a national success story in which many cities, although not Miami, have experienced declines in the overall murder rate.

"During the late 1980's and early 1990's, we reached levels we had not seen before," Philip J. Cook, a professor of public policy at Duke University who studies gun violence, said of firearm-related deaths among children. "The big lesson is that the United States' rate is outstandingly higher relative to other countries, and that remains true today."

A week after Rickia was killed here, a 13-year-old boy shot and killed a 14-year-old classmate near their middle school in West Palm Beach, in what appears to have been a dispute over a watch. Only Sunday, a 16-year-old girl was shot to death in front of her home in the nearby community of Hallandale; there have been no arrests, and the motive is unknown.

And at a Miami high school last week, a 16-year-old girl shot a 15-year-old girl in the face, badly wounding her, a result of a long-standing feud between them. Criminologists here noted that in press interviews after that shooting, other students said what had stunned them was not the shooting itself but that after the victim went down, the girl with the gun kicked her.

"A shooting no longer shocks the children," said Suman Kakar, a professor of criminal and juvenile justice at Florida International University. "Children have accepted as part of life that any time someone gets angry, they're going to get a gun."

To be sure, children have not been the only victims of gunfire in the Miami metropolitan area during the last few weeks, a particularly bloody period here. Since late January, a 28-year-old mother has been killed by a stray bullet while holding her 6-month-old son and climbing the outdoor stairwell of her apartment building, a church deacon has been shot to death in an apparent robbery while waiting for a bus, and five men have been killed execution-style in a shooting that the police describe as drug-related.

But amid all that mayhem, the murder of a 5-year-old, on the day the nation commemorated the birth of a preacher of nonviolence, stood out. In marches, memorials and public pronouncements, Rickia's death has become a rallying point against gun violence and a reminder of what pediatricians here call the child epidemic of the 1990's.

Dr. John Ragheb, chief of pediatric neurosurgery at the University of Miami's Jackson Children's Hospital, said Rickia (pronounced rih-KYE-uh) was the sixth child with a gunshot wound whom he had operated on since he moved to Miami seven months ago. She was the first to die, although two of the others were left paralyzed.

"It makes me very angry at society and also very helpless," Dr. Ragheb said. "If there's a brain tumor, we take it out; if there's a buildup of fluid, we can drain that. But if you have a gunshot wound, all you can do is clean up the mess and hope things get better."

Partly as a result of the rash of child homicides, the Miami Police Chief, Donald H. Warshaw, announced a crackdown last Wednesday on one source of the problem: firearms owned illegally. The crackdown is intended to heighten the police presence, partly through roadblock checkpoints and inspections for liquor-law violations at bars, whose customers, Chief Warshaw said, are frequent carriers of guns and knives.

"There are guns everywhere," the Chief said. "I don't want to call it harassment, but we're going to shake some people up."

While civil libertarians have voiced concern that the crackdown could bring abuses, Tomas Regalado, a member of the City Commission, said the commission supported the effort.

"When a child dies because of a bullet," Mr. Regalado said of Rickia, "this is the worst we can see. The city of Miami can't tolerate the death of more children."

Some say the problem is no more the availability of weapons than the readiness with which people are prepared to use them.

In remarks to students at Conniston Middle School in West Palm Beach after 13-year-old John Pierre Kamelwas shot to death by a classmate two weeks ago, his parents spoke of need to talk out problems rather than lash out in anger. Tronneal Lavor Mangum, the youth charged with first-degree murder in that shooting, told the police that he and John Pierre had had a longdispute and that he had anticipated an argument the day he brought a .38-caliber handgun to school. The police report said: "Mangum stated that he was only protecting himself when he shot Kamel three times."

In previous studies, the centers for disease control found that a common location for the violent death of children was school, or someplace nearby; that the most common victims were 16-year-old boys, and that these boys frequently died either in attempted robberies or over gang-related activity, drugs or simple quarrels.

Younger children, doctors say, are more often unintended victims, either of stray bullets or unsecured guns. "There are two common patterns — just an innocent child getting caught in a random shooting or one child shooting another child accidentally," said Dr. Charles Schleien, medical director for pediatric intensive care at Jackson Children's Hospital.

On Feb. 1, more than 2,000 people, many of whom Rickia had never known, attended her funeral. That morning, Kathleen Harris, took her 10-year-old son, Leonard, to a Stop the Violence march and rally, and later to a table where a community group was buying guns for $25 so that the police could destroy them.

While mourners at Rickia's funeral filled church pews, a few blocks away Leonard surveyed the display of shotguns, rifles and revolvers in silence. "I want him to see the guns and what harm they bring," Ms. Harris said. "I'm coming to show him the reality of it all."

The New York Times

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The New York Times
TUESDAY, FEBRUARY 11, 1997

On My Mind

A. M. ROSENTHAL

Persecuting The Christians

Some columns can be postponed for more important topics, some put off until they seem newsier and many dropped because they do not flesh out. But some have to be written as soon as information is collected, no matter how late.

This column is late, not because so much has been written about the subject and everybody knows, but for exactly the opposite reason.

A few journalists have written about the persecution of Christians in Communist or religious dictatorships. A few legislators have risen to protest. A few clergymen and their religious organizations try to arouse congregations.

But astonishingly few, compared not only with the spread of the persecution, but what could be done to fight it, if the political, religious, business and press leaders of the world had the will and courage.

The following few paragraphs sum it up:

"Millions of American Christians pray in their churches each week, oblivious to the fact that Christians in many parts of the world suffer brutal torture, arrest, imprisonment and even death — their homes and communities laid waste — for no other reason than that they are Christians. The shocking untold story of our time is that more Christians have died this century simply for being Christians than in the first nineteen centuries after the birth of Christ. They have been persecuted and martyred before an unknowing, indifferent world and a largely silent Christian community.

"Eleven countries where Christians are currently enduring great religious persecution are China, Sudan, Pakistan, North Korea, Saudi Arabia, Vietnam, Egypt, Nigeria, Cuba, Laos and Uzbekistan. . . . They evidence a worldwide trend of anti-Christian persecution based on two political ideologies — Communism and militant Islam."

These passages are from "In the Lion's Den" — as in the Book of Daniel: "My God sent his angel and he shut the mouths of the lions" — by Nina Shea, director of the Puebla Program of Freedom House, and is published by Broadman and Holman (1-800-233-1123).

Too briefly, but to be returned to another day:

In the Sudan it is a pogrom. The Islamic militant Government has bombed and burned Christian villages, taken Christian children as slaves and tortured Christian worshipers and their priests.

In Saudi Arabia, that great ally of the U.S., no public expression of Christianity or any religion but Islam is permitted. No Bibles, no crosses except those smuggled and used on pain of arrest and torture. The price of conversion to Christianity is death.

The Book of Daniel.

In China, thousands of Roman Catholic and Protestant Chinese are imprisoned — more than in any country in the world — for holding worship, preaching or distributing Bibles without permission.

Like other Communist or Islamist states, China is an equal-opportunity persecutor. It makes life as nasty as possible in Buddhist Tibet.

If I were Christian I would complain that Christian leaders, political, religious and business, around the world have failed in their obligations to fight oppression of their co-religionists. I am complaining anyway.

Nor do I think Jewish organizations have done nearly enough, although more are involved than I had first thought. The presidents of Jewish organizations in meetings with U.S. officials have denounced anti-Christian persecution in Islamic nations.

I hope they also get more involved against persecution in China and Tibet and that Israel shows the U.S. the path to righteousness by ending arms trade with China. It was a Jew, Michael J. Horowitz of the Hudson Institute, who screamed me awake, as he has so many Christians.

In and out of Congress, the campaign to free Soviet Jewry is being studied for lessons on how to help persecuted Christians. Some obvious lessons:

Organize congregations to pay attention, more and continuously, to co-religionists outside America. Make sure every American official meeting any Communist or Islamicist protests, and warns, every time. Fight for legislation strengthening the rights of religious refugees and use of economic pressures.

Elect senators like Specter, Nickles, Lieberman, Ashcroft and Allard, and representatives like Wolf, Smith of New Jersey, Pelosi and Gilman.

And, personal note: Once awake, don't fall asleep again. □

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Bad deal for U.S.

OPPOSING VIEW **The treaty won't ban chemical weapons but will invite intrusion into U.S. businesses.**

By Sen. Jon Kyl

The Chemical Weapons Convention (CWC) is a fatally flawed treaty and should not be ratified by the Senate.

The treaty purports to be a 1) global, 2) effective and 3) verifiable ban on chemical weapons. In fact, it is none of these.

▶ Dangerous rogue states (for example, Iran, Syria, North Korea and Libya) have not agreed to join the treaty regime.

Russia is among those that have *signed* the CWC, but it is unlikely to ratify it. Even then — given our experience with the Kremlin's treaty violations, its current refusal to implement a 1990 agreement with the United States to eliminate chemical weapons, and last week's press reports that revealed a secret Russian chemical-weapons program specifically designed to exploit loopholes in the treaty — CWC violations can be expected.

▶ While the CWC prohibits the possession of many dangerous chemicals, two chemicals it does not prohibit were employed with deadly effect in World War I — phosgene and hydrogen cyanide. The reason speaks volumes about this treaty's impractical nature: These chemicals are too widely used for commercial purposes. Moreover, the CWC relaxes restrictions on dangerous chemicals by allowing trade in 20 chemicals currently banned by the Australia Group export-control regime.

▶ U.S. intelligence agencies cannot verify a worldwide ban on chemical weapons. Rogue states can be confident that their violations will be undetectable. Former CIA director James Woolsey testified that "the chemical weapons problem is so difficult from an intelligence perspective that I cannot state that we have high confidence in our ability to detect noncompliance, especially on a small scale."

The cost of ratification and the impact on U.S. civil liberties could be enormous. The CWC allows international inspectors access to American businesses and does not require that they obtain a search warrant. According to the Clinton administration, thousands of American companies could be subject to these inspections.

Opponents of the CWC want a treaty that accomplishes what it advertises and protects constitutional rights. Former Defense secretaries Dick Cheney and Caspar Weinberger, former U.N. ambassador Jean Kirkpatrick and former secretaries of State Henry Kissinger and Alexander Haig, among others, all oppose the CWC.

Sen. Jon Kyl, R-Ariz., is a member of the Select Committee on Intelligence and the Judiciary, Energy and Natural Resources committees.

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Testing education

Anyone who thought President Clinton's road to improving the quality of schools would be smooth or speedy is in for disappointment.

At its root, the plan proposed last week and pitched by Clinton again Monday is to start thousands of local brush fires demanding improvement. Voluntary national reading and math tests of fourth- and eighth-graders will provide the fuel.

Standardized tests are familiar to students everywhere, of course. But many will find these tests uncomfortably challenging.

They would be modeled on the existing National Assessment of Educational Progress for reading and the Third International Math and Science Study. The tests typically have failure rates of 40% or more the first year, and the Education Department foresees an outcry from parents.

The question is, what kind of outcry? Will parents demand tougher standards and improved teaching in their schools, as Clinton and the Education Department hope? Or will they prove ignorance is bliss by blaming "intrusive" federal testing for their children's failure?

The temptation to take the latter course will be strong. For unlike Garrison Keillor's satirical Lake Wobegon, in many communities all the kids aren't above average. Many are below. And the kids know it. A poll released Monday by The Public Agenda Foundation, an education think tank, finds most high schoolers believe their classes are too easy and want higher standards, tougher promotion requirements and stricter homework policies.

States have been moving in that direction, but the results so far are highly uneven. Last year in Louisiana, for example, 88% of third-graders scored proficient on a state-adopted reading test, but only 15% scored that high a year later when a sample took the national test.

Uncomfortable as that may be, such tests provide a yardstick for parents to hold their schools accountable. When it comes to the quality of education, a little well-documented outrage can be a healthy thing.

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James K. Glassman

Monster Kiddie Care

When politicians start talking about how they're going to help poor, sick kids, watch out. Something bigger and more pernicious is afoot—in the latest case, trying to achieve, piecemeal, the government-run health system the nation rejected after President Clinton was elected the first time.

Clinton says in his new budget that he wants "to expand health care coverage to the growing numbers of American children . . . who lack insurance." He's proposing to spend $10 billion over the next five years, but that's just for starters. Senate Democratic Leader Tom Daschle has a more ambitious plan that would assist families that make up to $75,000 a year. Massachusetts Sens. Ted Kennedy and John Kerry want Washington to spend $9 billion annually.

It won't be easy for Republicans in Congress to oppose kiddie care—and don't Democrats know it! But before everyone is swept up in the emotional tide, let's examine some facts, as well as the heroic effort of one unlikely, unnoticed charity.

First of all, the government already helps sick kids. Medicaid, the $162 billion health program for the poor, covers children whose families earn up to 130 percent of the poverty level (even higher in some states). Three million kids who currently qualify for Medicaid don't receive the benefits; outreach may be in order, but not another entitlement.

In fact, the real problem is with the middle class. Michael Tanner of the Cato Institute points out that, according to the Census, 1.5 million families with incomes of more than $40,000 a year don't insure their children. Why not?

"They've simply decided to spend the money elsewhere," Tanner says. Insuring children is actually inexpensive—only about $100 a month, he says—since kids are far healthier than adults. Still, some parents would rather take their chances and pay out of their own pockets when a child breaks an arm. That's their decision, and the rest of us should not subsidize it.

Another reason parents don't insure kids is our insane tax system. Health insurance benefits provided by businesses to employees aren't counted as workers' income, so most of us don't buy our own health insurance directly, the way we buy life insurance, mutual funds or groceries. As a result, the marketplace doesn't provide the choices we truly want—including kiddie insurance that meets our own specifications.

There's an easy remedy. The current health-insurance exclusion reduces federal tax revenues by $85 billion a year—and most of that break aids wealthier Americans. Why not give all Americans the same amount in the form of a personal tax *credit*, which is like cash in their pockets, to use to purchase the insurance they really want? There would still be children who need health care, especially in a catastrophe. But why should we assume that government is the answer?

Last summer, researching another story, I ran across one of the great untold tales in health care: the Shriners Hospitals for Children. Yes, the same Shriners who wear funny hats and drive little motorbikes and hang out in clubhouses with a Mideast motif. While the 650,000 Shriners evidently have fun, they also do remarkably good deeds, and, since they don't blab like Clinton and Kennedy, they don't get proper recognition.

For 75 years the Shriners have been building and running hospitals for children. There are now 22 of them—19 that specialize in pediatric orthopedics and three that provide burn treatment. Last year, they admitted 22,000 children to the hospitals, performed 19,000 operations and recorded 221,000 outpatient visits.

All of this treatment is free. Completely, utterly free. The Shriners take no money from the government, no money from insurance companies or parents. Instead, the $425 million it takes to run the hospitals this year (including $20 million for research) comes from a $5 billion endowment, which itself was built slowly with small and large private contributions, including some from grateful former patients.

The Shriners love their independence, as do the doctors in their hospitals. Members of Congress are astonished to learn that the Shriners don't want Washington's money.

"If you start taking insurance money or federal money," Gene Bracewell, chairman emeritus of the Shriners, told me, "then you have to do it their way."

In fact, the process can work the other way around: the Shriners help the government. They've just worked out an agreement with the Veterans' Administration, at no charge, to treat spina bifida (a paralytic disease) in children of Vietnam veterans.

This new entitlement was based on bad science, but the Shriners don't care. As Raoul Frevel, a trustee of the Shriners Hospitals, told senators, "Our mission is to ensure that every child who has spina bifida or some other crippling disease receives top-quality medical care, regardless of ability to pay."

What a wonderful credo! I suspect that if the government gets out of the way, more charities will eagerly fill whatever gap is created.

Still, politicians of both parties prefer vote-buying, bureaucracy-building monstrosities like kiddie care. Instead of changing the tax code to open a competitive, robust health insurance market, they'd rather pose as the healers of sick children. In truth, the healers are unsung Shriners and millions of other compassionate private Americans.

THE PRESIDENT HAS SEE
2-14-97

SAM A. MYERS
ASSOCIATE DIRECTOR OF PRESIDENTIAL ADVANCE

THE WHITE HOUSE (202) 456-7560

February 7, 1997

JIM DORSKIND:

Please coordinate the reply.

President Bill Clinton
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. President,

Well, would you look at this?! This must be the definition of success. Just look at us; a couple of good ol' boys from Arkansas in a picture with two Presidents! HA !

Seriously, I would be honored if you would be so kind as to autograph the enclosed photograph for me.

Thank you for a great day of golf and for the fond memory.

Congratulations on your re-election. I'm looking forward to the future.

Sincerely,

Glen Campbell

GC/slg

2-14-97

Todd -
After you have seen, will send original to Dorskind.

C

2-14-97

Todd -

After you have seen
will send original
to Dorskind —

C -

THE PRESIDENT HAS SEEN
2-14-97

Grief and Rage For an Officer

At Slain Policeman's Funeral, Mourners Search for Meaning

By Ruben Castaneda and Linda Wheeler
Washington Post Staff Writers

Gamely, the hundreds of D.C. police officers who crowded into a Southeast Washington church yesterday or stood in somber respect outside tried to wring some meaning from the death of Officer Brian T. Gibson, who was gunned down last week as he sat in his cruiser at a red light.

It wasn't easy.

Some of the eulogizers tried to frame the slaying of the highly decorated 27-year-old officer in a larger context. The mayor spoke of the need for federal officials to keep guns out of the city. The police chief called on elected officials to establish youth crisis centers. The District's chief judge implored people to ask themselves what they could do to ensure that police have safe buildings, proper training, the best equipment, adequate pay.

And the grieving officers responded with muted applause to some of these sentiments.

But then Gibson's best friend, homicide Detective Eugene Lonon, rose to speak in a cracking voice.

After Gibson's slaying, police Chief Larry D. Soulsby had said the officer was in the "wrong

See GIBSON, A6, Col. 1

place at the wrong time," a phrase picked up by some news broadcasters. Without mentioning anyone by name, Lonon disagreed.

"Let me tell you, Brian was a police officer," he began shakily. "He was the *po-lice*. He was in full uniform, in a scout car, in the District of Columbia," he went on, his voice suddenly booming.

"Brian was where he was supposed to be!" Lonon concluded as officers clapped and chimed in with "Yeah!"

When the two-hour service at East Washington Heights Baptist Church ended, the police honor guard waiting outside snapped to attention, milling officers and federal agents formed a gantlet, and the snow-trimmed scene was instantly quiet.

The church's door opened, and six officers carried the coffin into the cold. The flag that covered it was a shock of color amid the dark uniforms, and the slap of the pallbearers' soles was the only sound.

Gibson's colleagues from the 4th District stood at attention and saluted. His widow, Tracie, emerged, leaning against relatives and friends who surrounded her. Bagpiper Jerry Morrissey, a retired Prince George's County police officer, began to play the mournful notes of "Amazing Grace."

On what would have been her fourth wedding anniversary, Tracie Gibson, her face streaked by tears and her mouth open in a noiseless wail, crumbled into the arms of a man at her side. Her face disappeared into his shoulder. He gently rocked her.

Then she slowly moved toward a waiting limousine, one officer after another reaching out to guide her toward the door that stood open for her. A man with gray hair followed close behind, carrying 1-year-old Briana Gibson, a tiny child dressed in a pink dress and bonnet.

Then a seemingly endless funeral cortege of hundreds of police cruisers, vans and unmarked cars—most from across the Washington area, but some from as far as Boston—trailed the hearse as it wound north to Georgia Avenue NW, past the 4th District station and then to Suitland, where Gibson was buried at Lincoln National Cemetery.

Gibson was stopped at a red light at Georgia and Missouri avenues NW about 3 a.m. Wednesday when a gunman walked up to his car and fired a fusillade of bullets through his window. The officer was struck in the head, neck and torso.

Within moments, police arrested Marthell N. Dean, 23, after they

> *"Let's get busy, let's do it."*
>
> —Officer Robert Ingram

said they saw him toss a gun under a car within a block of the attack.

Dean, a member of the 7th N' O Crew, was allegedly angry after he and three friends were bounced from the nearby Ibex Club by a uniformed D.C. police officer working as a security guard. Investigators believe that Dean fired on Gibson in revenge.

Dean later told investigators that he was too drunk to know he was shooting into a police car. He is charged with first-degree murder while armed, which carries a maximum sentence of life without parole, and is being held without bond at the D.C. jail.

Gibson's slaying was the latest of several brazen attacks on area law enforcement officers. Gibson was the seventh Washington area police officer or federal agent since 1994 to be shot to death by someone who simply walked up and started firing.

The slaying has been met with outrage and action by elected officials. Yesterday, Sen. Kay Bailey Hutchison (R-Tex.) introduced legislation to make the murder of a police officer in the District a capital crime. Among the bill's co-sponsors is Senate Majority Leader Trent Lott (R-Miss.).

But Del. Eleanor Holmes Norton (D-D.C.) released a statement pointing out that District voters rejected the death penalty in a referendum four years ago and decrying congressional intrusion. The statement said Norton expects to meet with Hutchison soon to discuss the bill.

Two days after Gibson was killed, the Alcoholic Beverage Control Board suspended the Ibex Club's liquor license. At the same time, the city's Department of Consumer and Regulatory Affairs revoked the club's business license, shutting it down at least until a hearing is held.

Mayor Marion Barry said his staff was researching what could be done to close other nightspots where go-go shows have attracted violent crowds.

During the funeral, Barry, Soulsby and the Rev. Salvator Criscuolo, a police chaplain, spoke of Gibson's dedication to his job and his family. Inspector Michael Fitzgerald, the 4th District commander, noted that in 1995, Gibson was named the midnight shift's officer of the month eight months out of 12.

Officer Robert Ingram, another close friend of Gibson's, told the mourners that all Gibson ever wanted to do was patrol in his cruiser. "Let's not stop patrolling! Let's get hard, let's get busy, let's do it," Ingram said.

The funeral procession, red-and-blue lights flashing on hundreds of police vehicles, was one of the longest in the city's history, police veterans said. So many somber-faced residents lined Georgia Avenue NW to pay their respects that they left only enough room for the hearse to get by as it passed the 4th District station.

At the station, it stopped, and officers lined the walkway, saluting family members as they walked toward the yellow brick building.

Gibson's cruiser—scout car 1413—was parked out front. The smashed window had been replaced, the blood removed. A single red rose lay on the hood. Gibson's mother, Shirley A. Gibson, placed her hand there.

"My baby," she sobbed. "My baby's car."

Staff writer Vernon Loeb contributed to this report.

The Washington Post
TUESDAY, FEBRUARY 11, 1997

JIM DORSKIND:

Please coordinate the reply

THE WHITE HOUSE

WASHINGTON

Return card
to Milli Alston
cc Gift Unit

February 13, 1997

The Hunt Family
412 NW 43rd Terrace
Kansas City, Missouri 64116

Dear Angela, Stuart, Lindsey and Taylor:

Your gift of the Clinton-Gore 96 handmade tree ornament with the distinctive "379 electoral votes" is greatly appreciated. We will always cherish it and enjoy placing it on our tree in the years to come. Thank you for remembering us in such a special way.

May you in this new year experience and abundance of joy, peace and fulfillment.

Sincerely,

Bill Clinton

Hillary

Return card
to Milli
cc Gift Unit

December 21, 1996

Dear Bill, Hillary and Chelsea:

Stuart and I were so looking forward to seeing you Sunday evening, and then I got sick on Friday. With Daddy's by-pass surgery over Thanksgiving and now my sinus infection, it has been a frustrating holiday season. Hopefully, we will see you during the Inaugural festivities which we do plan to attend.

Our very best Christmas wishes with bright hopes for the New Year. We are so very proud of all you do, everyday.

Hope you enjoy the ornament, Stuart and Taylor made it.

Love,

Janet

re Carol Rasco

THE WHITE HOUSE

WASHINGTON

February 14, 1997

Kathy Farrar
111 Farrar Place
Hot Springs, Arkansas 71901

Dear Kathy:

Thanks for your kind note. It was wonderful having you all here for the Inaugural, and I'm glad you visited Camp David. They do take good care of Dick when we're there.

We're excited about the America Reads Challenge, and I know that Carol Rasco will be particularly mindful of the needs of both the students and the volunteers.

Give my best to all the Farrars, especially the young dancer.

Sincerely,

Bill

Carol -
How do we get this to her?
B
2-14

Carol Rasco
Apt #221
805 North Howard Street
Alexandria, Va.
22304

Ltr
Comment Vol. Summit

January 27, 1997

111 Farrar Place
Hot Springs , Ar
71901

President Bill Clinton
White House
Washington ,
D. C.

Dear M r . President,

We have been home a week and we are still talking about the great time we had in Washington. Lara danced more than my dad did. Melissa Graham took very good care of us. We appreciate you allowing us to visit Camp David. Everyone was so nice. One officer told me they make sure they have a big supply of Absolute vodka when my dad is there. I would like to know what is in that stuff. He is like the Energizer Bunny.

I think the American people are putting great faith in the words you spoke at the capitol. You will be recoginized as the one President in this century that set about to bring people together to heal some of our deepest wounds.

Your summit on Volunteerism will make people aware of how individuals can help to restore their communties. Your reading program is a great place to start a volunteer action. I hope the advisors planning the program understand the type of student the tutors will be dealing with. Volunteer tutors will need a support system to help them deal with the problems they will encounter working with these students. Many of these students are a challenge for anyone.

On a lighter note, I hope you can play more golf and be with friends more. Kellye will be watching the fashion trends you set. In her words, you have arrived! Take care of yourself and remember we will always be on your side of the court.

Warmest regards,

Kathy Farrar

Dol Warn Russ

2-14-97
Maureen Lewis

THE WHITE HOUSE
WASHINGTON

cc Gift Unit

February 13, 1997

Zita and Bruce Joyce
Odisea 29
Col. Axomiatla
Mexico City, Mexico 01810

Dear Zita and Bruce:

Thank you for your gift of a wool poncho. The horse design is beautiful. Your thoughtfulness during the holiday season is greatly appreciated.

May the new year bring you peace and prosperity.

Sincerely,

Bill Clinton

Look into
Sue Thomas -
that was it

2-14-97
copy to
Maureen Lewis

THE WHITE HOUSE
WASHINGTON

cc Gift Unit

February 13, 1997

Nancy Corzine
800 Fifth Avenue
New York, New York 10021

Dear Nancy:

Thank you for the elegant silver frame and the print of Monet's *Water Lilies, Morning.* Both are magnificent gifts which we will treasure always.

May you in this new year experience an abundance of joy, peace and fulfillment.

Sincerely,

Bill Clinton

THE PRESIDENT HAS SEEN
2-14-97

BL - Needs sign off
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BG

2-14-97

Skepticism: A most valuable tool

Gene Lyons

Sen. Eugene McCarthy once compared the nation's political press to a flock of blackbirds sitting on a telephone wire. "When one flies up," he said, "they all fly up."

Maybe that helps account for the general failure to make the most obvious connection of the week: the one between bogus rape accusations against Dallas Cowboys wide receiver Michael Irvin and the media's born-again fascination with Paula Jones.

No, one widely hyped accusation against a public figure—one with whom Bill Clinton would hardly wish to be associated—doesn't disprove a widely hyped charge against another. But it should remind everybody of two basic facts of life every cub reporter and rookie cop used to learn by hard experience: Anybody can say anything about anybody else; also, it's logically impossible to prove a negative, i.e. what *didn't* happen.

Anyhow, those are two big reasons why skepticism used to be one of a journalist's most valuable tools. For a variety of causes, including the competitive demands of a 24-hour-a-day news cycle, that's no longer so. Political reporters are more apt to have spent their formative years in graduate school than slogging it out on the police or courthouse beat. High-toned, moralistic rhetoric is more their style.

Actually, it's sports coverage that's really taken on a Sunday school tone of late, but that's another topic. Anyhow, since it's almost impossible for a public figure like the president to sue for libel, and since another fact of life is that almost anybody can file a lawsuit against anybody else, the temptation with a case like *Paula Corbin Jones vs. William Jefferson Clinton* is to take the accusations in her complaint and run with them. "Moralize now, apologize later" has become the rule, particularly when the charges involve sex, everybody's favorite topic.

That's pretty much how the Paula Jones story was handled at first, but the public wasn't buying. Many in the media found aspects of her story dubious as well.

If, as Jones contended, she had been slandered by David Brock's article in *The American Spectator* in which Arkansas state troopers described her as hot to trot in a hotel room encounter with then-Gov. Clinton, why sue Clinton, but not the authors of the slander? Why announce that claim on the same stage with the troopers themselves at a right-wing PAC gathering at which an 800 number was set up to solicit cash for a "Troopergate Whistle-Blower Fund"?

Why, if Jones and her lawyers were innocent of political motives, did she put in an appearance on Jerry Falwell's almost insanely scurrilous, not to mention entirely fictive, videotape, "The Clinton Chronicles"? Why go on TV with Pat Robertson? Jones' general demeanor as what *Newsweek's* Evan Thomas described as "some sleazy woman with big hair coming out of the trailer parks" did her no good, either.

That two of the troopers themselves were found to have wrecked a patrol car at 3 a.m. admittedly lied about it, then swore to a completely different version in a lawsuit rather diminished their credibility, as did local reporters' inability to verify any of a number of highly improbable tales they'd told.

Troopers Roger Perry and Larry Patterson later joined the Vince Foster conspiracy industry, describing a phone call that allegedly came to the Arkansas Governor's Mansion from a distraught White House aide hours *before* Foster's body was found—a tale they'd neglected to tell *The American Spectator* shortly after it supposedly happened, and which almost nobody believes, not even Republicans on the Senate Whitewater committee, who decided not to hear their testimony.

An affidavit sworn by trooper Danny Ferguson in June 1994 did Jones' own credibility no good. He denied telling Jones that Clinton wanted to meet her. Rather, Ferguson said, she pestered him for a private meeting with the governor, stressing "Clinton's good looks and sexy demeanor." So, he said, he took her upstairs at the Excelsior Hotel, pointed out a room and left her there in the hallway.

A couple of weeks later, Ferguson swore, Jones showed up at the governor's office in the state Capitol and "asked for a piece of paper and a pen and wrote down her home phone number and told (Ferguson) to give it to Governor Clinton. She said to tell him that she was living with her boyfriend and that if her boyfriend answered, Governor Clinton should either hang up or say that he had a wrong number."

This account of Jones' behavior squares with what other members of Clinton's staff told *Democrat-Gazette* reporters about her hanging around the governor's office after delivering messages, prattling like a star-struck teen-ager.

None of the information in the preceding few paragraphs, incidentally, all crucial to assessing the credibility of Jones and the troopers, appears in last week's *Newsweek* cover story on her lawsuit. (Accompanied incidentally, by hair, makeup and photo credits.) Almost none of it appeared in Stuart Taylor's article on Jones in *The American Lawyer*, which the newsmagazine cited as highly influencing its coverage.

Instead, *Newsweek* produced an extended apologia for its previous snobbish dismissal of Jones as a trashy redneck. Her accusations against Clinton are highly credible, the editors have now decided, essentially because she told friends and family about them almost immediately after they supposedly happened. Most, but not all, say they believe her story.

Your humble, obedient servant here has no strong opinion about the Supreme Court's dilemma. Clinton's not a king. I'm not sure he ought to be treated like one.

On the other hand, do we really want to open the president to harassment by lawsuit? The motives of Jones' lawyers, one a Republican candidate for Virginia attorney general, are suspect. Isn't their real motive to ask Clinton humiliating intimate questions under oath, then leak his deposition to the press?

But I do have a wholly imaginative theory about what happened to Paula Jones and what's apt to emerge in the still unlikely event this case goes to trial. Could she have been describing something close to what did happen to her in a hotel room but not with Bill Clinton? Did she decide to cover her shame and humiliation, or add drama and self-importance to her life, by bringing in a figure of national prominence?

As the Michael Irvin episode shows, she wouldn't be the first.

Gene Lyons is a Little Rock author. His column appears every Wednesday.

from Sill THE PRESIDENT HAS SEEN
2-14-97

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JOE CONASON

Why Did McDougal Change His Bloody Tale?

After all the money and time devoted to investigating Whitewater, the only serious allegation against the President is David Hale's charge that sometime early in 1986, Bill Clinton "pressured" Mr. Hale to approve a $300,000 loan to his and his wife's Whitewater partners, James and Susan McDougal. A perjurer and convicted con man, Mr. Hale has peddled this story for years in the hope of coaxing leniency from a prosecutor. Contradicted by a videotaped deposition from Mr. Clinton, as well as by Mr. McDougal's own denial, Mr. Hale's testimony was given little credence by the jurors who convicted the McDougals of fraud and conspiracy charges last July.

But now, according to James Stewart's report in the Feb. 17 *New Yorker*, Mr. Hale's loan fable has been confirmed, after a fashion, by Mr. McDougal, who also is cooperating with Mr. Starr. Which is to say that the word of one unreliable witness is buttressed by a second who is even less believable.

In discussing Mr. McDougal's turnabout, Mr. Stewart strives to provide a balanced assessment of this swindler's credibility—a painful task, considering how eagerly he accepted Mr. McDougal's earlier assertions in his best seller *Blood Sport*. Some of the *New Yorker* article is recycled from his book to create a context for the current dispute between the chatty Mr. McDougal and his ex-wife, who is in jail for disdaining Mr. Starr's grand jury. Yet there are certain *Blood Sport* anecdotes Mr. Stewart elides, now that his source has rolled.

JAMES MCDOUGAL

Notably, these involve Mr. McDougal's sanity. If he ever testifies against the Clintons, the defense surely will depict him as a ranting, twisted, grandiose piney-woods loon. Was he overdosed with psychoactive drugs, or hooked up to jumper cables? While the *New Yorker* story mentions that he was "diagnosed as manic-depressive" and takes Prozac, that scarcely completes the work-up. In *Blood Sport*, Mr. McDougal tells a Clinton friend that "everybody on his mother's side of the family had been alcoholics, and everybody on his father's side had been manic-depressives. He was both, he said. Now he was taking both lithium and Prozac." The man who heard this sad genealogy naturally "wondered how firmly planted McDougal was in reality."

Another salient passage, now omitted, dates back to 1993, when Mr. Hale first began trying to save his own hide by implicating the Clintons. He secretly taped a conversation with Mr. McDougal while trying to "get McDougal to corroborate his story" about Mr. Clinton and the fraudulent loan. "But McDougal begged off, saying he remembered almost nothing from those months of 1986, not long before he blacked out and had to be taken to the hospital." With the prospect of an 84-year maximum sentence, Mr. McDougal's recollection has marvelously improved.

To season his proffer to Mr. Starr, he now recalls an intimate phone conversation between "Susan and Bill," which led him to conclude they were lovers. That alleged erotic connection is supposedly why she has refused to testify. Susan McDougal calls this a sick fantasy, and it seems just as fair to assume that as a jilted girlfriend, she would have strong motives to disparage rather than protect the President. Mr. Stewart's interview with her, while dwelling on personal entanglements, suggests she has better reasons not to testify—namely, fear of retribution from the independent counsel if she says under oath that she knows nothing damaging to the Clintons.

If James McDougal ever testifies, the defense will depict him as a ranting piney-woods loon.

Perhaps the most confusing aspect of the Hale-McDougal story is what happened to that $300,000, the proceeds of a Federal small business loan engineered by Mr. Hale (who defrauded the Government of millions). Mr. Stewart has helped cloud the issue. Although Ms. McDougal used the money to purchase additional land in the name of the Whitewater company, that property was swiftly transferred to another outfit owned solely by the McDougals. In other words, Mr. McDougal left the Clintons liable for the mortgage on a property in which they held no interest-- a classic rip-off. Mr. Stewart, however, still insists that the Clintons "stood to benefit, at least briefly, from the illegal loan proceeds," which is why Mr. Starr professes such keen interest in the Hale tale.

The relevant document here is the two-volume exegesis of Whitewater prepared for the Resolution Trust Corporation by the Republican law firm of Pillsbury, Madison & Sutro. After a sweeping investigation completed in December 1995—just before *Blood Sport* went to press—the Pillsbury report found nothing to support Mr. Hale's allegations. It said "there is no basis to assert that the Clintons knew anything of substance about the McDougals' advances to Whitewater [or] the source of the funds used to make those advances . . ."

Few in the national media, including Mr. Stewart, have bothered to quote the report's conclusion: "On this record, there is no basis to charge the Clintons with any kind of primary liability for fraud or intentional misconduct," nor for "any claim of secondary or derivative liability for the possible misdeeds of others." And today, after 14 months of further probing and millions of dollars spent, there is still no such evidence—unless one accepts whatever emerges from the mouths of two men subordinated by fear to the will of a partisan prosecutor.

ORKER'S DIARY

cosmetics industry, to the clothing industry, to the fitness industry, to the marriage canopy, which is itself connected to your bank of choice.

In the Victorian glory days, children were considered innocents. They were not treated very well, of course, the poor were worked and

THE PRESIDENT HAS SEEN
2-14-97

Another act in the Whitewater farce

Gene Lyons

For many of us home folks, the greatest irony of the Clinton presidency has been the export of traditional slapstick Arkansas political theater to an unexpectedly gullible nation.

Who would have predicted that characters like David Hale and the inimitable duo of Jim and Susan McDougal would come to occupy center stage in a national melodrama?

What's next? Will Bill McCuen persuade Kenneth Starr that Bill Clinton set up the phantom flag scam that sent him to prison? Will Darrell Glascock confirm his story? Was it really Clinton who wined and dined all those babes on Steve Clark's state credit card? And what about Wayne Dumond's castration? Has Starr checked Hillary Rodham Clinton's alibi?

But there I go again, making light of what the reverend authorities in the national media assure us could become the most solemn constitutional crisis since Watergate.

Maybe so. Maybe Kenneth Starr is sufficiently ruthless and disingenuous to attempt a legal *coup d'etat* against the president based upon the testimony of a pair like David Hale and Jim McDougal.

Starr's office has been hinting as much to its press acolytes for months. Even if sitting through nine days of Hale's testimony at his own trial hadn't told McDougal exactly what he needed to say to save his skin, our old friend James B. Stewart's, "Letter From Little Rock" in the July 15, 1996, *New Yorker* tied it up in a neat package for him.

Accompanied by the usual winking and nudging about sources close to the investigation, Stewart theorized that Bill Clinton may have been involved in an illegal $300,000 loan scheme between Hale's Capital Management Services and the McDougals—the famous Master Marketing scheme that convicted Jim and Susan.

"Clinton's motive," Stewart's *New Yorker* piece theorized, "would have been simple: He would have gained co-ownership of a potentially valuable asset without putting up any additional money. Should this theory be borne out, it would implicate Clinton in a crime: conspiracy to defraud a financial institution."

Now Stewart's back with another *New Yorker* article. He's been all over the TV saying that Clinton's testimony that he never met with Hale and had no knowledge of the Master Marketing loan makes a perjury charge possible—more serious because his statement was videotaped not 10 years ago in Arkansas, but last year in the White House.

The suspect transaction took place in 1986, shortly after Arkansas and federal regulators removed both McDougals from Madison Guaranty S&L for illegalities like insider trading and self-trading.

Jim McDougal had a stroke and a nervous breakdown. Diagnosed with manic-depression, he emerged from the hospital intent upon rebuilding his real estate empire. The supposedly valuable asset that Stewart suspects Clinton coveted was an 810-acre tract the McDougals bought from International Paper, then magically transformed into yet another failed real estate development called Lowrance Heights. IP repossessed the property in 1989.

Then as now, Stewart has simply ignored the abundant documentary evidence that tells another story altogether. Lazy, credulous and judgmental as ever, the rest of the media mob has simply followed.

Yes, McDougal bought the IP property in the name of Whitewater Development Corp. and used $25,000 of the bogus $300,000 Master Marketing loan as earnest money. Most of the rest, he and Susan used to pay bills.

But the McDougals also falsely told IP, which financed the deal, that they were Whitewater's sole owners and proprietors. Unknown to the Clintons, whom Jim McDougal had misled for years about their investment, Whitewater was then but a shell, its properties having been sold for pennies on the dollar. He wrote them two false and misleading letters in late 1986 trying to persuade them to sign over their stock in the company. After they refused, he simply transferred the IP land to another of his real estate companies, leaving Whitewater stuck with the debt.

Whitewater's books make no mention of the IP-Lowrance Heights deal. No letter or document bears the Clintons' signatures or mentions their names.

"The transaction," notes the Pillsbury Report, the eight-volume Resolution Trust Corp. study, "did not benefit Whitewater or the Clintons; in fact, it left Whitewater with a large debt but no corresponding asset, and eventually it led to litigation and the entry of a judgment against Whitewater."

You don't need a CPA to see that the Clintons were the pigeons in a crude real estate scam.

"Why isn't President Clinton on trial?" special prosecutor W. Ray Jahn asked during his closing argument at the Tucker-McDougal trial. "Because he didn't set up any phony corporations to get employees to sign for loans that were basically worthless. He didn't get $300,000 from Capital Management Services like Jim and Susan McDougal did .... The president didn't backdate any leases. He didn't backdate any documents .... He didn't come up with phony reasons not to repay the property. He didn't lie to any examiners. He didn't lie to any investigators."

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Gene Lyons is a Little Rock author. His column appears every Wednesday.

THE PRESIDENT HAS SEEN
2-14-97

Rahm

3 good pieces – Maybe
someone in our world
might actually read them

TBC

NEW YORK OBSERVER

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JOE CONASON

Why Did McDougal Change His Bloody Tale?

After all the money and time devoted to investigating Whitewater, the only serious allegation against the President is David Hale's charge that sometime early in 1986, Bill Clinton "pressured" Mr. Hale to approve a $300,000 loan to his and his wife's Whitewater partners, James and Susan McDougal. A perjurer and convicted con man, Mr. Hale has peddled this story for years in the hope of coaxing leniency from a prosecutor. Contradicted by a videotaped deposition from Mr. Clinton, as well as by Mr. McDougal's own denial, Mr. Hale's testimony was given little credence by the jurors who convicted the McDougals of fraud and conspiracy charges last July.

But now, according to James Stewart's report in the Feb. 17 *New Yorker*, Mr. Hale's loan fable has been confirmed, after a fashion, by Mr. McDougal, who also is cooperating with Mr. Starr. Which is to say that the word of one unreliable witness is buttressed by a second who is even less believable.

In discussing Mr. McDougal's turnabout, Mr. Stewart strives to provide a balanced assessment of this swindler's credibility—a painful task, considering how eagerly he accepted Mr. McDougal's earlier assertions in his best seller *Blood Sport*. Some of the *New Yorker* article is recycled from his book to create a context for the current dispute between the chatty Mr. McDougal and his ex-wife, who is in jail for disdaining Mr. Starr's grand jury. Yet there are certain *Blood Sport* anecdotes Mr. Stewart elides, now that his source has rolled.

JAMES McDOUGAL

Notably, these involve Mr. McDougal's sanity. If he ever testifies against the Clintons, the defense surely will depict him as a ranting, twisted, grandiose piney-woods loon. Was he overdosed with psychoactive drugs, or hooked up to jumper cables? While the *New Yorker* story mentions that he was "diagnosed as manic-depressive" and takes Prozac, that scarcely completes the work-up. In *Blood Sport*, Mr. McDougal tells a Clinton friend that "everybody on his mother's side of the family had been alcoholics, and everybody on his father's side had been manic-depressives. He was both, he said. Now he was taking both lithium and Prozac." The man who heard this sad genealogy naturally "wondered how firmly planted McDougal was in reality."

Another salient passage, now omitted, dates back to 1993, when Mr. Hale first began trying to save his own hide by implicating the C tions. He secretly taped a conversation with Mr. McDougal wi trying to "get McDougal to corroborate his story" about Mr. Clin and the fraudulent loan. "But McDougal begged off, saying he membered almost nothing from those months of 1986, not long fore he blacked out and had to be taken to the hospital." With prospect of an 84-year maximum sentence, Mr. McDougal's rec lection has marvelously improved.

To season his proffer to Mr. Starr, he now recalls an intimate pho conversation between "Susan and Bill," which led him to conclude th were lovers. That alleged erotic connection is supposedly why she has refused to testify. Susan McDougal calls this a sick fantasy, and it seems just as fair to assume that as a jilted girlfriend, she would have strong motives to disparage rather than protect the President. Mr. Stewart's interview with her, while dwelling on personal entanglements, suggests she has better reasons not to testify—namely, fear of retribution from the independent counsel if she says under oath that she knows nothing damaging to the Clintons.

If James McDougal ever testifies, the defense will depict him as a ranting piney-woods loon.

Perhaps the most confusing aspect of the Hale-McDougal story is what happened to that $300,000, the proceeds of a Federal small business loan engineered by Mr. Hale (who defrauded the Government of millions). Mr. Stewart has helped cloud the issue. Although Ms. McDougal used the money to purchase additional land in the name of the Whitewater company, that property was swiftly transferred to another outfit owned solely by the McDougals. In other words, Mr. McDougal left the Clintons liable for the mortgage on a property in which they held no interest-- a classic rip-off. Mr. Stewart, however, still insists that the Clintons "stood to benefit, at least briefly, from the illegal loan proceeds," which is why Mr. Starr professes such keen interest in the Hale tale.

The relevant document here is the two-volume exegesis of Whitewater prepared for the Resolution Trust Corporation by the Republican law firm of Pillsbury, Madison & Sutro. After a sweeping investigation completed in December 1995—just before *Blood Sport* went to press—the Pillsbury report found nothing to support Mr. Hale's allegations. It said "there is no basis to assert that the Clintons knew anything of substance about the McDougals' advances to Whitewater [or] the source of the funds used to make those advances . . ."

Few in the national media, including Mr. Stewart, have bothered to quote the report's conclusion: "On this record, there is no basis to charge the Clintons with any kind of primary liability for fraud or intentional misconduct," nor for "any claim of secondary or derivative liability for the possible misdeeds of others." And today, after 14 months of further probing and millions of dollars spent, there is still no such evidence—unless one accepts whatever emerges from the mouths of two men subordinated by fear to the will of a partisan prosecutor.

ORKER'S DIARY

cosmetics industry, to the clothing industry, to the fitness industry, to the marriage canopy, which is itself connected to your bank of choice.

In the Victorian glory days, children were considered innocents. They were not treated very well, of course, the poor were worked and starved and the rich were ignored in distant nurseries, but no one imag-

THE PRESIDENT HAS SEEN
2-14-97

Another act in the Whitewater farce

Gene Lyons

For many of us home folks, the greatest irony of the Clinton presidency has been the export of traditional slapstick Arkansas political theater to an unexpectedly gullible nation.

Who would have predicted that characters like David Hale and the inimitable duo of Jim and Susan McDougal would come to occupy center stage in a national melodrama?

What's next? Will Bill McCuen persuade Kenneth Starr that Bill Clinton set up the phantom flag scam that sent him to prison? Will Darrell Glascock confirm his story? Was it really Clinton who wined and dined all those babes on Steve Clark's state credit card? And what about Wayne Dumond's castration? Has Starr checked Hillary Rodham Clinton's alibi?

But there I go again, making light of what the reverend authorities in the national media assure us could become the most solemn constitutional crisis since Watergate.

Maybe so. Maybe Kenneth Starr is sufficiently ruthless and disingenuous to attempt a legal *coup d'etat* against the president based upon the testimony of a pair like David Hale and Jim McDougal.

Starr's office has been hinting as much to its press acolytes for months. Even if sitting through nine days of Hale's testimony at his own trial hadn't told McDougal exactly what he needed to say to save his skin, our old friend James B. Stewart's, "Letter From Little Rock" in the July 15, 1996, *New Yorker* tied it up in a neat package for him.

Accompanied by the usual winking and nudging about sources close to the investigation, Stewart theorized that Bill Clinton may have been involved in an illegal $300,000 loan scheme between Hale's Capital Management Services and the McDougals—the famous Master Marketing scheme that convicted Jim and Susan.

"Clinton's motive," Stewart's *New Yorker* piece theorized, "would have been simple: He would have gained co-ownership of a potentially valuable asset without putting up any additional money. Should this theory be borne out, it would implicate Clinton in a crime: conspiracy to defraud a financial institution."

Now Stewart's back with another *New Yorker* article. He's been all over the TV saying that Clinton's testimony that he never met with Hale and had no knowledge of the Master Marketing loan makes a perjury charge possible—more serious because his statement was videotaped not 10 years ago in Arkansas, but last year in the White House.

The suspect transaction took place in 1986, shortly after Arkansas and federal regulators removed both McDougals from Madison Guaranty S&L for illegalities like insider trading and self-trading.

Jim McDougal had a stroke and a nervous breakdown. Diagnosed with manic-depression, he emerged from the hospital intent upon rebuilding his real estate empire. The supposedly valuable asset that Stewart suspects Clinton coveted was an 810-acre tract the McDougals bought from International Paper, then magically transformed into yet another failed real estate development called Lowrance Heights. IP repossessed the property in 1989.

Then as now, Stewart has simply ignored the abundant documentary evidence that tells another story altogether. Lazy, credulous and judgmental as ever, the rest of the media mob has simply followed.

Yes, McDougal bought the IP property in the name of Whitewater Development Corp. and used $25,000 of the bogus $300,000 Master Marketing loan as earnest money. Most of the rest, he and Susan used to pay bills.

But the McDougals also falsely told IP, which financed the deal, that they were Whitewater's sole owners and proprietors. Unknown to the Clintons, whom Jim McDougal had misled for years about their investment, Whitewater was then but a shell, its properties having been sold for pennies on the dollar. He wrote them two false and misleading letters in late 1986 trying to persuade them to sign over their stock in the company. After they refused, he simply transferred the IP land to another of his real estate companies, leaving Whitewater stuck with the debt.

Whitewater's books make no mention of the IP-Lowrance Heights deal. No letter or document bears the Clintons' signatures or mentions their names.

"The transaction," notes the Pillsbury Report, the eight-volume Resolution Trust Corp. study, "did not benefit Whitewater or the Clintons; in fact, it left Whitewater with a large debt but no corresponding asset, and eventually it led to litigation and the entry of a judgment against Whitewater."

You don't need a CPA to see that the Clintons were the pigeons in a crude real estate scam.

"Why isn't President Clinton on trial?" special prosecutor W. Ray Jahn asked during his closing argument at the Tucker-McDougal trial. "Because he didn't set up any phony corporations to get employees to sign for loans that were basically worthless. He didn't get $300,000 from Capital Management Services like Jim and Susan McDougal did .... The president didn't backdate any leases. He didn't backdate any documents .... He didn't come up with phony reasons not to repay the property. He didn't lie to any examiners. He didn't lie to any investigators."

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THE PRESIDENT HAS SEEN
2-14-97

Skepticism: A most valuable tool

Gene Lyons

Sen. Eugene McCarthy once compared the nation's political press to a flock of blackbirds sitting on a telephone wire. "When one flies up," he said, "they all fly up."

Maybe that helps account for the general failure to make the most obvious connection of the week: the one between bogus rape accusations against Dallas Cowboys wide receiver Michael Irvin and the media's born-again fascination with Paula Jones.

No, one widely hyped accusation against a public figure—one with whom Bill Clinton would hardly wish to be associated—doesn't disprove a widely hyped charge against another. But it should remind everybody of two basic facts of life every cub reporter and rookie cop used to learn by hard experience: Anybody can say anything about anybody else; also, it's logically impossible to prove a negative, i.e. what *didn't* happen.

Anyhow, those are two big reasons why skepticism used to be one of a journalist's most valuable tools. For a variety of causes, including the competitive demands of a 24-hour-a-day news cycle, that's no longer so. Political reporters are more apt to have spent their formative years in graduate school than slogging it out on the police or courthouse beat. High-toned, moralistic rhetoric is more their style.

Actually, it's sports coverage that's really taken on a Sunday school tone of late, but that's another topic. Anyhow, since it's almost impossible for a public figure like the president to sue for libel, and since another fact of life is that almost anybody can file a lawsuit against anybody else, the temptation with a case like *Paula Corbin Jones vs. William Jefferson Clinton* is to take the accusations in her complaint and run with them. "Moralize now, apologize later" has become the rule, particularly when the charges involve sex, everybody's favorite topic.

That's pretty much how the Paula Jones story was handled at first, but the public wasn't buying. Many in the media found aspects of her story dubious as well.

If, as Jones contended, she had been slandered by David Brock's article in *The American Spectator* in which Arkansas state troopers described her as hot to trot in a hotel room encounter with then-Gov. Clinton, why sue Clinton, but not the authors of the slander? Why announce that claim on the same stage with the troopers themselves at a right-wing PAC gathering at which an 800 number was set up to solicit cash for a "Troopergate Whistle-Blower Fund"?

Why, if Jones and her lawyers were innocent of political motives, did she put in an appearance on Jerry Falwell's almost insanely scurrilous, not to mention entirely fictive, videotape, "The Clinton Chronicles"? Why go on TV with Pat Robertson? Jones' general demeanor as what *Newsweek's* Evan Thomas described as "some sleazy woman with big hair coming out of the trailer parks" did her no good, either.

That two of the troopers themselves were found to have wrecked a patrol car at 3 a.m. admittedly lied about it, then swore to a completely different version in a lawsuit rather diminished their credibility, as did local reporters' inability to verify any of a number of highly improbable tales they'd told.

Troopers Roger Perry and Larry Patterson later joined the Vince Foster conspiracy industry, describing a phone call that allegedly came to the Arkansas Governor's Mansion from a distraught White House aide hours *before* Foster's body was found—a tale they'd neglected to tell *The American Spectator* shortly after it supposedly happened, and which almost nobody believes, not even Republicans on the Senate Whitewater committee, who decided not to hear their testimony.

An affidavit sworn by trooper Danny Ferguson in June 1994 did Jones' own credibility no good. He denied telling Jones that Clinton wanted to meet her. Rather, Ferguson said, she pestered him for a private meeting with the governor, stressing "Clinton's good looks and sexy demeanor." So, he said, he took her upstairs at the Excelsior Hotel, pointed out a room and left her there in the hallway.

A couple of weeks later, Ferguson swore, Jones showed up at the governor's office in the state Capitol and "asked for a piece of paper and a pen and wrote down her home phone number and told (Ferguson) to give it to Governor Clinton. She said to tell him that she was living with her boyfriend and that if her boyfriend answered, Governor Clinton should either hang up or say that he had a wrong number."

This account of Jones' behavior squares with what other members of Clinton's staff told *Democrat-Gazette* reporters about her hanging around the governor's office after delivering messages, prattling like a star-struck teen-ager.

None of the information in the preceding few paragraphs, incidentally, all crucial to assessing the credibility of Jones and the troopers, appears in last week's *Newsweek* cover story on her lawsuit. (Accompanied incidentally, by hair, makeup and photo credits.) Almost none of it appeared in Stuart Taylor's article on Jones in *The American Lawyer*, which the newsmagazine cited as highly influencing its coverage.

Instead, *Newsweek* produced an extended apologia for its previous snobbish dismissal of Jones as a trashy redneck. Her accusations against Clinton are highly credible, the editors have now decided, essentially because she told friends and family about them almost immediately after they supposedly happened. Most, but not all, say they believe her story.

Your humble, obedient servant here has no strong opinion about the Supreme Court's dilemma. Clinton's not a king. I'm not sure he ought to be treated like one.

On the other hand, do we really want to open the president to harassment by lawsuit? The motives of Jones' lawyers, one a Republican candidate for Virginia attorney general, are suspect. Isn't their real motive to ask Clinton humiliating intimate questions under oath, then leak his deposition to the press?

But I do have a wholly imaginative theory about what happened to Paula Jones and what's apt to emerge in the still unlikely event this case goes to trial. Could she have been describing something close to what did happen to her in a hotel room but not with Bill Clinton? Did she decide to cover her shame and humiliation, or add drama and self-importance to her life, by bringing in a figure of national prominence?

As the Michael Irvin episode shows, she wouldn't be the first.

Gene Lyons is a Little Rock author. His column appears every Wednesday.

THE PRESIDENT HAS SEEN
2-14-97

THE WHITE HOUSE
WASHINGTON

February 13, 1997

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT & ANNE HAWLEY

SUBJECT: SCHEDULING DECISIONS

CC: JOHN PODESTA

ACCEPT

Date of Event:	Description of Event:
2/13/97	Meeting With Philippe Deguin, President of the French National Assembly and President Chirac's Personal Representative at Ambassador Harriman's Funeral (10 min.)
2/14/97	Oval Office Adoption Event With the First Lady
2/14/97	**OPTION:** Valentine's Day Dinner at the Home of Ann Hand. **Mrs. Clinton has indicated that she is interested in dropping by.**
2/15/97	**OPTION:** Party For Dwight and Toni Bush (Ann Jordan's Daughter) at the Metropolitan Club **This is a 40th birthday for Dwight and Toni who share the same birthday. It is a black tie event. Mrs. Clinton has indicated that she is interested in dropping by.**

2/16/97	**OPTION:** Phone Call to Shimon Peres **The former Prime Minister will be in Washington on Sunday. The NSC thought that a phone call would be appropriate as opposed to a meeting because of the proximity of his visit to the Netanyahu meeting.**
2/21/97	Washington, DC Event With the First Lady
2/24/97	Speech to the American Council on Education, Washington DC
2/27/97	**OPTION:** Book Party at the Home of Ann Pinkus **Mrs. Clinton has indicated that she is interested in dropping by.**
3/2/97	Father/Daughter Brunch at Sidwell Friends
3/3/97	Event With the First Lady to Launch the AdCouncil's PSA on Children's Programs Which You Recorded in January
3/4/97	Press Conference
3/11/97	DNC Major Donor Dinner, Washington, DC
3/11/97	Fundraiser For Senator Dorgan, Washington, DC
4/3/97	Democratic Business Council Dinner, Washington, DC
4/3/97	Fundraiser For Senator Dodd, Washington, DC

PENDING

Date of Event:	Description of Event:
2/12/97 - 3/15/97	Foreign Policy "Retreat" With the Hill, Blair House **The purpose of this retreat would be to engage in dialogue with key Members of Congress and to build bipartisan support for your foreign policy agenda.**

2/27/97 — Drop by White House Briefing For the Business Council.

The Business Council is comprised of current and former CEO's of US companies. Their major interest is to generate a better understanding of public policy issues and help create a consensus for solutions. The Council is in Washington for their annual dinner which you cannot attend because of a conflict with the Chilean State Visit. Gene Sperling feels very strongly that you drop by this briefing sometime in the morning of February 27. You currently have the day off for Chelsea's birthday.

Since you are not going to NYC until Friday, February 28 do you want to consider this request or keep the day completely free?

2/28/7 - 3/4/97 — Speech to the National Association of Counties, Washington, DC

We have forwarded this request to the Vice President's office for his consideration as well.

February tbd — Radio Roundtable With National Radio Networks

3/5/97 — Travel to East Lansing, Michigan to Speak to the State Legislature

3/5/97 — Speech to Bipartisan Group of State Legislative Leaders Attending the 1997 National Conference of State Legislatures Leader-to-Leader Meeting, Washington, DC

We have forwarded this request to the Vice President's office for his consideration as well.

March tbd — Town Hall Meeting With Children Hosted by Peter Jennings

This discussion would be part of ABC's "March Against Drugs," a month dedicated to encouraging parents to talk to their children about drugs.

4/22/97 — Participate in the Air Force's 50th Anniversary Events, Las Vegas Nevada

April 22 is Earth Day. We understand that General Fogleman asked to you attend these events. The NSC does not feel strongly about this request.

REGRET

Date of Event:	Description of Event:
2/14/97	Armed Forces Welcoming Ceremony in Honor of Secretary Cohen, Fort Myer, Virginia
2/20/97 - 2/21/97	Unannounced Drop-by at Sandy Berger's Meeting With Key Members of Israel Policy Forum
	We have asked the Vice President to drop by this meeting.
2/27/97	Speech to a Joint Session Between the International Association of Police Chiefs and the National Sheriff's Association, Washington, DC
3/3/97	Speech to the Direct Loans 2000, Sponsored by the National Direct Student Loan Coalition, Washington, DC
3/10/97	Speech to the National League of Cities Congressional City Conference, Washington, DC
	This is the day of your official working visit with Mubarak. We have forwarded this request to the Vice President.