

~~Chron~~

—

THE WHITE HOUSE
WASHINGTON

'97 APR 22 PM9:31

April 22, 1997

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

SAMUEL BERGER

SUBJECT:

Moscow Mayor on Russian Investment Climate

During your April 19 drop-by on my meeting with the Mayor of Moscow, Luzhkov asserted that American investors are missing important opportunities by not focusing on particular regions in Russia that are moving forward with economic and democratic reforms. He cited Moscow as an example where foreign investment is eagerly welcomed.

Luzhkov's argument is a familiar refrain from Russian officials who would prefer to ignore federal policy constraints, thinking they can lure investors to regions and municipalities. Moscow presents a more attractive investment climate than other parts of Russia, but it has special features: a large service sector where investors can get in with limited capital, and its lucrative telecommunications market. But potential American investors must still cope with confiscatory taxes, an arbitrary legal system, limited ownership rights, unstable banks and nascent regulatory bodies. These are federal problems, and until they are addressed Russia will not attract the scale of investment needed to restructure its economy. Russia is at the bottom rung of emerging markets in attracting foreign investment.

That said, it makes sense to focus attention on Russia's regions to address regional investment barriers as we overcome federal disincentives. As part of the Partnership for Freedom request in your FY 98 budget, we have designed a regional initiative that would focus assistance on four pilot regions, including the Far East, that are starting to create an attractive investment climate. We would provide technical advice, link regions to state-level counterparts in the United States who could share their experiences, strengthen local financial institutions and improve access to OPIC, Ex-Im and enterprise fund resources. Dick Morningstar is coordinating this initiative, and Jim Collins intends to make it a priority in Moscow.

Gen
Comere
Should
Look at
Too

A RENDEZVOUS
WITH DESTINY



FDR
MEMORIAL

FRANKLIN DELANO
ROOSEVELT MEMORIAL
COMMISSION

HONORARY CO-CHAIRS

President
William J. Clinton

Former Presidents

George Bush
Jimmy Carter
Gerald R. Ford
Ronald Reagan

COMMISSIONERS

Co-Chairs

Mark O. Hatfield
Daniel K. Inouye

Senators

Alfonse M. D'Amato
Carl Levin

Representatives

Phil English
Maurice D. Hinchey
Jerry Lewis

Presidential Appointees

Barbara A. Handman
Lester S. Hyman
David B. Roosevelt
Jack W. Theimer

CAPITAL CAMPAIGN

Co-Chairs

David B. Roosevelt
Jack Valenti

International Chair

Anna C. Chennault

EXECUTIVE DIRECTOR

Dorann H. Gunderson

Franklin Delano Roosevelt
Memorial Commission
632 Dirksen Senate Office Building
Washington, DC 20510
202.228.2491
FAX 202 228 1010

THE PRESIDENT HAS SEEN

4-23-97

April 21, 1997

VIA MESSENGER

President Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500
ATTN: Ms. Nancy Hernreich

Dear Mr. President:

In view of the current controversy over the appropriate manner in which to portray Franklin Roosevelt's handicap, I attach some language you might wish to consider as part of your remarks on May 2nd when you accept the FDR Memorial on behalf of the nation.

I hope you find it useful.

Warmest regards.

Always sincerely,

Lester S. Hyman

LSH:lsj:1545.01

P.S. Because of your interest in Social Security reform measures, I also enclose a letter I just wrote to Senator Chuck Hagel describing Chile's individual pension account program in anticipation of his May trip to that country.

It was grand having an opportunity to talk with you at the recent Sheraton-Carlton Business Council dinner.

cc: Michael Waldman

5022122.1

4/21/97

SUGGESTED EXCERPTS FOR PRESIDENT CLINTON'S FDR MEMORIAL SPEECH

I want to say a word about physical disability.

Sometimes you need to experience adversity personally -- if only for a brief time -- in order to truly understand its devastating impact upon your life.

In a few weeks I hopefully will shed these crutches and walk and run again as if my accident never had happened. But the memory of my frustration and physical limitation will stay with me, reenforcing my enormous empathy for those who face permanent physical challenges.

Franklin Roosevelt, after a herculean struggle with polio, learned that he *never* would be able to shed *his* crutches and braces and wheelchair. He would not walk again (unaided) for the rest of his life.

Paradoxically, that unhappy truth forged his character. Through suffering he achieved maturity. The steel of his braces put steel in his resolve. His handicap became his epiphany.

When I recently traveled abroad for my meeting with President Yeltsin, the media carefully recorded for all to see my being lowered from the plane in a wheelchair on a fork-lift and then carried into a food-serving van.

But in Roosevelt's day, you *never* saw him being carried in and out of buildings -- or seated in his jerry-built wheelchair. When he "stood", he was held upright by one of his sons; you could not see the iron braces that literally locked his legs in place.

That was the way he wanted it.

What a difference the years have made in our perception of disability.

Back then, FDR feared adverse political consequences if the electorate learned of his handicap -- so he created what he himself called his "splendid deception".

Today a physical disability is accepted and respected -- we attach no negative connotation. Quite to the contrary, we salute those men and women and children who demonstrate day in and day out that they can match -- and in many cases outperform -- those who have had no such challenge. Just ask Danny Inouye, or Max Cleland, or Bob Kerrey (or Bob Dole).

This dramatic sea-change in attitude has resulted in the current debate as to how FDR should be portrayed in this magnificent memorial.

Should he be depicted as he presented himself to the world?

Or should he be shown as he really was?

The argument rages within these grounds today, and FDR would have loved the debate, for he relished controversy. He thought it the best way to bring out the truth. Because of the controversy, we now are assured that every person who visits this memorial will know beyond any doubt that Franklin Delano Roosevelt triumphed over physical disability, a victory that gives inspiration to us all.

Roosevelt was revered...and reviled...as perhaps no other President in our history.

We see him in our mind's eye: his jaw jutting out, his cigarette holder atilt, and that famous Roosevelt smile so contagious that it could light up a whole nation as he joyfully sailed into battle.

FDR met his physical challenge head-on and came up smiling. He defeated the Great Depression. He won the World War. And he planted the foundation stone for world peace.

On this lovely Spring day, we gather to honor his struggle and his everlasting achievement that allowed our beloved country to flourish and live free.

A handwritten signature in dark ink, appearing to read "L. Hyman", enclosed within a hand-drawn oval border.

(Submitted by Lester S. Hyman)

SWIDLER
&
BERLIN
CHARTERED

LESTER S. HYMAN
SENIOR OF COUNSEL

3000 K STREET, N.W. • SUITE 300 • WASHINGTON, D.C. 20007-5116
DIRECT DIAL (202) 424-7509 • FACSIMILE (202) 424-7643
LSHYMAN@SWIDLAW.COM

LESTER S. HYMAN
SENIOR OF COUNSEL

SWIDLER
&
BERLIN
CHARTERED

THE PRESIDENT HAS SEEN
4-23-97

DIRECT DIAL
(202)424-7509

April 9, 1997

Senator Chuck Hagel
346 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Hagel:

Just a brief note to tell you how much I enjoyed meeting you at our offices this morning. I was particularly impressed by your perceptive remarks concerning the role of the United States in international trade and am gratified that you support "fast-track" legislation that will be of such great assistance to the U.S. business community in expanding export and investment opportunities abroad.

With regard just to Latin America, the Department of Commerce estimates that by the year 2010, the United States will be doing more business with our southern hemisphere than with all of Europe and Asia combined. Thus, I believe that it is to our advantage as a nation to enter into bi-lateral and multi-lateral agreements that will expand opportunities for U.S. trade and which, in turn, will help make the world more secure.

I would be most interested in talking with you after you return from Chile in May with regard to the individual pension account plan that has helped that country achieve a 28% savings rate compared to 2.3% in our country. As you so wisely said, however, one cannot just overlay another country's system on our own. This is particularly true since two of the reasons that Chile has been able to implement its program are (1) a very young population (so retirement for most people is many years out); and (2) a budget surplus that has been achieved largely from selling off state-owned enterprises to the private sector. Quaere whether Chile's system would be as effective in the U.S. where so many millions of baby boomers soon will be retiring, and where we have a budget deficit rather than a surplus.

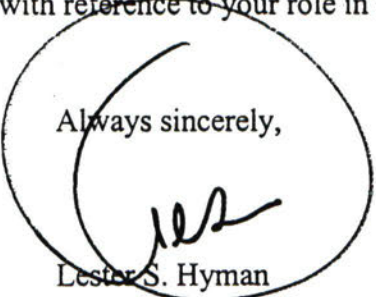
On the other hand, there are some facets of Chile's program that might be extremely attractive here. Each employer, as I understand it, must mandatorily deduct 10% of an employee's salary (up to \$22,000) and allow the employee to invest it in one of a group of approved private investment funds. The employee then may voluntarily add another 10% of his salary without tax consequence. At the time of retirement, the average employee allegedly receives an astounding 87% of his or her pre-retirement income; this happens because the individual pension fund investments earn on the average of 14% a year. Only if an employee who has worked at least 20 years does not, at the time of retirement, have an accumulated pension fund account of a defined amount, will the government step in and provide the difference

Senator Chuck Hagel
April 9, 1997
Page 2

between what he has and the defined amount so the employee receives an adequate retirement income. What I will be interested in knowing upon your return is whether you believe the system is as effective as it appears and whether the principle of individual pension savings accounts would work in the United States.

Once again, I was delighted to meet you, Senator Hagel, especially since I have heard so many favorable things about you over the years with reference to your role in making the USO such a great organization.

Always sincerely,



Lester S. Hyman

LSH:lsj:1545.01

P.S. Would you please be kind enough to send my warmest regards to Paul Coverdell, your distinguished colleague on the Senate Foreign Relations Committee? Paul and I recently represented President Clinton at the signing of the Guatemalan Peace Accords. He is an extremely bright, thoughtful and lovely person. Incidentally, another member of our delegation was General Wesley Clark, then head of the U.S. Southern Command, and now our new military commander in Europe and NATO. Wes is an impressive man whom you might want to get to know if you are dealing with NATO issues in your Committee work.

LESTER S. HYMAN

BIOGRAPHICAL NOTES

Lester S. Hyman, a Founding Partner of the prominent Washington, D.C. law firm of Swidler & Berlin, specializes in creating and implementing legislative strategies and in resolving international disputes. His clients include Fortune 500 corporations, as well as countries and major companies abroad.

As a protege of John F. Kennedy, he served with the U.S. Securities & Exchange Commission, the U.S. Department of Housing and Urban Development, and as Secretary of Commerce and later Chairman of the Democratic Party of Massachusetts.

Mr. Hyman has been an advisor to eight U.S. presidential candidates. Following his participation in the Clinton-Gore campaign, he "vetted" candidates for Vice President, the Supreme Court, and the Cabinet and prepared the latter for Senatorial confirmation hearings.

He currently serves as a member of the Board of the Center for National Policy, one of the country's leading political "think tanks" and is a member of the Advisory Board of the International Legal Studies Program of the Washington College of Law (at the American University). He has taught "Decision-making in Politics" at the John F. Kennedy School of Government at Harvard University.

In 1990 he was a member of the International Observer Team, headed by former President Jimmy Carter, which monitored the first democratic election in the history of Haiti, and has been deeply involved in peace resolution efforts in Liberia, as well as legal and governmental issues in Japan, Korea, France, Germany, England, Russia, Lebanon and the Caribbean.

In 1994, the President of the United States, upon the personal recommendation of Hillary Rodham Clinton, appointed Mr. Hyman to the Franklin Delano Roosevelt Memorial Commission.

In 1995 he was elected to the Board of Trustees of the Norton Simon Museum of Art at Pasadena, California.

President Clinton appointed Mr. Hyman to the 8-person United States Presidential Delegation that represented him at the historic December 29, 1996 Peace Accord signing in Guatemala, ending a 36-year civil war.

He lectures extensively throughout the country and has been described as an informative, entertaining and eloquent public speaker. His biography appears in the current edition of "Who's Who in America." Mr. Hyman has written extensively on U.S. and international issues, with his articles appearing in such publications as "The Los Angeles Times" and "The Boston Globe."

He has a home in the Caribbean (on the island of Tortola) where he is a member of the Board of the British Virgin Islands Community College.

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
4-23-97

April 21, 1997

MEMORANDUM TO THE PRESIDENT

FROM: ERSKINE B. BOWLES

RE: Product Liability

'97 APR 21 PM12:17

(1) Attached is a memorandum from Senator John Breaux, outlining his proposal to introduce alternative legislation on the issue of product liability.

(2) Either today or tomorrow, we will schedule a meeting for you with Gene Sperling, Bruce Lindsey, Sylvia Mathews, John Podesta and myself to discuss our current position on product liability and the process for handling the issue inside the Administration.

MEMORANDUM

TO: President Clinton
FR: Senator John Breau
DT: April 8, 1997
RE: Product Liability

I believe you have an historic opportunity to break the decade-long gridlock over the issue of product liability. Like you, I have opposed the draconian legislation long championed by the proponents of "reform." At the same time, like you, I recognize areas for improvement in the current system and support fair and balanced changes.

A New Approach

I plan to offer alternative legislation and would like you to endorse and support my bill. My bill would (1) deter and punish frivolous lawsuits; (2) encourage alternative dispute resolution and settlement of product liability lawsuits; and (3) provide a uniform standard -- without arbitrary limitations -- for the award of punitive damages in product liability suits.

This approach tracks very closely the guidelines you have set down for balanced product liability reform. You have strongly objected to arbitrary damage caps, the elimination of joint and several liability for non-economic damages, and "one-way preemption" which preempts only those state laws more favorable to claimants and preserves those more favorable to defendants. My bill is the type of reform you have called for because it addresses the fundamental issue of frivolous lawsuits while maintaining a fair balance between the interests of consumers and defendants.

The Politics of the Issue

As you well know, there are strong political forces on both sides of this issue. Having Senator Rockefeller as a major supporter of the traditional approach makes matters more difficult for some Democrats. Many of my colleagues have felt uncomfortable with the choice of either opposing all reform or supporting the "reforms" championed by the largely Republican coalition. By supporting my legislation, we can provide an alternative to the many Democrats caught between two difficult options. Those who support our bill will be squarely on record in favor of reform of our product liability system, without having to support legislation that harms consumers and alienates some of our closest supporters.

The result of our efforts may -- and should -- lead to the inability of the proponents of traditional reform to invoke cloture on their bill on the Senate floor. But by supporting my bill, you may not be presented with another decision whether to veto a "traditional" product liability bill. My legislation could clear the way for truly fair and balanced reform.

Attachment

MEMORANDUM

TO: Erskine Bowles
FR: Senator Breaux
DT: April 8, 1997
RE: Product Liability

A tremendous opportunity exists for the President to forge a new, balanced, and innovative approach to the long-contentious issue of product liability. This memorandum lays out why the President should endorse a new approach to this old issue.

I. Current Posture and Prospects of Product Liability Legislation

The Republican leadership has again made product liability a top priority. The "Product Liability Reform Act of 1997" (S. 5) was introduced with no Democratic co-sponsors. Senators Ashcroft, McCain and Gorton, are the chief proponents of the product liability bill. Senator Rockefeller has been attempting to work closely with these Republicans. S. 5 is scheduled for mark-up in the Senate Commerce Committee on May 7th. We do not expect any major changes to the four major elements of the bill: (1) limitations on punitive damages; (2) restrictions on joint liability for "non-economic damages"; (3) a "statute of repose" prohibiting lawsuits for products beyond a certain age; and (4) "one way preemption" by which state laws that are more consumer-friendly are preempted while those more favorable to defendants are left intact. Senator Lott intends to bring products liability to the floor prior to the Memorial Day recess. Democrats led by Senators Hollings, Daschle, Boxer, and myself will likely require the Republicans to invoke cloture in order to pass the bill.

II. Background

The conference report on last year's product liability bill passed the Senate on final passage by a vote of 59-40 after Republicans invoked cloture on their fourth attempt by a vote of 60-40. All but four Republicans voted for cloture, while 35 of 47 Democrats voted against cloture. Of the 45 current Senate Democrats, only six who voted for cloture last year remain in the Senate. The Democratic Caucus remains firmly opposed to the traditional approach.

III. The President's Statements

The President has been consistent in his opposition to key aspects of product liability "reform," speaking of the need to have "fair" and "balanced" legislation which protects the interests of both consumers and manufacturers and sellers (*See Statement of Administration Policy, 4/24/95; Statement by the Press Secretary, 5/10/95; Statement of Administration Policy, 3/16/96; Remarks of the President in Veto of Product Liability Bill, 5/2/96*).

The President has also consistently stated his opposition to limitations on joint and several liability for non-economic damages: "non-economic damages are as important to victims as economic damages and must not be relegated to second class status." *S.A.P.* 4/25/95; "[t]he Administration has consistently made clear its opposition to the provision that would make it harder for injured consumers to recover their full damages in cases involving more than one culpable defendant." *Statement by the Press Secretary*, 5/10/95; "[t]he Administration ... opposes the abolition of joint and several liability for non-economic damages." *S.A.P.* 3/16/96.

Further, the President has repeatedly stated his opposition to limitations on punitive damages: "[t]he Administration believes statutory caps are improper ... a statutory cap invites a wealthy potential wrongdoer to weigh the risks of a capped punitive award against the potential gains or profits from the wrongdoing," *S.A.P.* 4/25/95; "[t]he Administration ... opposes an artificial ceiling on the amount of punitive damages that may be awarded in a product liability action," *S.A.P.* 3/16/96.

Finally, the President has voiced strong objections to the unfairness of "one way preemption": "the Conference Report unfairly tilts the legal playing field to the disadvantage of consumers. Many provisions of H.R. 956 ... displace state law only when that law is more favorable to the consumer ... [t]his 'one way preemption' unfairly disadvantages consumers." *S.A.P.* 3/16/96; *see also*, *Veto Statement* at 3.

While the President has made his particular objections very clear, he has stated that he supports *balanced, limited* federal product liability reform. In his *Veto Statement* the President noted: "[w]e do need legal reform. America's legal system is too expensive, too time consuming and does -- does -- contain too many frivolous lawsuits."

IV. A New Approach -- Under the Leadership of the President

It is extraordinarily unlikely that the Republican/Rockefeller bill will remedy the defects objected to by the President. Further, this old-approach bill *will not* focus on the President's concerns about the current system. The Republican/Rockefeller product liability bill will not focus on limiting frivolous lawsuits; it will not make lawsuits less expensive, and it will not make lawsuits less time-consuming. The focus of the Republican/Rockefeller bill has always been to help defendants that have been found liable -- by limiting punitive damages and joint liability.

A. The Breaux Bill

For the first time in over a decade there is a new approach to product liability. We are crafting an alternative bill which takes a completely different approach to this long stagnated problem by focusing on the very concerns articulated by the President -- frivolous lawsuits and the time and expense of litigation. *If the President were to endorse the Breaux bill he would stand for the limited, balanced reform he has always supported while being true*

to his objections as to the most unfair and harmful provisions of the Republican/Rockefeller approach.

B. Provisions of the Breaux Bill

The Breaux bill would 1) Deter the filing of frivolous product liability actions by requiring attorneys to sign affidavits and make other claims and assurances before filing a lawsuit that the suit is not frivolous, and by providing stiff and mandatory sanctions against attorneys for frivolous lawsuits; 2) Provide extensive settlement and alternative dispute resolution procedures to resolve lawsuits in the quickest but fairest manner to both plaintiffs and defendants; 3) Provide the uniform fifty-state standard on punitive damages that manufacturers claim they need without placing arbitrary limits on the size of awards; 4) Call for a study of the product liability system to better inform lawmakers as to any true problems in the system; and, 5) Adopt the Republican/Rockefeller two year statute of limitations from date of notice provision.

C. What the Breaux Bill Doesn't Do

The Breaux bill is equally important for what it does not do. It does *not* arbitrarily cap punitive damages. It does *not* relegate non-economic damages "to second class status". And it does *not* contain "one way preemption."

D. The Politics of the Breaux Bill

We are currently seeking co-sponsors from both sides of the aisle for his legislation. Because the Breaux bill is a true alternative and a true middle ground in the long contentious debate over product liability, it is likely that it will not be actively supported by either the traditional proponents of product liability reform or by consumer groups and trial lawyers. However, some of the traditional opponents of product liability reform would vastly prefer the Breaux approach to the one-sided approach of the Republican/Rockefeller bill and thus would not actively oppose the new approach.

E. Legislative Scenario

It is critical that the Breaux bill be introduced and endorsed by the President prior to the Republican/Rockefeller bill being brought to the Senate floor. There are numerous Democratic Senators who will be put in a very difficult position by having, as in past years, the choice of only opposing all product liability reform or supporting the Republican/Rockefeller bill. If by the time they are forced to vote on the matter on the Senate floor there is an Administration-backed alternative, this will provide a welcome opportunity to a number of Democratic Senators.

The result, presumably, will be the inability of the Republicans to invoke cloture on the Republican/Rockefeller bill, paving the way for alternative approaches. The President, of

course, would be in a similar position. By endorsing and supporting an alternative approach, the President will not be put in the position of either opposing all reform by again vetoing the Republican/Rockefeller bill, or signing a bill which has numerous provisions that he has repeatedly spoken out against. The timeframe, however, for this scenario is short.

**BOOTED
OUT OF THE
PROFESSIONAL
CLASS**

By Don J. Snyder

**A PLAYWRIGHT
IN EXILE
COMES HOME**

By Vivian Gornick

The New York Times Magazine

MARCH 7, 1997 / SECTION 3

VP / Sawyer / EB / Gums
Dout

all moved ~~now~~
if you haven't —

Bc
THE PRESIDENT ~~HAS~~ SEEN
4-23-97

Africa is in chaos.
But it's not hopeless
or helpless.
The case for American
involvement starts
selfishly, as a matter
of biological
national security.

THEIR AFRICA PROBLEM AND OURS

By Jeffrey Goldberg

Copied

VP

Bengen

Bowles

Spirling

Tarullo



Our Africa

Africa has never been more dangerous – nor more ready, finally, to join the rest of the world. The outcome may well depend on the United States, which has more than humanitarian reasons to care. BY JEFFREY GOLDBERG





The faded and sketchy map spread across the hood of the Jeep suggests that only 150 miles separate the Kenyan frontier town of Lokichokio from the Sudanese village of Chukudum. But there are no filling stations between here and Chukudum — there is nothing between here and Chukudum — so we strap jerry-cans of gasoline to the roof of the Jeep, just in case. A Kenyan Army patrol arrives and escorts us to the border. The escort is meant to protect us from bandits and cattle raiders, who riddle the area. At the border, we are met by guerrillas of the Sudan People's Liberation Army. I am heading for a meeting with a commander of the S.P.L.A., and the guerrillas quickly pass us through the border, which is marked by a branch laid across the dirt road.

A few miles into Sudan, the road ends, replaced by something akin to a hiking path. There are no people here, apart from a few naked herders. The hours pass; the sun burns down. We run over a snake. On good stretches of track, the Jeep gets up to 12 miles an hour. The bush is dry and the fields are burning, filling the air with black smoke.

The jerry-cans come undone, and gasoline spills over the Jeep. We stop to seal them. The driver, a Kenyan named John Mwangi, is hurrying. "Baboons," he says. There are baboons watching us from a hillock.

"Baboons, I say, won't attack."

"Also leopards," he says.

Back to the Jeep. The sun drops and the night sky is lighted by bush fires. John brakes suddenly: there is fire in the track, and the Jeep is soaked in gasoline. "The worst thing to do is to fear," he says, flooring it.

Nine hours after setting out — the time it takes to fly from New York to Moscow — we arrive in Chukudum, which is actually just 70 miles

away. I meet my contact at the relief hospital and we drive to the edge of a long thatch wall. There is a gap in the thatch, and we proceed through a maze of switchbacks. A hut stands in a clearing. Out steps a man named Yusef, a senior commander of the S.P.L.A.

"Welcome to the guerrilla hideaway," he says, offering me a seat, which has been salvaged from a truck wrecked by a Sudanese Air Force bomb.

Yusef, balding and middle-aged, has just come from the Nuba Mountains, a region in the south of Sudan that is the size of Oregon and in a state of chaos. The citizens of Nuba are black Sudanese, mostly Christians and animists, and have been engaged, like the rest of southern Sudan, in a 40-year fight with the Arabs of the north. The northerners, who control the Government in Khartoum, have purposefully neglected the south, leaving it one of the least-developed places on earth. The northerners also take black southerners as slaves, and Yusef is telling me about these Muslim raids into Nuba.

Yusef tells me about another invader too.

"A hundred children are dying each week of measles right now," he says, pausing. "I think it is measles."

This has been going on for two months, he says, and there has been

Jeffrey Goldberg is a contributing writer for the Magazine. His previous articles include a report on the civil war in Liberia.

Some scientists, even those left cold by the movie-of-the-week-style hysteria surrounding Ebola, envision the existence of a 'doomsday' virus lurking somewhere in the rain forests of Central Africa.

no intervention by the outside world. He doesn't know how far the epidemic will spread. "There is no medicine at all, no doctors," he says, and asks me to take word of the outbreak back to Nairobi.

What will they do for him in Nairobi?

"Nothing right now. No one can fly into Nuba. It's too dangerous."

Does this happen often?

"People die in Sudan when there's nothing to keep them alive," he says dyspeptically. "There are only a few hospitals for millions of people." Yusef stands up and lights a kerosene lantern.

"I am a doctor myself," he says, cracking a smile. "I am a doctor of diarrhea." He picks up a bottle of aragi, a particularly fierce alcoholic drink. He says it is the most effective medicine available against the bacteria that cause diarrhea and dysentery.

"When we get sick, we go to the witch doctors," he says ruefully. "Witch doctors! And I am an educated man."

It's not hard to find the winner in the Sudanese war, or in any war in Africa: it is the microbes that always emerge victorious. Infectious disease flowers in conditions of anarchy. Measles, cholera, malaria, AIDS, sleeping sickness, leprosy — Sudan is a country trapped in the fangs of disease, for very specific reasons.

That night, after leaving Yusef, I took from my pack a recent United States Government report concerning the worldwide spread of emerging and re-emerging infectious diseases, which have once again become a leading killer in America. I had been reading it to see how the latest theories of disease control mesh with the reality of Africa.

The report recommends that the U.S. Government should help establish "regional disease surveillance and response networks linking national health ministries, World Health Organization regional offices, U.S. Government laboratories and field stations abroad"; it also says that the U.S. needs to develop "a global alert system whereby national Governments can inform appropriate worldwide health authorities of outbreaks of infectious diseases," and should also help lead "global surveillance of antibiotic resistance."

But there will be no establishment of "regional disease surveillance and response networks" in the Nuba Mountains. Poverty, of course, is a good incubator of disease, and Sudan is one of the world's poorest countries. Chaos, though, is the best incubator of disease.

And disease is also an excellent incubator of chaos. It is an endless cycle of misery: war and corruption mean no health care and no family planning; no health care and no family planning mean too many sick people; too many sick people create desperation and poverty, which lead back to corruption and war.

Before leaving Chukudum, I met Manyang Agoth, a Sudanese pharmacist who works at the Norwegian-sponsored relief hospital. We were

talking about the idea that Africa is, quite literally, a sick continent. "Sometimes," Agoth said, "I think that in Africa, God is a poacher."

AT THE END OF THE COLD WAR, IT WAS DECIDED IN WASHINGTON THAT America no longer had much of a national interest in Africa. There are still those who believe that it is morally untenable for a wealthy nation to let poor children die from, among other things, measles and diarrhea. But the altruistic argument for engagement has become nearly irrelevant in today's debate over foreign aid.

America does, though, have compelling national security interests in Africa. Some conform to the traditional definitions of national security. Sudan, for instance, is the premier African exporter of radical Islamic fundamentalism and serves as a haven for an A-list of international terrorists. So containing Sudan, the experts agree, is in America's interest. Nigeria, a main transshipment point for narcotics, is another source of continual worry for America.

But there is a whole new set of what might be called biological national-security issues: environmental destruction, explosive pop-

ulation growth, the rapid spread of disease and the emergence of entirely new diseases.

It is widely understood that these things hurt Africa. What is not understood is that they can also hurt America.

Diseases have always traveled the world. But in an age of porous borders and transcontinental flights, they move with increasing freedom. Not that Africa is the only exporter of disease. Influenza is bred in China, syphilis probably emerged from South America and multi-drug-resistant tuberculosis is thought to be New York City's contribution. But tropical Africa — hot, wet and poor, and home to an unmatched diversity of animals, plants and microbes — has been an especially fertile petri dish for pathogens.

H.I.V., of course, is widely believed to have emerged from Africa; Ebola, too. David Satcher, director of the Centers for Disease Control, calls malaria, the mosquito-borne disease that kills more people in Africa than AIDS, a "real threat" to the United States. In the past two years, a handful of Americans who have never set foot in Africa have been infected with the potentially deadly falciparum strain of malaria that was previously found only in Africa.

The threat is from both known and unknown pathogens. "If we believe that the AIDS virus is the last such virus, we're deluding ourselves," says Stephen Ostroff, a senior epidemiologist with the C.D.C. Some scientists, even those left cold by the movie-of-the-week-style hysteria surrounding Ebola, envision the existence of a "doomsday" virus — a killer pathogen spread not through blood contact, but respiratorily — lurking somewhere in the rain forests of Central Africa.

It is theoretically true that a human host can take the Ebola virus out



EPIDEMIC
An H.I.V. test in
Uganda, where
1.5 million have
been infected.

TURNAROUND
Left: New roads
pave the way
to stability in
Uganda.

The Mai-Mai are jumpy, and high on marijuana. They force us out of the car, and one of them holds a spear at my throat. The driver starts talking. The spear doesn't move.

for a stroll in Zaire on Sunday and walk it through John F. Kennedy Airport on Monday (even though Ebola kills so quickly that most victims don't get much of a chance to spread it). But the threat is broader and more subtle than that. In Africa, microbes infect large numbers of people over large swaths of territory. Because diseases are so often not monitored, they have time to amplify, and the pathogens learn how to resist the drugs designed to kill them. Before that microbe leaves Zaire for New York, it will have had ample opportunity to study the human immune system.

"There is no such thing as doing public health in isolation anymore," Satcher says. "You can't stop public health efforts at the borders of the U.S. and still protect Americans."

It is in the best interests of America, then, to keep track of disease outbreaks as they happen, and where they are happening. "Surveillance is intelligence," says Joshua Lederberg, the Nobel Prize-winning geneticist. "If this were the military sphere, it would be discovering the order of battle of your adversary, knowing the position of your adversary, his strengths and weaknesses."

But certain conditions need to exist before effective disease surveillance can take place. There need to be, at the very least, roads, communications and a functioning nation-state with a functioning health ministry. These are precisely the things that don't exist in south Sudan, or in many of Africa's zones of anarchy.

Biological stability flows from political stability. The central problem here is that Africa, the place that scientists would most like to see biologically stable, is also the place that is the most politically unstable.

H.I.V. is a clever microbe — a slow, stealthy incubator — and it might have spread efficiently even without political chaos. But one theory holds that it was helped along by widespread instability in the Lake Victoria region in the late 1970's. AIDS is thought to have emerged along the border between Tanzania and Uganda after Idi Amin, the notorious Ugandan dictator, had turned the region into a war zone. The volatile mix of refugees, soldiers, prostitutes and the attendant lack of disease surveillance may have given H.I.V. the jump-start it needed to travel the world.

My trip to Chukudum was made under the best conditions: the road was dry, the S.P.L.A. was in control of the area, the Sudanese Air Force didn't attack. And yet it took nine hours to cover 70 miles, and it would have been suicidal, if not physically impossible, to push farther north, into the Nuba Mountains. It is sobering to think that at the end of the 20th century, when a major concern in the United States is the difficulty of getting through to America Online, that there are places in the world so isolated that children can die of measles — if it is indeed measles — and no one will know. But just because C.D.C. scientists can't penetrate the Nuba Mountains doesn't mean the microbes can't get out.

THE SOLUTION IS TO FIND THE PATHOGENS WHERE THEY LIVE, AND KILL THEM. But how can that be done, with no help from the Africans themselves?

Africa, after all, is the fourth world, an incomprehensible dystopia of random murder, tribal depravity and political corruption; African Governments, addicted to foreign aid and private charity, are incapable of fixing their own problems, and unwilling to even try — such, at least, is the common American view. But consider: Africa contains 52 countries and 740 million people. In land mass, it is as large as three Chinas. Surely, in all that space, there is room for nuance.

The continent is big enough to be home to the failed states of Somalia and Liberia — and to the peaceful democracies of Mali and Tanzania. It is home to the demented terrorists of the Lord's Resistance Army in Uganda

and the pot-smoking, fetishist Mai-Mai guerrillas in Zaire — as well as to the quietly professional armies of Senegal and Botswana. Big Men rule by fiat and thievery in some countries; elsewhere, free-market revolutionaries run democracies.

"Africa is undergoing a renaissance," declares Salih Booker, the senior fellow for Africa studies at the Council on Foreign Relations. His is a counterintuitive statement, but Booker points to the peace and economic growth across southern Africa and the genuinely democratic elections in a dozen countries within the past year. Renaissance, of course, is a

relative term when applied to Africa, but optimists can finally speak their minds without embarrassment. Mozambique, for years the site of vicious strife fueled by the cold war, is firmly in the peace camp; even Angola is moving tortuously toward ending its civil war. Ghana just concluded a virtually flawless election, and in Benin last year, voters peacefully returned to office a President they had peacefully voted out of office five years earlier. Several other countries, including Eritrea, Ethiopia, Uganda and Ivory Coast, are also showing the potential for long-term stability.

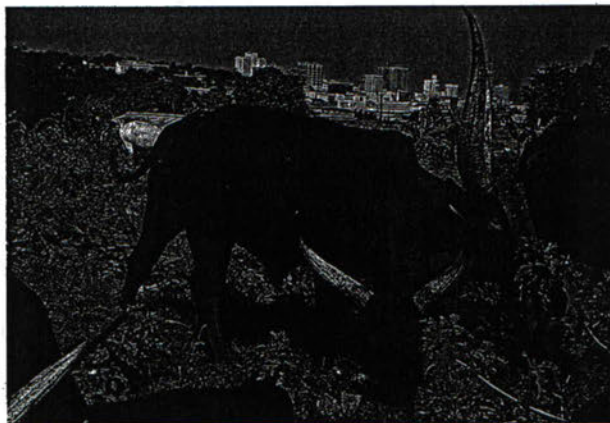
All told, nearly half of Africa's countries are moving, at varying speeds, toward political and economic liberalization. The leaders of these regenerating states are not yet necessarily democrats. What many of them are, though, is competent, which is a new phenomenon in sub-Saharan Africa. These are men — they are all men, so far — who possess national, not tribal, visions for their countries, and who understand free-market economics. They are also not unduly cruel or corrupt. They are, in short, leaders America can work with.

Africa has reached a sort of tipping point. Forcing it toward the edge of collapse are the chaos makers, the warlords, the kleptocrats. Coaxing it toward long-term stability are the corruption fighters, the entrepreneurs, the democrats.

Who ultimately wins matters immensely — to Africa, and to America.

GOMA, ZAIRE, LATE DECEMBER. THERE ARE TWO QUESTIONS ON THE TABLE: Where are the Hutus and when will the city be bombed?

The rebels of Laurent Desire Kabila's Democratic Alliance are firmly in charge of the city and the country's entire eastern edge. But no one





here expects Zaire's President, Mobutu Sese Seko, to cede the territory, and people are fleeing the bombing campaign they know will come.

Most of the Rwandan Hutu refugees who made this city a synonym for chaos have crossed the border for home. But an unknown number of Hutus — including, presumably, members of the genocidal *interahamwe* militia — fled west into Zaire's boundless forests. Rumor has it that somewhere out there are 100,000 Hutus, or 500,000 Hutus, or one million Hutus, being devoured by either malaria, cholera or cannibals. Rwandan officials say that it is the relief agencies themselves that inflate the numbers, in order to gain more aid money. The ongoing war in Zaire, which is the size of America east of the Mississippi, has stoked a fire that threatens to consume the entire Great Lakes region of Central Africa. Chaos in Zaire could well spread to its nine neighbors, including the ever-combustible Rwanda and Burundi, and Uganda, the only pocket of stability in the entire region. A collapsed Zaire could also mean almost unimaginable biological chaos.

The sudden decampment in 1994 of nearly one million Rwandans for eastern Zaire led to a cholera outbreak of medieval proportions. Then came the refugee camps built by international relief agencies, and this led to the second stage of the biological crisis.

I thought that the best way to understand what might one day happen in such a place was to see what had already happened.

At the bar of the Hotel Frontière in Goma, I meet with Popol Verhoestraete, a Belgian who doesn't seem to have realized that the Belgian colonizers pulled out 37 years ago. He has been here for 25 years, doing

CHAOS
Civil war
engulfed Liberia.

CASH COWS
Left: Will beef
exports deliver
a miracle to
Uganda?

all sorts of jobs. Some, he implies broadly, were rough sorts of jobs. Now he is the Goma representative of an international wildlife group.

I tell Popol that I am looking for the environmental implications of political crisis.

"You want to see what they've done?" he asks, his voice rising. "You want to see what they've done!" It is not clear who "they" are — the rebels, the *interahamwe*, the refugees, the Zairean soldiers or the relief agencies.

We drive toward the Kibumba refugee camp, which a short while earlier housed more than 200,000 Hutus. The camp sits on a plain in a valley surrounded by volcanoes. "Wait till you see this," Popol says as we round a bend.

Before us is a ghost town, and an immense garbage dump. We park and walk through the abandoned camp, the detritus ankle deep. Several hundred hypodermic needles lie near a huge mound of unused rubber gloves; handwritten medical records blow in the wind.

Popol points across the road to a broad field of low grass. "That's Virunga National Park," he says, edgily. "You're asking yourself, Where are all the trees? They're gone!"

Over the past two years, the refugees cut down, by some counts, thousands of acres of pristine Afro-montane forest. Virunga is Africa's Yellowstone, the first protected park on the continent. It is a Unesco World Heritage Site, a fact that, Popol says, didn't stop Unesco's sister agency, the United Nations High Commissioner for Refugees, from placing a mammoth refugee camp on its border.

The devastation of Virunga is continuing, including poaching of apoca-



lyptic proportions. Ten thousand hippos have been killed, Popol says, and the park is now rife with Zairean soldiers, *interahamwe* and Mai-Mai rebels, a group of forest dwellers who are allied, nominally, with the main guerrilla alliance. The central sector of Virunga, Popol says, is thick with armed poachers.

I ask Popol if we could drive up there.

He demurs. "You go off the road there, and they'll kill you."

Popol is skittish, and for good reason. A week earlier, a band of men broke into his house and forced him to hold a grenade in his mouth. The cloak of international charity is no longer protection in Africa: in the weeks after I visited Goma, nine aid workers were murdered in neighboring Rwanda.

The next day, I leave with a driver for Minova, a village near where the Mai-Mais are supposedly headquartered. I would like to secure some sort of protection for a visit inside the park, and I am also curious to see the Mai-Mai because they are said to wear bathroom fixtures around their necks. They are also said to act in a generally berserk manner.

We come to their checkpoint. They surround the car. Some carry automatic weapons, others carry spears. A few of them indeed wear faucets. The Mai-Mai worship water, and with scant knowledge of plumbing, a faucet must truly seem wondrous.

The Mai-Mai are jumpy, and high on marijuana. They force us out of the car, and one of them holds a spear at my throat. The driver starts talking. The spear doesn't move. The driver says the Mai-Mai suspect that I am carrying land mines to blow up their children. I had been warned that they are paranoid. He suggests that I empty my pack on the ground. The

EXODUS
*Mary Hutus
returned to
Rwanda; many
still roam
Zaire.*

GROWTH
ECONOMY
*Right: Uganda
shipped \$20
million in roses
to Europe
last year.*

spear is lowered as I dump out my possessions. After a thorough search reveals no land mines, they ask for cigarettes and cookies. I had been told in Goma that the Mai-Mai would want cigarettes and cookies. The driver places the cigarettes on the ground. The Mai-Mai will not touch me — if they do, the magic that makes them bulletproof will dissipate.

Through the driver, I ask them about their rebel alliance, about what they hope to accomplish. The questions are incomprehensible to them. They want to be left alone, it seems, to poach game and smoke marijuana. It seems prudent to suspend plans to go off the road inside Virunga.

Yet another stretch of Africa off-limits to anything except chaos.

AN OLD JOKE TOLD IN CENTRAL AFRICA HAS PRESIDENT MOBUTU telephoning the President of pre-genocide Rwanda shortly after a coup attempt in Kigali, the Rwandan capital. "This is what happens," Mobutu lectures him, "when you start building roads."

Say what you will about Mobutu, but he's an effective environmentalist. An entirely inadvertent environmentalist, but an environmentalist all the same. Over the last 20 years, Mobutu has let disintegrate what little infrastructure his country had. It is impossible to drive across much of Zaire; riverboat is often the only means of transport.

By doing so little to develop his domain, Mobutu has accomplished two remarkable feats. He has left his 45 million people catastrophically impoverished, even though they live on land bursting with diamonds and gold. And he has left most of Zaire's vast forests in near-pristine con-

'Uganda needs just two things,' says President Museveni.
'We need infrastructure and we need foreign investment. That is
what we need. The rest we shall do ourselves.'

dition. Nowhere in Africa is America's interest in biological stability so pronounced or so variegated as in the Congo River basin, which stretches across five countries but centers on Zaire. The prevention of global warming, environmentalists say, is contingent in part on the preservation of the Congo basin forests.

The Congo basin is one of the last great chunks of lightly explored land on earth. According to Amy Vedder, the Africa program director of the Wildlife Conservation Society, some scientists believe that an unknown species of great ape lives in the forests of southeast Zaire. So imagine: if there is the possibility of a great ape living unseen in these forests, and there are already 400 known mammal species and 11,000 species of plants in Zaire alone, how many unknown microbes must exist?

"New viruses emerge because we come into contact with animals — monkeys and rodents especially — that carry these viruses," explains Frank Ryan, a physician and the author of "Virus X." "We come into contact with them by cutting their forests down. If we stop the destruction, we wouldn't get these new viruses."

The rain forest, in other words, can be dangerous to your health. But it might also save your life.

The global-warming argument for the preservation of rain forests is well known: treeless land means a hotter planet, which means, among other things, that New York City may one day be susceptible to pathogens now limited to the tropics. But there is also the periwinkle argument for rain forest preservation.

Plants have always been a source for therapeutic drugs. A dramatic example is the Madagascar rosy periwinkle, which helped transform childhood leukemia from a killer disease to a survivable condition. True, drug companies are having broad success in manufacturing new chemical compounds. But, says Gordon Cragg, a chemist at the National Cancer Institute, "You can't beat nature for molecular diversity, for completely new structures that, with all due respect to the wonderful synthetic chemists, they would never dream up."

Zaire may be the last, best place to discover these plants. Already, Asian logging companies, having exhausted their own region's timber stock, are clear-cutting forests in the countries surrounding Zaire. For the moment, Zaire itself remains too dangerous for the loggers to enter, a rare case of chaos protecting biodiversity. But chaos is also keeping out the cancer researchers.

IN AN UGLY, ONE-STORY CONCRETE BUILDING IN THIKA, KENYA, SOLUTIONS are being offered to another sort of biological crisis. From the entrance of the Family Planning Association clinic, the view outside is crowded with fume-belching buses, falling-down kiosks and too many young men with nothing to do, a common sight in any Kenyan city.

Inside, Dr. Joseph Ruminjo, a 35-year-old gynecologist, uses a retrac-



tor to pull back a flap of tissue hiding the left fallopian tube of Mary Njoki, a 29-year-old farmer who has decided that her three sons provide her with sufficient happiness and more than enough work. "Most of the problems we have in Kenya are linked to the excessive growth rate," says Ruminjo as he snips a piece of tube out of Njoki, insuring that she will be contributing no more children to Thika.

Ruminjo asks Njoki, who is under only a local anesthetic, why she is here. "I have one cow, and only a little piece of land and three sons," she explains, seemingly oblivious to the fact that she is naked and that her reproductive tract is exposed to the world. "When they grow up, I cannot split my land for them, and I cannot split the cow. The only thing we can give them is education, and we can't pay for that if there are too many children."

Even though Kenya's fertility rate has dropped substantially, from 8.1 children per woman in 1979 to 5.4 in 1993, the country's population of 26 million is still growing at a considerable rate of 3.3 percent each year. If that rate holds, there will be 61 million Kenyans by 2020. This is a serious concern, because the Kenyan Government

is already showing itself incapable of providing food, health care and work for the people who live here now.

The problem in Kenya, and throughout Africa, is not primarily one of space; it is the ability of African Governments to grow their economies faster than their populations. There are about 740 million people in Africa now, and the United Nations predicts that there will be nearly 1.5 billion by 2025. In the absence of political and economic transformation, this would mean an acceleration of dangerous trends: refugee flows to richer countries, food shortages back home and the eventual pressure for costly Western intervention.

It would seem obvious that it is in America's best interest to help Africans run family-planning clinics like the one in Thika. And, in fact, the American taxpayer absorbed most of the cost of Njoki's tubal ligation.

But foreign aid is slowly disappearing from the U.S. budget. The Agency for International Development, the main conduit for American aid, has cut its Africa budget \$135 million in the last two years, to \$665 million. Family planning has been cut even more dramatically. Already, 120 family planning sites in Kenya have been closed.

This is not a country whose economy and health infrastructure can handle more children just now. Although it is still the economic engine of East Africa, Kenya is an increasingly sinister place. President Daniel arap Moi is an aging Big Man-style ruler whose Government is notoriously venal and inept. Call the police in Nairobi and they may ask you to pick them up because they have no gas for their cars — or no cars at all. Emergency health care is no better.

"At the hospital, we see women who are brought in wheelbarrows who have had 10 pregnancies and have ruptured

Continued on page 59

uteruses," Dr. Ruminjo says. "They die in the wheelbarrows. In America, you have 911. You call a telephone number and an ambulance comes. Here a woman can't call on the telephone because there is no telephone, and can't call for an ambulance because there is no ambulance."

Ruminjo is desperately worried about American aid cuts. "It's Helms, isn't it?" he asks. Ruminjo, who spent a year in North Carolina on a fellowship, has followed the career of the state's senior Senator, who famously equated sending aid to the third world to pouring money down a "rat hole."

Jesse Helms, of course, isn't the only isolationist in Washington. An increasingly self-absorbed United States seems ever more reluctant to link its future to Africa's.

The uncomfortable reality is that many African countries, Kenya included, can't stand on their own, and the problems worsened by aid cutoffs and American disengagement — from unchecked immigration to epidemic disease — will radiate far outside their borders.

But many other countries, including Kenya's neighbor to the west, Uganda, find themselves in a different position. They cannot quite stand on their own, either, but want desperately to try. They also need American help, but not the usual kind.

THE QUESTION: WHAT WILL SAVE UGANDA from the devastation of AIDS, the burden of illiteracy, the chaos of its neighbors and the yoke of feudalism?

The answer, it seems, is beef.

Or so suggests Yoweri Museveni, Uganda's odd and compelling President, who has ruled this country since 1986, when his guerrilla army stormed the capital, Kampala.

Museveni is muscular, with a shaved head, similar in carriage and demeanor to Yul Brynner. Like the King of Siam, he lives in a state of perpetual declamation.

When he is home on his cattle ranch, Museveni spends much of the day receiving visitors from a lawn chair under the low branches of an acacia tree, brokering disputes and lecturing visitors on the benefits of capitalism with a zeal that only an ex-leftist could muster. He received his B.A. in political science from the University of Dar es Salaam, a hotbed of socialist, Pan-Africanist thought in the late 1960's. Today he is trying to reposition himself as the Steve Forbes of Central Africa.

Our interview is supposed to concern American national interests in Africa and the growing chaos in Zaire. Museveni, Western officials say, is a patron of Zaire's rebels.

The President would much rather talk, though, about the merits of his cows, and devise with his visitor a strategy to introduce Ugandan beef to the American market. "It is the best beef in the world — yellow fat, very unsaturated, low-calorie beef," he says, referring to the meat of the long-

Brown Harris Stevens

Established 1873

BROWN
HARRIS
STEVENS

BRICK GEORGIAN GEM
UPPER EAST SIDE EXCL 4900 of TH
Classic 5-story beauty. Foyer w/vaulted ceiling.
South garden w/pool. Elegant details & light.
Graceful circ stairway. Must see. Asks \$2,950M.
Fritzi Kallop 212-906-9255

QUINTESSENTIAL PENTHOUSE
57th / PARK AVE EXCL 18 ROOMS
4-ny Condo comprised of 18 rms, 7 terr, prt
elev, lap pool, LR/20' ceil, greenh conservatory,
6 mstr/wbft bths, pool lib, wbf, arvns.
Elizabeth Sample 212-906-9299
Brenda Powers 212-906-9237

OBSESSED WITH VIEW?
FIFTH AVE Co-EXCL 11 Grand ROOMS
5500 sq. ft. on a high floor. A premier home
in a fine building. Serenity abounds. Land-
mark views. Worth millions.
S. Jean Meisel 212-906-9209

GRAND AND GLORIOUS
EAST 70's / LEX EXCL 10 ROOMS
Splendid flow for entertaining & raising a family.
Huge LR/wbf, FDR, 3 MBAs, lib, staff rms,
new ELK, mstr bth. State of art. Price \$1,995M.
Michael A. Kovner 212-906-9225

A FIFTH AVE BEAUTY
FIFTH AVE EXCL 8 ROOMS
4 BR mint condition Fifth Ave Condo. FDR,
ELK, paneled lib. Best priced large Condo.
Asking \$2,350,000.
J. Rohm 212-508-7335

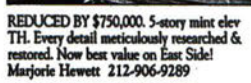
LOCATION AND LIGHT
PARK AVE / 60's EXCL 8 into 7 ROOMS
Glorious Prewar Co-op. 2 masters + library,
magnif LR, wbf, dressing rm, mod kit & mstr
rm, central air, hi ceil. 3.5 bths. \$2.3M.
Edith E. Tucker 212-906-9228

GREAT FAMILY APT
PARK AVE / 80's Co-EXCL 7 ROOMS
Beautiful large LR, huge DR, 2 masters plus
3rd BR, renovated kitchen, mstr & bth. New
on market. Views. Great price.
Maria G. Theodore 212-906-9303

PRIVATE MAISONNETTE
80's / off FIFTH EXCL 6 ROOMS
Prewar grand LR, wbf, ornate details, paneled
lib/DR, MBR w/wbf, bay windows, guest BR
w/bth. Most smashing triple beauty. \$2.15M.
Leighton Candler 212-906-9257

VIEW / 2BR CONDO / TERRACE
W 70's EXCL Alexandria
Spectacular views from all rms. Lovely LR &
din area, mod kit & bth, wbf, hi ceil. Full of
sunshine. 24 hr Drm. HC/Pool. Asks \$599K.
Sachiko Iijima 212-906-9316

GARDEN VIEWS
90's LowOff PARK EXCL 3 ROOMS
...from every room of life & brite hi fir
Carnegie Hill Pre-war. Charming LR, corner
MBR & eat-in kitchen! Asking \$225,000.
Carol Corcoran 212-906-9239

FINALLY, THE ONE
E 60's / PARK AVE EXCL Mint TH


REDUCED BY \$750,000. 5-story mint elev
TH. Every detail meticulously researched &
restored. Now best value on East Side!
Marjorie Hewett 212-906-9289

9 ROOMS ON PARK AVE
PARK AVE / 72nd ST EXCL 9 ROOMS
Pristine est. cond. 3 & library or 4 BRs. 10.5'
ceil, wbf, BRs set off from public rms. Maint
below \$2500. Ask \$1,850,000.
Janice Bayer 212-906-9226
Peter Mickle 212-906-9229

THE BEST OF PARK
PARK / 60's EXCL 8 ROOMS
Classic Prewar 8 on high floor open both East
& West. 35' gallery LR/wbf, FDR, 3 MBAs, fine
new kit, laundry, mstr, mint renovation.
MacRae Parker, Jr. 212-906-9205

FIRST OFFERING
80's / MADISON EXCL 8 ROOMS
Big & beautiful 8 rm/4 bth mint Prewar apt
on hi fir of A-1 bldg. Marble gallery, family
kit, open views. Priced at \$1,495M, mt \$1966.
Helen Dreyfus 212-906-9290

YES, HAVE IT ALL!
PARK AVE / 70's EXCL 7 ROOMS
7 rms, large entry, very hi fir, great views, Small
Bone eat-in kitchen, open balcony, total renovation.
Facing Park Ave. New listing. \$1,395,000.
Helen Dreyfus 212-906-9290

PERFECTION ON PARK
PARK AVE / 70's EXCL 7-6 ROOMS
Fabulous LR w/wbf, mahogany lib, master BR,
large kitchen & mstrs + 3 bths. Elegant renovation.
High floor. Face Park. Top bldg!
Amy Stafford 212-906-9235

SAVOR THE ARRIVAL OF SPRING
70's / Off FIFTH EXCL 6 into 5 ROOMS
...and all seasons from LR, DR & MBR directly
overlooking the Park. 2 BR, 2 1/2 bth on hi fir.
2,498 sf. Most elegant Condo in East 70's.
Kathy Sloane 212-906-9258

NEW PREWAR 2 BEDROOM
BEEKMAN / 51ST EXCL 6.5 ROOMS
Charming booklined 2x16 LR, wbf, sep DA,
2 BRs. A beautiful home with all Prewar details.
Top established bldg. Asks \$285K only, low mt.
Martine Copeland 212-906-9233

MONTICELLO ON PARK AVE
E 60's / PARK AVE EXCL 100' Mansion
Thomas Jefferson would marvel at this splendid
design, exquisite detail & presidential
space. Finest embassy or residence.
Paula Del Nuzio 212-906-9207
Elizabeth Sample 212-906-9299
Brenda Powers 212-906-9237

PRE-WAR DUPLEX
FIFTH / 60's EXCL 16 ROOMS
Grand apt with elegant sweeping stairway ent.
5 MBAs & bths, FDR, LR, lib, huge kitchen +
6 mstrs. 4 wbfbs. Entertain palace!
Gail Mobley 212-906-9394
Maria Torrey 212-906-9317

VIEWS, TERR, WBF CONDO PH
FIFTH AVE / 80's EXCL 10 ROOMS



Elegant, sophisticated, 10 rm full fir w/1,100 of
terr w/whot tub, 3 BRs, 2 bths, FDR, mstrs. 360
degree Res/Pk/City vus. Magnificent home.
Michele Conte 212-906-9393

CELEBRATE SPRING
70's E / Off FIFTH EXCL 8 ROOMS
Huge wrap Terrace. Classic Prewar space.
High ceilings, large rooms. Estate
wants offers.
Neil Gallagher 212-906-9292

100 U.N. PLAZA
E 48th ST / U.N. EXCL 3000+ Sq Ft
Prestige Condo, unique "3 BR" apt, superb
design featuring best entertaining & family
living with 1,300 of patio. \$700K.
Gerald Crown 212-906-9319

BEEKMAN PLACE DUPLEX
50's / BEEKMAN PL EXCL 6.5 ROOMS
River & Bridge views plus a gracious home.
Grand scale LR & master BR, 2nd BR, lib/3rd
BR, 3.5 bths, family rm, din rm. \$750K.
John Sheets 212-906-9212

PARK VIEWS ON 5TH AVE
FIFTH AVE EXCL 5 ROOMS
Fantastic Central Park views! Grand corner LR
w/wbf, FDR, master & bth, kit, mstr rm & bth.
Great Prewar details. FJS bldg. \$385K.
Marguerite De La Poer 212-906-9248

PRE-WAR BEAUTY w/ WBF
50's / BEEKMAN EXCL 4.5 ROOMS
Spacious 2 BR. Sunn with dining area, large
excellent kitchen. Sunny, move-in condition.
Garden. Asking \$395,000.
Vernona Payne 212-906-9256



Marjorie Hewett



Paula Del Nuzio



Michele Conte



Peter Mickle



Edith Tucker



Maria Theodore



Kathy Sloane



Carol Corcoran

The Brown Harris Stevens Cooperative Report: Timely, Informative, Insightful, And yours, free. Call 212-906-9222

Brown Harris Stevens Residential Sales, LLC
655 Madison Avenue, New York, NY 10021
Telephone 212/593 8300 Facsimile 212/906 9288

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

MAGNIFICENT OCEAN FRONT HOME OVERLOOKING PLEASANT BAY ORLEANS, CAPE COD, MA

A home distinguished for its contemporary design features
nearly 12,000 square feet of living space, including sixteen
rooms, eight bedrooms, eight baths, separate guest quarters,
fireplaces, gourmet kitchen, indoor swimming pool and spa,
tennis court and three car garage, all set on 2.4 acres. This
home has it all. A rare opportunity at \$2,900,000.

Call to receive a video tour of this fine property or log on to
WWW.BOSTONREAL ESTATE.COM for more information.

DAVID E. KROCK Land Mark
Land Mark Real Estate Services, Corp.
159 Cambridge Street, Boston, MA 02184
TEL: (617) 254-5323
FAX: (617) 783-8286

Equal Housing Opportunity

Charlottesville, Va.

Huntly
331 ACRES



Offered for the first time in
nearly a century, Huntly is an
exceptional opportunity 28
miles NE of UVs. Here are
elevated and private settings
with beautiful views for a home
of lasting value. With fertile
soil, spring-fed streams and
lake site, \$765,000.

JOS. T. SAMUELS, INC.
Three Generations of Virginia Real Estate Service
707 E. Jefferson St. • Charlottesville, VA 22902
Tel. (804) 295-8540 • Fax (804) 295-9255

Equal
Housing
Opportunity

horned Ankole cattle. "It is better than Texas beef. Where do we sell it?"

To move things along, I tell him about my neighborhood organic supermarket, Fresh Fields, where shoppers buy overpriced food that makes them feel virtuous and interesting.

"Good! You will make the contact with Fresh Fields," he orders.

The day before, I asked Museveni about Africa's image in America, mentioning the television commercials that depict starving children holding empty bowls. He was annoyed by the question, and has prepared a rebuttal.

"I will explain how many people Uganda could feed," he begins. "Uganda has two growing seasons from rain, and with proper irrigation we could have more. We have five million acres of arable farmland. Each acre could grow four tons of cereals over a year. Each person eats approximately one pound of cereal each day, which is 100 — no, 150 — kilograms of cereal."

He pauses, the metric conversions flustering him. He waves a hand, and an aide comes running to the tree. Museveni mutters something, and the aide dashes away, returning a minute later with a calculator wrapped in a gold-and-white towel.

Museveni places the calculator on the folding table before him and stabs at it. He then clears his throat. "Uganda can feed" — he pauses for effect — "1.5 billion people."

"But that's more than China and the U.S. combined."

"Yes," he says. "This is an optimal number."

Uganda is the size of Great Britain, and Museveni's dreams are outsize, but it is refreshing to meet an African President who dreams of feeding the world instead of figuring ways to steal his country's money.

To this day, the world's best-known Ugandan remains Idi Amin. Until Museveni captured Kampala in 1986, the country's post-colonial history had been one of uninterrupted sordidness. It is still prone to instability, but the economic signs, at least, are good. Uganda has averaged a growth rate of nearly 6 percent over the past five years. The World Bank demands that in order to borrow money, a developing country undergo "structural adjustment," bringing its macroeconomic framework in line with the rest of the world. In that regard, Uganda is considered a model.

Museveni is trying, he says, to transform his nation, and the only means of transformation are economic. "Uganda needs just two things," he says. "We need infrastructure and we need foreign investment. That is what we need. The rest we shall do by ourselves."

He begins listing what Uganda has to offer American businesses. "They could make good money here and help us at the same time," he says. "By investing, they bring their know-how, their capital, and they will link us up to markets. We will make profits by selling them raw materials, by selling them cheap labor, by selling them power."

"You sound like a conservative businessman," I say.

"What is conservative to you in America," he responds, "is revolutionary in Africa. This is a pre-industrial, quasi-feudal society, so the ideas of capitalism are revolutionary."

But business, in fits and starts, is happening. Nothing terribly impressive, until you remember that the Uganda now exporting \$20 million of roses to Europe each year is the same Uganda the world wrote off as an unsalvageable disaster a decade ago.

Uganda's economic turnaround has not yet been matched on the political side. The country operates under a dubious concept that Museveni calls "no-party democracy." He has prohibited political parties from fielding candidates, arguing that until Uganda has a middle class, the people will always vote their tribal, not economic, interests. It is not an unconvincing argument, but some Western officials see Museveni using it as a crutch. And the President's spokesmen threaten journalists who point out that the country's economic successes are threatened by persistent guerrilla warfare that his own army seems unable to quell. Museveni dismisses the guerrilla fighting as a "management problem," but it is clearly retarding development by scaring away investors.

Uganda is also one of the most AIDS-blasted countries on earth. Since the beginning of the epidemic, almost 1.5 million Ugandans have contracted H.I.V. And dispensing protease inhibitors, the expensive new drugs helping Americans fight AIDS, is out of the question. While those drugs might cost \$15,000 a year for each patient, the Ugandan Health Ministry's per capita spending is about \$3 a year. Of course, even if AIDS could be stopped by a single glass of clean water, most Ugandans — most Africans — would still have no access to the cure.

But the rate of AIDS infection seems to have peaked, thanks in part to one of the most effective AIDS education programs in the world. Eleven years of relative political stability have made possible a functioning health ministry. And the United States Government has channeled about \$30 million to anti-AIDS activities in Uganda since 1990.

I ask Museveni what

else the U.S. could do to reverse the epidemic.

"The only thing America can do is lower the cost of production of these drugs," he says.

The only thing?

"I would prefer not to ask them for more money because it is not a sustainable source of funds," he says. "I don't want more aid. I want foreign investment. One company, British-American Tobacco — and I don't want to go into the merits and demerits of tobacco here — pays us tax revenues of \$42 million per annum. I don't think the U.S. A.I.D. program exceeds \$42 million. Now suppose we had 1,000 companies each giving us \$42 million in taxes."

Museveni sees a link between economic growth, political stability and the containment of disease. The more beef he sells, in other words, the more money he has to fight AIDS. "If you leave Africa undeveloped," he says, "it becomes a conservation center for epidemic diseases. All human beings are of the same species. These viruses that cause epidemics could have been identified a long time ago, but because Africa remains a closed book in so many areas, we don't know the problems."

A closed book?

"No roads, no research, no knowledge," he says. This sort of development, he implies, is going to come about with the help of the Fortune 500, not A.I.D.

There is the hint of a sneer in Museveni's voice when the subject turns to traditional development aid. Even the Peace Corps, which trains teachers in Uganda, doesn't escape his criticism. "The Peace Corps is cosmetic," he says. "No, they can't even fix cosmetic problems. There is nothing sustainable they can do. American business can do something sustainable."

The Peace Corps has

helped Uganda, of course. The teachers it trains are poised to raise a new generation of literate Ugandans. But Museveni, ungrateful as he may sound, is not wrong: the teachers can only teach if they get paid, and Congress has made it clear that it will not be the American taxpayer who foots the bill.

WHEN THE UNITED States decided to help transform the nations of Asia and Latin America into modern countries with modern economies, it used a two-phase approach. The first was to check population growth, suppress disease and raise literacy rates, all of which helped make breathing space for the second phase, which included technology transfers, skills training and tariff reductions.

With Africa, though, America has limited itself to the first approach. Its development efforts are handled almost exclusively by A.I.D., creating a relationship that most resembles benefactor and supplicant. "Our foreign policy in Africa is based on the perpetuation of the welfare state," says David H. Miller, the executive director of the Corporate Council on Africa, a non-profit group of American businesses that want to invest in Africa.

For much of A.I.D.'s history, its stated mission — the development of African countries into healthy nation-states — was subsumed by another mission: battling the Soviets for domination on the continent. So in the main, aid money was funneled not to, say, anti-malaria programs run by honest governments, but to corrupt, albeit savvily pro-American, leaders who strip-mined their treasuries. Through much of the cold war, nearly half of A.I.D.'s Africa

Continued on page 75

budget went to Somalia, Zaire, Sudan and Liberia, which today are the four dysfunctional horsemen of the African apocalypse.

"I would not dispute the notion about A.I.D. not working in Africa," admits J. Brian Atwood, the agency's top official since 1993, now locked in a constant battle with Congress for financing scraps. "We've solved certain health problems, we've done good agriculture programs. But no one can say that our investment in Zaire has paid off."

To be sure, some A.I.D. programs have worked, and continue to do so: family planning, disaster and famine relief and disease containment, where politically possible. But the heart of the problem is that true sustainability, as Museveni points out, will come only when African Governments can finance these programs themselves.

For African rulers to acknowledge this fact is revolutionary. But there is a revolution of sorts in Africa, the ascension of a new class of pragmatic, forward-thinking leaders who want to bring their countries into

the modern world. These are leaders who hate their own need for foreign aid, who say they want to turn off the tap.

"If our Government pursues a policy of making aid continual, then definitely poverty will be continual, and all the other ills of society will continue," Isaias Afwerki, the President of Eritrea, told me. "I am against any welfare, anywhere. Welfare is crippling, welfare is dehumanizing."

I asked him what he thought of Jesse Helms's "rat hole" theory of foreign aid. "I would take it as

an insult on the one hand, but I would also say it's a realistic thing in certain circumstances," he said. "If one asks where billions of dollars went in Somalia, it has all gone down a rat hole. If one is talking about where aid has been going in Rwanda, it has been going down a rat hole."

So it has finally come to be recognized, on both sides of the Atlantic, that A.I.D. cannot fix Africa's problems. Perhaps it can dam some of them up, but, on its own, it cannot solve them. A.I.D. cannot provide what the continent needs most: foreign busi-

ness investment, tax revenue, modernized infrastructure.

In other words, the things that work for the rest of the world.

FOR AMERICA, THERE IS motive and there is opportunity. The motive for engagement is obvious: stabilizing the second-largest continent.

The opportunity is two-fold. The U.S. has a chance to strengthen the most promising African countries as bulwarks against chaos and disease. Call it an anti-Somalia approach to intervention, working most in-

CAMPS AND SCHOOLS INFORMATION REQUEST CARD

CAMPS-COED

- Acadia Institute of Oceanography
- Acorn Venture
- All American Soccer
- Americamp
- Americamp at Vassar
- An Adirondack Adventure
- American Jewish Society
- Anderson Western Colorado
- Appel Farm
- Barat Foundation
- Berkshire Mt. Martial
- Buck's Rock
- Camp Bullfinch
- Camp Camelot
- Camp Eagle Hill
- Camp Fuller
- Camp Good News
- Camp Half Moon
- Camp Hilltop
- Camp Kingsmont
- Camp La Jolla
- Camp Lakota
- Camp Log-In-Twig
- Camp Pison
- Camp Merrimac
- Camp Monroe
- Camp Nashoba North
- Camp No-Sho-Pa
- Camp Normandy
- Camp Penabrook
- Camp Redwood
- Camp Regis Apple Jack
- Camp Sangamon/Betsy Lee
- Camp Shane
- Camp Somerhill
- Camp Tel Yehudah
- Campsite Kids

- C Bar T Trail Ranch
- Challenge Associates
- Circus Smirkus
- Colorado Outward Bound
- Computer Ed Camp
- Duke University Youth Program
- Eastern US Music Camps
- Elmer Camps
- Elk Creek Ranch
- Encore Music Camp
- ETC School
- 4 Star Tennis
- Global Horseting
- Gow Summer Program
- Hidden Valley/Camp Pied-O-Lark
- High Cascade
- Hosac School
- The Huff House
- Indian Lake Camp
- Institute for Int'l Sports
- Irish American Cultural Institute
- Joel Ross Tennis Camp
- Julian Krinsky
- Kutner's Sports Academy
- Lake Greeley Camp
- Lake Placid Soccer Camp
- Long Lake Camp
- Luzerne Music School
- The Maine Teen Camps
- Manitou Wabing
- Math Camps
- Miami Shores Adventures
- Mill School
- M.Y.P. Basketball Camps
- Mystic Seaport Camps
- National Computer Camps

- National Guitar Summer Workshop
- New England Figure Skating
- New England Music Camp
- New England Tennis Camp
- New Hampshire Tennis & Golf
- New Image Weight Loss
- Nike Golf & Tennis Camps
- Offense Defense Golf Camp
- Offense Defense Tennis Camp
- Omi Camp
- Pocahontas Highland Camp
- Quinebaug
- Ramapo Anchorage Camp
- School Film & TV
- Seacamp
- 76ers Basketball Camp
- Shire Village
- Stagedoor Manor
- Stokes
- Summer Sonatina
- Super Camp
- Surprise Lake Camp
- Swanton Tennis Camp
- Tabor Academy
- Team USA
- Timber Lake Camp
- University of Alaska
- Udson Center
- Vershire Riding School
- Walnut Hill
- Wilderness Adventure
- WAI
- YMCA-Camp Bernie

CAMPS-BOYS

- A.S.C. Contact Football Camps
- Camp Watonska
- Forest Lake Camp

- Hall of Fame Camps
- Joe Namath Football Camp
- Offense Defense Football
- Valley Forge Military Academy

CAMPS-GIRLS

- Adirondack Camp Cherith
- Allegany Riding Camp
- Camp Kinsley
- Camp Wab-Lo
- International Riding Camp
- Jeanne V'Arc
- Lake Placid Academy Ranch
- Longacres Riding Camp
- Pine Manor College
- Road's End Farm
- S.J. Ranch
- Waukeela

CAMPS-FAMILY

- Interhostel

TRAVEL

- Academic Study Associates
- Action Sail
- America's Adventure
- American Collegiate Adventures
- American Trails West
- Biking Expeditions
- Blyth and Company
- Broadreach
- Ecole Internationale
- Global Works
- Great House
- Greenhriar River
- Hadassah/Young Judea
- Longacre Expeditions
- Mazda
- Musiker Tours
- North American Trails

- Northwaters
- Penn State Summer Study
- Putney Student Travel
- Russias Language Programs
- Rein Teen Tours
- Road Less Travelled
- Sail Caribbean
- Student Hostelling Programs
- Study in Paris
- Tova Gilead
- Trailmark Outdoor Adventures
- United Soccer Academy
- Weissman Teen Tour
- Westcoast Connection
- World Horizons International

CAMPS-SPECIAL

- Camp Huntington
- Camp Kodak
- Camp Northwood
- Lee Year
- Shadybrook
- Summit Programs

SCHOOLS-COED

- WY Military Academy

SCHOOLS-BOYS

- Carson Long Military Institute
- St. Thomas More
- Valley Forge Military Academy

SCHOOLS-GIRLS

- St. Cyril Academy

SCHOOLS-SPECIAL

- Cedars Academy
- LEAP (Lynn Educational Alternative Program)
- New England Village
- Stewart Home School

SCHOOLS-SUMMER PROGRAMS

- ACFen
- Barnard Precollege Summer Program
- Bennington July Program
- Boston University H.S. Honors Program
- Boston University Summer Theatre
- Brown University
- Camp Case-University of Michigan
- Chelsea Sailing School
- Columbia University
- Crow Canyon Archeological Center
- Experiment in Int'l Living
- Harvard College Summer Music
- Harvard Graduate School
- Kent School
- Landmark Volunteers
- Leyden American School in Switzerland
- Marblehead Summer School
- The Masters School
- New York Military Academy
- Oxford Advanced Study
- The Phelps School
- Portsmouth Abbey School
- Pratt Institute
- Putney School
- Bactury School
- Salisbury Summer School
- Smith College Summer Program
- St. Georges School
- Stanford University
- Suffield Summer Academy
- SUNY Potsdam
- University of Virginia
- Woodberry Forest

The New York Times Magazine

CAMPS AND SCHOOLS INFORMATION REQUEST CARD

Circle the numbers that correspond to those Camps or Schools that you would like to inquire about. All requests must be received by April 30, 1997. After that date the Camp or School should be contacted directly. Mail completed coupon to:

The New York Times Magazine
Camps and Schools Information Request Card
P.O. Box 5463
Pittsfield, Massachusetts 01203-5463

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72	73	74	75
76	77	78	79	80	81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100	101	102	103	104	105
106	107	108	109	110	111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130	131	132	133	134	135
136	137	138	139	140	141	142	143	144	145	146	147	148	149	150
151	152	153	154	155	156	157	158	159	160	161	162	163	164	165
166	167	168	169	170	171	172	173	174	175	176	177	178	179	180
181	182	183	184	185	186	187	188	189	190	191	192	193	194	195
196	197	198	199	200	201	202	203	204	205	206				

Name _____
Address _____
City _____ State _____ Zip _____
Telephone _____

Please check appropriate boxes:

AGE & GENDER OF PROSPECTIVE ATTENDEES:
☐ 01 6-8 MALE ☐ 02 6-8 FEMALE ☐ 07 ONE
☐ 03 9-12 MALE ☐ 04 9-12 FEMALE ☐ 08 TWO
☐ 05 12+ MALE ☐ 06 12+ FEMALE ☐ 09 THREE
☐ 10 FOUR OR MORE

1-413

MAG



MUSIC WORLD COMPUTER WORLD



216-pages of the greatest values in Audio, Video, Movies, Portables, Cameras, Music, & Home/Office. Comprehensive Computer section for PC & MAC featuring leading brands: IBM, Compaq, Apple, Hewlett-Packard and more!

ALL AT DISCOUNT PRICES!
Voted
"RETAILER OF THE YEAR"

Toll Free, 24 Hours A Day, 7 Days A Week, Anywhere In The USA

800-221-8180

Swim at Home



Swim or exercise against a smooth current adjustable to any speed or ability. Ideal for swimming, water aerobics and rehabilitation. The 8' x 15' Endless Pool is simple to maintain, economical to run, and easy to install inside or outdoors.

Call (800) 732-8660
visit www.endlesspools.com or write Endless Pools, Inc.
200 E Dutton Mill Rd
Dept. N10
Aston, PA 19014

FREE CATALOG

TEAK AND MAHOGANY OUTDOOR FURNITURE

Precision-cut Kits or Fully Assembled

Crafted to last a lifetime. Chairs, tables, benches, porch swings, rockers, lounges, planters and umbrellas. Assembled or as precision-cut kits that are easy and fun to put together.

WOOD
CLASSICS

914-255-5651

Box 97T1070, Gardiner, NY 12525



HARRY'S SHOES

2200 Broadway, New York, NY 10024
212-674-8038



MEPHISTO
World's Most Comfortable Shoes!

"MATCH" for MEN, "RUSH" for WOMEN
Seasonal colors; Men: 9 - 13 N, 6 - 16 M, \$240.
Women: 7 - 11 N, 5 - 11 M, \$230.
painted higher over women's 11 men's 12.

OPEN SUN 12 - 5:30; THUR TO 8 PM
OUT OF TOWN: 800-626-5270
on the web at: www.harrys-shoes.com

One of America's Largest Fine Watch,
Diamond and Jewelry Discounters



SPECTACULAR SAVINGS
Switzerland's Finest Watches
Certified Diamonds • Lasting Pearls
Montblanc Pens • Precious Jewelry
Magnificent Crystal &
The World's Finest Diamonds
"Best buys watches & jewelry..."
WASHINGTONIAN MAGAZINE

815 Connecticut Ave. N.W.
Washington, D.C. 20006
202/331-0571 800/654-7184
ALAN MARCUS & CO
ELIGANT PRICE CUTTERS SINCE 1973
Free Shop at Home Catalog

YOGA AND MENOPAUSE

A VIDEO AND BOXED SET OF 11 GUIDANCE CARDS
"Even if you've never done Yoga before, you will be able to follow these ten poses and enjoy their benefits."
\$27.95 (US POSTAGE PAID)
TO ORDER, CALL
1-800-574-YOGA
ALL MAJOR CREDIT CARDS ACCEPTED
AVAILABLE IN ENGLISH & SPANISH VERSIONS

FURNITURE DISTRIBUTORS

UP TO **60% Savings**
TOP QUALITY FURNITURE FROM THE CAROLINAS
1-800-948-6655 FOR PRICES OR BROCHURE

Table Pads Direct

\$39.95
"Instant Phone Quotes"
Ask about FREE Toll us Monday & Tuesday
Advertised Pad table
1-800-737-0705

Handcrafted • Elegant WOOL CAPES

Classically tailored. Top quality pure wools.
Three styles. Jewel colors. Long, regular, petite sizes.
People love the warmth - and the romance - of our capes. Brochure and Free swatches.
(800) 788-9842 or write:
Cusco Bay Fine Wools
34 Danforth St., Box 25NYT, Portland, Maine 04101



tensively with countries struggling toward success, not those exhibiting no desire to succeed.
There is also the quintessentially self-interested reason for heightened engagement in Africa: an opportunity to make money.

Africa is one of the last great undeveloped markets, a fact that American business has been slow to grasp. "What would it mean to America if a country like Uganda had an annual per capita income of \$2,000, not \$200?" asks E. Michael Southwick, the American Ambassador in Kampala.

Africa's advocates in Congress say that Ron Brown, the late Commerce Secretary, was the only Administration official to understand the transformative power, and the money-making potential, of American investment in Africa. "If my life depended on it, I would not know who to go to in the Administration to discuss the future of Africa," says Representative Charles Rangel, the New York Democrat.

But in Congress, at least, there is growing interest in a trade-centered Africa policy. A caucus comprising both liberal Democrats (including Jim McDermott of Washington state) and conservative Republicans (including the free-trade enthusiast Phil Crane of Illinois) is pushing a piece of legislation known as the End of Dependency Act. It calls for the negotiation of U.S.-Africa free-trade agreements by 2020, an infrastructure loan fund for private business and an end to textile and clothing quotas from Africa.

There are still obstacles, though, to easy investment, even in the most progressive countries. According to Miller of the Corporate Council on Africa, pro-growth ideology is often stymied by unreconstructed bureaucracy.

"Ethiopia is a huge potential market, with 62 million people," Miller says. "There are companies like AT&T that want to get in, but there's a two-year waiting list to get a phone, and the Government still won't privatize the phone company. The implementation has not matched the rhetoric."

Museveni and other leaders say it is their job to create an inviting climate for foreign investment. The Clinton Administration's job, they say, is to persuade American businesses that it's in their best interest to rethink Africa.

Across Africa, there is a palpable

sense of anticipation over a long-promised visit from Bill Clinton. (The First Lady, at least, is scheduled to visit this month; Secretary of State Madeleine Albright's first worldwide tour did not include Africa.) Progressive Africans clearly understand that high-level engagement by the world's remaining superpower could mean the difference between free-market democracy and chaos, and between biological crisis and biological stability.

"Africans stand in awe of American power," says Maina Kiai, Kenya's leading human rights activist. "It should use this power. America should be engaged at the level of civil society across Africa. It wouldn't cost a lot of money to get deeply linked to the people."

IN THE CENTER OF FREETOWN, THE wilted, furnace-hot capital of Sierra Leone, sits State House, built on the remnants of a British fort. It now serves as the offices of the country's first truly democratic President, Ahmed Tejan Kabbah, formerly of New Rochelle, N.Y.

Kabbah has inherited his office from the military dictator who preceded him. It looks to have been decorated by either Anne Rice or Napoleon: heavy, blood-red drapes, a broad expanse of equally blood-red shag carpet and a desk the size of a gunboat.

"It's a very big desk, yes," says the President. "I was told there was a refrigerator in here somewhere." He begins to open cabinet doors, looking for the refrigerator.

It is, improbably, a new day in Sierra Leone, whose post-colonial history is littered with corrupt Presidents and pot-smoking military dictators. Until last year, Sierra Leone, like its neighbor Liberia, was engulfed in civil war, and the two countries were seen as the leading edge of chaos in Africa. But Sierra Leone has managed, tentatively and imperfectly, to free itself from both dictatorship and war - although guerrillas are still active in some parts of the country.

Sierra Leone's post-dictatorship problems are almost absurd in their breadth. It once exported rice; now it can't feed itself. The life span of the average citizen is 39, the shortest in Africa. Unemployment stands at 87 percent and tuberculosis is spreading out of control. Corruption, brazen and ubiquitous, is a cancer on the economy.

Kabbah is a pleasant, unpreten-

grandiose office. He also seems wearied by the many problems his new job has brought.

"I'm not enjoying it, to tell you the truth," he says.

Kabbah spent much of his career in New York City, serving as a United Nations Development Program official. His long tenure there, he says, made him appreciate the merits of incorruptibility.

"When it was clear that I was going to win the runoff for the presidency," he says, "a businessman came to me and said, 'You must be tired. We can fly you to Europe, where you can go shopping in London and Brussels.' If I had gone, I would have sold out my country. And what did I need, besides? I have all the electronics I need from 47th Street Photo."

Still, corruption extends to the very gates of State House. As I was leaving my interview with Kabbah, a soldier refused to let me pass.

"You are my friend," he said, the opening thrust in the classic Sierra Leone shakedown.

"I am not your friend," I parried.

"Give me something."

When I said I would tell the President on him, I was allowed to pass.

"People laugh at me these days," Kabbah had told me. "But I think I have succeeded in one way, of stopping the very heavy type of corruption. What I'm trying to do is pursue a really good economic policy."

He sees America as indispensable in that effort.

"We need these big Fortune 500 companies to come in. They are less susceptible to corrupt practices like bribery. These companies will educate our people into seeing that honesty pays. That is what I hope."

Kabbah is not the only Sierra Leonean trying to transplant an idealized view of American might and justice. The democratic revolution here was largely led by female activists; their leader, Zainab Bangura, was converted to democracy in Columbus, Ohio, during a U.S. Government-sponsored tour.

"In Columbus, the Mayor is accountable to the City Council, and there is an auditor who is watching what happens to every dollar," says Bangura, who now runs a Government watchdog group. "It was remarkable."

Bangura came back to Freetown convinced that her country could change. "The way to help Sierra Leone," she says, "is to pay attention to us and bring us into the world. It's possible to have democracy in Sierra Leone. We've shown that. It's not hopeless here."

The greatest mystery of Africa may be that there is no mystery. Africans want the same things that everybody wants: clean water, healthy children, a way to make money. Under the right circumstances, this might all be possible. The benefits to Africa are obvious; the benefits to America are also obvious.

Bangura's optimism reminded me of something that Prudence Bushnell, the American Ambassador to Kenya, said to me recently. She was arguing against American disengagement from Africa.

"Why should we destine 12 percent of the world's population to the void of hopelessness?" she asked. "Where do you go from hopelessness?" ■

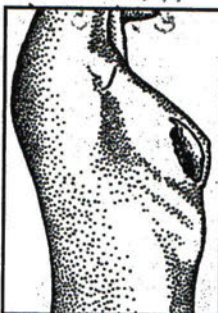
Gynecomastia

A Sensitive Male Issue

Gynecomastia refers to a condition where the male breast becomes enlarged. As many as one of three males are affected by this embarrassing problem. Gynecomastia develops from a variety of causes, but most often it is just an increase of fatty or glandular tissue due to a subtle imbalance of hormonal metabolism.

If this condition is a source of embarrassment for you, surgical correction is usually the treatment. Whether you have an accumulation of fatty tissue only, or if it's combined with glandular tissue, cosmetic surgery can give you excellent results. Many times restoring your confidence to participate in summer sports and activities.

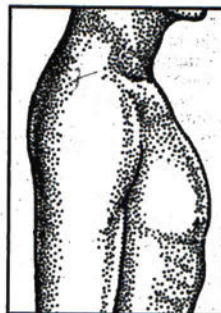
If you have been considering cosmetic surgery, and would like more information, call me at (212) 832-0770 to schedule an appointment for a complimentary consultation.



For a man with an excess accumulation of fatty tissue in the breast area, only liposuction is needed. A special instrument is inserted through a small incision into the fat layer, suction is applied and the fat removed.

When glandular tissue causes the over developed contour, it is removed through a small incision around the nipple-areola complex.

The results are excellent. The undesirable contour is removed, restoring the normal male breast shape.



JAMES J. REARDON MD BOARD CERTIFIED PLASTIC AND RECONSTRUCTIVE SURGEON
737 PARK AVENUE, NEW YORK, NEW YORK 10021 TELEPHONE (212) 832-0770

"DO YOU DREAM OF HAVING A COVER GIRL SMILE?"

Dr. Jeff Golub of New York can create one for you.

The cosmetic dentistry destination of choice for actors, models, magazine editors, and anyone born with a less-than-perfect smile.

-Mirabella

Leading Model Agencies like Elite, Ford and Zoli refer their young hopefuls to Dr. Golub.

-Bazaar



-New York Times

Jeff Golub, D.D.S., shaper of some of the most famous smiles of the decade.

-Vogue

Jeffrey Golub-Evans, one of the most sought-after smile designers in the country...

-CQ

Arrange for a consultation or a free brochure today.

Smile Makeovers

With Bonding, Bleaching, Porcelain Laminates, Computer Imaging and Tooth Whitening Systems
Dr. Jeffrey Golub-Evans, D.D.S. & Associates at the Dental Duplex
128 East 71st Street, New York, NY 10021 212-288-4455

Noted
This is worth reading
if you haven't -
BC

THE PRESIDENT HAS SEEN
4-23-97

Copy to
Emanuel
Cos

Mandela the Pol He's not just an awesome hero on a pedestal. Nelson Mandela is not afraid to use power, symbols and unlikely alliances. As much as his vision, it is his political skill that binds the new South Africa together.

By ANTHONY LEWIS

WHEN I BEGAN VISITING SOUTH AFRICA 30 YEARS AGO, IT WAS a police state that enforced official racism with a mad logic. Government employees classified people as white or colored (mixed race) by testing the curl in their hair. Hundreds of thousands of blacks were arrested every year for being in a "white area" without the right pass. Sex across color lines was a crime. A teen-age boy was sentenced to five years in prison under the Terrorism Act for writing an anti-white poem and "publishing" it by showing it to his girlfriend.

I thought then, and on many later visits, that South Africa was the most fascinating country on earth. There were exceptional human beings — bishops and writers and lawyers and political thinkers — whose struggle against the system seemed to deepen their characters. And there was a great unfinished drama. How long could whites, then 16 percent of the population, continue to hold all political and economic power? Would it end in an explosion, or would there somehow be a peaceful transition to majority rule? Richard Rive, a colored literary scholar, put it in a sentence to me in 1975: "The end is inevitable, but not predictable."

To revisit the country now is a dazzling experience. The old sense of entering a vast prison is gone. There are no restraints on what political creed one may espouse. No one is "banned" or held in detention without trial. Life in South Africa is a human kaleidoscope of colors: in shops and business offices and not least in Parliament, that former bastion of whiteness. And at the center, where for two gen-

erations stern Afrikaner leaders enforced the ideology of racial separation, stands the benign, all-embracing figure who brought about the peaceful transformation, President Nelson Mandela.

Mandela is probably the most widely known political leader in the world, and without doubt the most revered. In an age of ethnic, religious and racial conflicts, societies of a very different character and history wish they had someone of his unifying qualities and unassailable standing; I have heard that from, among others, Israelis and Palestinians. He is one of the most written-about figures anywhere. Sidney Poitier portrayed him in a television drama last month; and a full-length documentary on his life, "Mandela," has just opened in United States theaters.

Yet in profound respects Mandela remains a mystery. What exactly is the magic of his leadership, the means by which he persuades diverse people in what was a riven country to join with him? What enabled him to survive 27 years in prison without disabling bitterness? What makes him Mandela?

The South African drama continues, the fascination of its central character undiminished. Now Mandela is coming under criticism for his Government's performance; people are asking whether the qualities that enabled him to lead the country peacefully to freedom are right for the fretful business of governing. So I found on a visit last month to explore the Mandela mystery.

I first interviewed Mandela in March 1990, a month after he left prison. My wife and I — she comes from South Africa, where she was an anti-apartheid student leader — saw him in the temporary offices of the African National Congress in downtown Johannes-

Anthony Lewis is a columnist for The New York Times.

'With all the warm things he does, inside he can be hard,' one acquaintance said. 'He has a terrible grudge against anyone who has crossed him — once you've lost favor with him, he never lets go.'

burg. The place was in turmoil, people rushing in and out, going from meeting to meeting. Joel Joffe, a lawyer who had not seen Mandela and his fellow prisoners since the end of their trial in 1964, was there visiting from his home in England, hugging and being hugged. But when we sat down with Mandela in his office, there was serenity. It was as if he had nothing to do but talk with us. There was a profound courtesy, almost a courtliness, in his manner.

In the middle of our meeting he had a telephone call from Mangosuthu Buthelezi, the KwaZulu-Natal leader whose supporters in the province were fighting A.N.C. members. We rose to leave; Mandela motioned us to stay. Buthelezi was upset about the cancellation of what he thought was an agreement for the two of them to meet at a rural spot in KwaZulu-Natal. Mandela explained that it had not been finally agreed because his advisers thought the place was not safe. He tried to mollify Chief Buthelezi, deferentially. But Buthelezi was not mollified.

When the phone call ended, Mandela said it was "pointless to apportion blame" for the canceled meeting. The need, he said, was "to unite all the anti-apartheid forces in the country" to win "basic human rights. We can't afford to be killing one another." There was not a word of recrimination toward Buthelezi.

Later in that interview he sounded the note that was so startling in those early days but became the received view: that there would be no revenge for the crimes committed in the maintenance of apartheid. The reason again was the need for unity, now on a national scale. If there was to be a negotiated settlement, he said, it must "involve the entire community in its support. Otherwise it will be an intolerable situation."

I TALKED WITH PRESIDENT MANDELA LAST MONTH IN THE PRESIDENTIAL residence outside Cape Town. The house used to be called Westbrooke; two years ago he renamed it Genadendal, as a symbol of South Africa's diversity and unity. Genadendal was a Christian mission established in 1738, the oldest in South Africa; it was a sanctuary for former slaves after the abolition of slavery, and in Genadendal the Dutch dialect arose that helped to form the Afrikaans language.

At 78, Mandela is still erect and slim, though a knee injury slows his walking. A physiotherapist gives him massages to help the knee, and he works out on an exercise bike. He gets up at 4:30 or 5 in the morning — prison routine — then waits until 6 or 6:30 to telephone friends. If he can, he comes home at 4 P.M. to sit in the garden, take off his shoes and put up his feet. He works late but, I was told, needs only a few hours of sleep. He does not like to eat alone, so he will often invite friends for breakfast or supper: Walter Sisulu and Ahmed Kathrada, for example, comrades from Robben Island; Nadine Gordimer, the Nobel Prize-winning writer; George Bizos, a lawyer who has been his advocate and friend for 40 years, and Amina Cachalia, widow of a leader of the Transvaal Indian Congress.

Home is not really Genadendal, a place of large, empty rooms and overstuffed furniture, or the equally barren President's house in South Africa's other capital, Pretoria. He lives in a private house in Houghton, a suburb of



Mandela undermined the far right with his support of South Africa's rugby team.

fine homes and gardens north of Johannesburg. Sometimes he slips away to Qunu, the village where he grew up in the Transkei. A small house has been built for him there: a replica of the warden's cottage at Victor Verster Prison, where the authorities installed him in transition from prison to freedom.

His loneliness has been overcome, in the last six months, by his love affair with Graca Machel, the 51-year-old widow of the former President of Mozambique. They have decided not to marry, and she continues to live in Maputo. But she goes to Houghton or Qunu or Cape Town to stay with Mandela and recently accompanied him on a state visit to Asia.

I asked friends what he does for leisure. The answer was that he does not have much. He expressed regret to a friend that he no longer has time to read. His life is largely official. He is driven around (in a sedan, not a limousine) in a security convoy. He has meetings in his office or at home. He travels on state business. But he does not complain. He never has complained. It has been a life of duty.

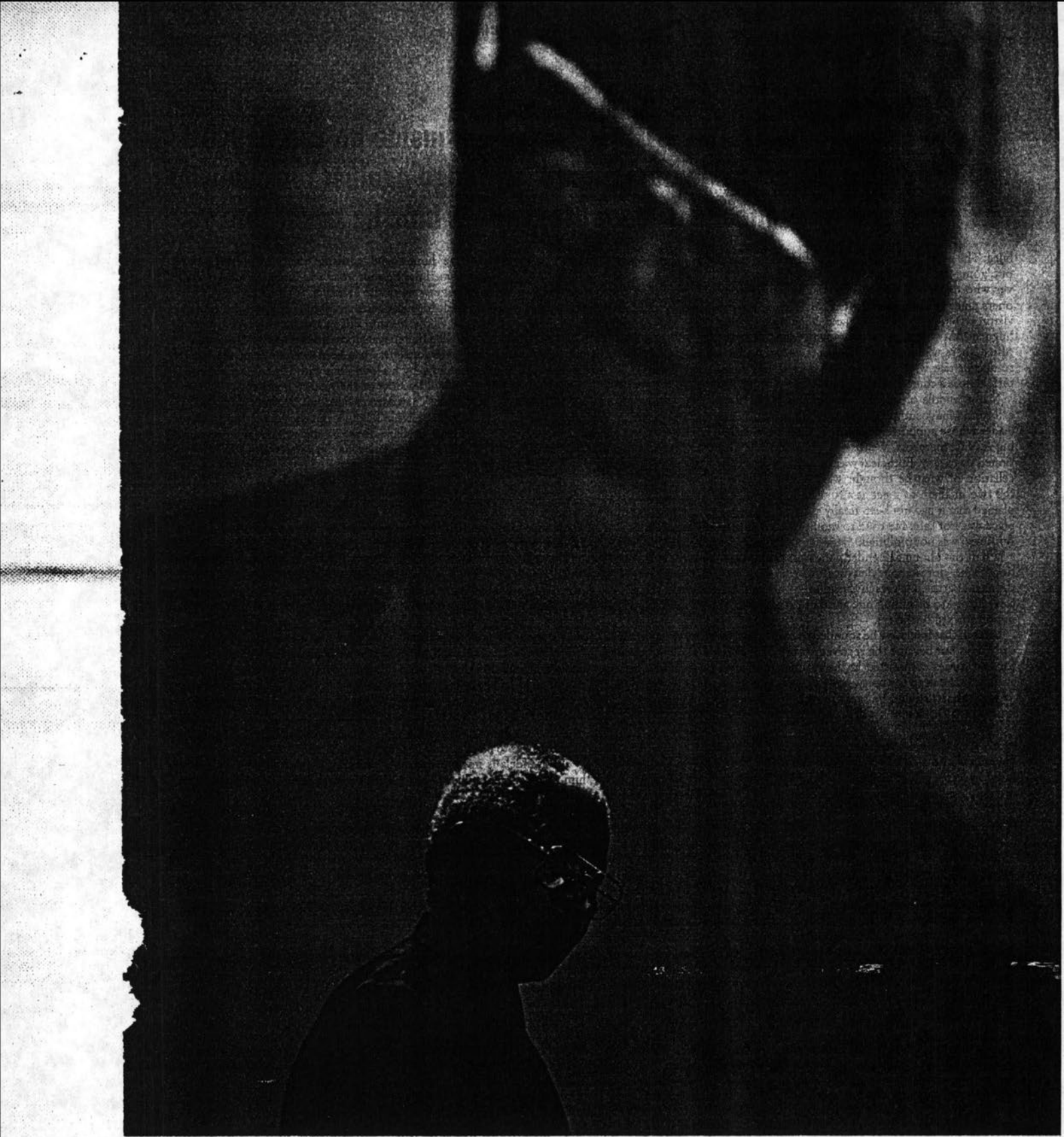
The personal cost of that life is indicated, tellingly, in a story in "Every Secret Thing," a new book by Gillian Slovo, Joe Slovo's daughter, to be published in the United States in May. Joe Slovo, who had been the exile commander of the A.N.C.'s guerrilla force and then Minister of Housing in the Mandela Government, died on Jan. 6, 1995. A few hours after his death, in the early morning, President Mandela appeared at the house. He sat across from Slovo's daughters and somehow sensed their feeling that their father had abandoned them for politics. Gillian Slovo writes: "He told us how one day when he had gone to hug his grown-up daughter she had flinched away from him and burst out, 'You are the father to all our people, but you have never had time to be a father to me.' ... This, he said, was his greatest, perhaps his only regret: that his children, and the children of his comrades, had been the ones to pay the price of their parents' commitment."

But Mandela is not a melancholy person. Nor, for all the burdens on him, does he seem under stress. He still radiates calm, seeming so relaxed that he puts a visitor at ease. He tells little jokes on himself, for example mentioning when a photographer came in during our talk that he was so unaware of technology when he came out of prison, he did not know what a fleece-covered microphone was when it was thrust at him.

The interview took place at 7 in the morning, in an alcove looking out across beautiful lawns and trees down the hill toward Rondebosch, a suburb that is the home of the University of Cape Town. The President came down after having breakfast in his room upstairs. No security men were in sight until an hour later.

I began by asking about the future, about where South Africa was headed. But seven years after his release from prison, with a new Constitution in place and himself in office after the country's first democratic election, he was still concerned about national unity. He wanted to talk first about the peaceful transformation. South Africa, he said, had avoided "tragedies such as Bosnia."

What lessons, I asked, did he think the South African story had for Bosnia and other conflicted societies? "It would be presumptuous of me to lecture" Bosnian leaders, he answered. But then he added: "They





A life of duty has left Mandela little time for family or leisure. His new love is Graca Machel, widow of the former President of Mozambique.

thought through their blood and not through their brains. In countries where innocent people are dying, the leaders are following their blood rather than their brains."

It was a rare piece of self-revelation, I thought. The world sees Nelson Mandela as a man of extraordinary magnanimity, eschewing revenge for the cruelties of apartheid, reaching out to enemies: the nearest thing politics has to a saint. True, but not the whole truth. When you talk to those who know him best, you come to understand that Mandela is anything but benign. He is a man of powerful emotions but even more powerful discipline. If he is saintly, he is saintly for a purpose. Through 27 years of prison and now 7 of public leadership, he has disciplined himself to suppress his feelings: to think with his brains and not his blood.

"He has a much keener sense of power than appears in that benign image," an official close to him said. "He has a purpose even in gestures of reconciliation." As an example, the official described what happened at the rugby World Cup final, played in Johannesburg in 1995.

Rugby has been a sport for whites, especially Afrikaners. Hence blacks scorned South Africa's Springboks rugby team. Before the World Cup matches, President Mandela urged blacks to support the national team. When I asked him about it, he laughed and said he had worn a Springbok cap to black political meetings. "I told them, 'We wish our boys success,'" he said, "and they would clap politely — not so enthusiastically."

Against the odds, South Africa made it into the final, against New Zealand. Mandela went to the match and astonished the Springboks by appearing in their locker room before it started, wearing the No. 6 green jersey of their captain and wishing them luck. In a great upset, the Springboks won, 15-12. ("It almost shattered my nerves because of tension," Mandela said

when I interviewed him. "I'm still recovering.") When the President walked out on the field to present the trophy, still wearing the green jersey, the Afrikaner crowd broke into a chant: "Nelson, Nelson, Nelson."

A great emotional moment. But it was more than that. The official who told me about it said: "It had a devastating effect on the far-right white groups, the people who had refused to vote in 1994 or to recognize the new Constitution, saying, 'It's not our country.' The groups simply disintegrated. Their people stopped using the symbols of the past, the old flag, the songs. Mandela became the symbol of the whole country."

Symbols matter in the politics of any society, any culture, and Mandela is a master of them. That is one key to his leadership. There is a calculating aspect to what he does, of course: the sense of power that the official mentioned. But he puts so much into a gesture that people accept its good faith. He did not just casually support the rugby Springboks; he touted them to black audiences, he wore the jersey, he went to the locker room, he visibly cared.

Here is another example, a current one. Last month Mandela and the Deputy President, Thabo Mbeki, went to the World Economic Forum in Davos, Switzerland. The country was going to be without a head of state for a day. To act in that role Mandela designated Mangosuthu Buthelezi, whose Inkatha Freedom Party is in the coalition Government and who also serves as Minister of Home Affairs. But since 1990, Inkatha has led violent marches, carried out deadly conflict with the A.N.C. and boycotted the writing of the permanent new Constitution. Everyone was astonished at Buthelezi's designation. I asked the President to explain it.

"Actually our relations have been on a sound basis ever since I knew him as a young man," Mandela said. "And that relationship grew when I

was in jail, because he was one of the few public figures who were allowed to write to me whilst I was in prison. And he wrote me beautiful letters. Not only that. He was able on my birthdays to call large meetings to celebrate my birthday.

"And in the Cabinet, Buthelezi is one of the most supportive, the most constructive. The problem, of course, is when he leaves the Cabinet and appears on public platforms. Then he behaves like any other politician.

"The reason, therefore, why I appointed him to be President is that he is a capable person. He is experienced. And if that opportunity would also promote the spirit of reconciliation, I'll be happy. But the real reason was merit. I appointed him on merit."

Well, fine. But one does not have to be cynical to believe that the designation served a larger political purpose. Chief Buthelezi is a man with a fragile ego, always conscious of perceived slights. Here was a gesture that in the grandest way said he was respected. A result was to make it harder for him to pull Inkatha out of the Government if things get dicey — an eventuality that the unity-minded Mandela wants to avoid. Some saw an even broader purpose in the gesture. President Mandela has been trying to help settle the intractable conflict in Angola, where the ego of the rebel leader Jonas Savimbi has so far kept him from fulfilling an agreement to join the Government of President Eduardo Dos Santos. Mandela's gesture was one those two could not miss: a sign that a great leader can gain by being generous toward a prickly antagonist.

To carry out the Mandela theme of reconciliation, not revenge, his new Government as one of its first acts set up a Truth and Reconciliation Commission with power to grant amnesty to individuals in return for full confession of a political crime. When I talked with the President, the commission had just received amnesty applications from five former policemen

involved in what was probably the single most notorious apartheid killing: the murder of Steve Biko, the young Black Consciousness movement leader who died of brain damage while he was in jail in 1977. At the time, under oath, the police denied responsibility for his death. Now they said they had killed him inadvertently. The extent and truth of their confessions must be tested at hearings where in other cases, the details were so gruesome that the commission chairman, retired Archbishop Desmond Tutu, put his head down on the table and wept.

I asked the President whether the public would continue to support the policy of amnesty as the horrifying truth of what happened to Steve Biko and others came out. "In fact," he answered, "some of the relatives of the victims have said, 'We don't want revenge, but we want to know what happened to our beloveds.' And that is an indication. If a person who has actually suffered can say that, then you know people understand that you can't build a united nation on the basis of revenge."

Mandela never met Steve Biko, who rose to prominence while Mandela was in prison; Biko's name is not mentioned in his autobiography. Biko led a movement whose first premise, at least — that blacks should rely on themselves for liberation — was very different from the A.N.C.'s historic nonracialism. I asked the President what role he thought Biko would have played if he had lived.

"There can be no doubt that he was one of the most talented and colorful freedom fighters South Africa has produced," he said. Then he placed Biko in his own pantheon of unity. "Young as he was, he was concerned with the question of unity. ... Now that is a young man with realism, who could at that stage have felt that we were wasting our energies, our talents, by remaining divided."

A realist: Mandela's highest praise. Neville Alexander, his fellow prisoner,

The Heir Apparent

Thabo Mbeki, Deputy President and Mandela's almost certain successor as party leader and President, is 54. He was in exile during the years of Mandela's imprisonment, acting as the African National Congress's top diplomat and as such developing friendships with officials and journalists around the world.

He has his critics. They say he can be edgy, seeming to lack Mandela's inner core of security. There are also admirers, by no means all in the A.N.C. Several business and financial leaders told me they find him well informed and sensible. Fikile Bam, a judge who was a prisoner with Mandela on Robben Island, said he thought Mbeki had the same natural courtesy as Mandela. "He's good at economic issues and foreign policy," Bam added, "and he might be able to

handle the problem of the wealth gap better; by training he's an economist." Mbeki is already the Government's hands-on leader. Mandela leaves the details to him.

I asked Mbeki what kind of South Africa he saw 10 years from now. He replied, in part, as follows.

"This country today continues to be characterized in good part by the old racial divisions — whether you talk about the economy, skills, housing. ... Ten years down the road I think you will see a South Africa that is much, much, much less segregated.

"Secondly, you will see a much better educated South Africa. I'm talking about levels of literacy, numeracy, but also about access to knowledge: a South Africa that will not be as ignorant of the rest of the world as it is today.

"It's a fortunate circumstance



that the possibility of lifting people out of ignorance, reintegrating them in the world of knowledge, occurs at the time of the information revolution. We'll get on the information superhighway much quicker than the developed countries could. For one thing, we don't have the huge communications infrastructure

that New York or Los Angeles does. There's nothing to dig up.

"The other big question is poverty, which is huge and expressed in numberless ways — unemployment, homelessness, landlessness. We ought to have a South Africa 10 years from now that has done something very meaningful about that." —A.L.

'They thought through their blood and not through their brains,' Mandela said of the Bosnian leaders. 'In countries where innocent people are dying, the leaders are following their blood rather than their brains.'

said Mandela's realism was the more effective because he was "extremely patient and wise. He's always been prepared to wait for people to catch up with reality. We wanted to fight the prison authorities. He said, 'Look, chaps, we're going to be here 10 years or more.'"

Alexander's view of Mandela, in the testing conditions of Robben Island, is especially interesting because his politics were different. He was a Marxist with a Ph.D. from Tubingen University in Germany, a member not of the African National Congress but of a university group called the National Liberation Front. He spoke with admiration of Mandela's single-minded pragmatic leadership even though the two men were ideologically apart in prison and, according to others, were on cool terms personally.

"His goal always was the deracialization of South African society and the creation of a liberal democracy," Alexander said. "For that end he was willing to make compromises with people of different views. He was able to concentrate on his goal with utter conviction and lucidity, and he was a man of extreme discipline. His aristocratic family background and training — one can use that term realistically — were reinforced by both legal practice and a jurisprudential cast of mind."

Helen Suzman, who as an opposition member of Parliament visited the prisoners on Robben Island starting in 1967, said the same thing about Mandela's consistent goal: "I want to normalize things in South Africa." That was what he always said to me in prison. "What really mattered was ending the racial supremacy that dominated the country's life. Everything else — economic theory, social ideology — was subordinated in his mind to that end."

It was not easy for Mandela to make his view prevail, as the romance about his person may lead some to think. He had to fight for his pragmatism over many years. I talked with half a dozen alumni of Robben Island, and I learned something that surprised me. There were deep divisions among the prisoners, not only political but personal, even among A.N.C. members.

Relations were tense in prison, I was told, between Mandela and Govan Mbeki, a senior A.N.C. colleague and a leading figure in the Communist Party. Mbeki was critical of Mandela's good relations with what he called right-wing elements. They included Buthelezi and some tribal chiefs whom Mandela, who was from a Xhosa chief's family, acknowledged as leaders of a kind. However sharp the dispute with Mbeki, Mandela did not visit it on the next generation. He has made Govan's son, Thabo Mbeki, the Deputy President and his heir apparent. (Box, page 44.) As for Communism, the odd fact is that when apartheid fell, the Communist leaders Joe Slovo and Chris Hani played a crucial part in winning acceptance of the compromises necessary for a peaceful transition.

Many people told me that Mandela does not like what he considers ad hominem attacks or confrontations. One said: "With all the warm things he does, inside he can be hard. He has a terrible grudge against anyone who has crossed him — once you've lost favor with him, he never lets go. That's the mistake that Winnie made: thinking he would for-



Mangosuthu Buthelezi, Mandela and F. W. de Klerk at the opera last year.

ever be at her beck and call. She will never get close to him again, because he has finally taken the turn."

As to Winnie Mandela, it must be added that he did not move immediately for a divorce when he understood that she would not live with him as a wife. He waited until her trial for kidnapping was over, lest their public separation disadvantage her. And his lawyer, George Bizos, represented her. Magnanimity — but it could also be said that the respectful way he dealt with her and the regret with which he announced the divorce minimized the possibility of antagonizing her young supporters in the A.N.C.

Whatever the differences among the prisoners on Robben Island, in the end they accepted his leadership. Fikile Bam, a lawyer who is now Judge President

of the Land Claims Court (set up to give justice to people whose land was seized over the last century), went to Robben Island, like Neville Alexander, as a member of the National Liberation Front. He said: "Mandela had this quality of being able to keep people together. It didn't matter whether you were P.A.C." — Pan-Africanist Congress — "or A.N.C. or what, we all tended to congregate around him. Even his critics — and he had them — deferred to him at the end of the day as a moral leader. He still has that quality. Without him I can't visualize how the transition would have gone."

Then Bam told a story about Mandela. Bam arrived on Robben Island in 1964 a few months before Mandela and his colleagues, after a different trial. When the Mandela group arrived, they were put in a separate wing of the prison. "On July 18, 1964, my birthday," Bam said, "the guys in my section started singing 'Happy Birthday' to me early one morning. Then we could hear the others singing 'Happy Birthday.' We were not allowed to mix at that stage, but we had a way of communicating as we went to the showers, and we found that Mandela had the same birthday."

"Every year after that he had a gift for me on my birthday. We were allowed to buy sweets and biscuits over Christmas, and he would keep them seven months so he could give me a present. It embarrassed me, because I could never keep them for seven months." (Talk about self-discipline: those were the only treats a prisoner got in a whole year.)

I told President Mandela that Fikile Bam had told me about the birthday presents. He beamed. "Yes," he said, "black magic." Black magic? "Yes, Black Magic, they're a brand of chocolates. He couldn't imagine that somebody would keep a box of chocolates for seven months."

In politics, it was hard for some of the prisoners to accept the idea of negotiating with the apartheid regime. "I had to sit down with my colleagues," Mandela told me, "and say: 'Let us talk with our enemies. Let us suppress our feelings.'" That is what happened after 1990.

It was President F. W. de Klerk who opened the way for negotiations by his courageous decision to free political prisoners and end the ban on opposition movements. He and Mandela have often been pictured together, famously the two of them clasping hands aloft when they were awarded the Nobel Peace Prize.

But the two are not friends. Alex Boraine, the deputy chairman of the Truth and Reconciliation Commission, has said *Continued on page 52*

PHOTOGRAPH BY JUHAN KUUS/SIPA

THE NEW YORK TIMES MAGAZINE / MARCH 23, 1997 45

MANDELA

Continued from page 45

that the apartheid system rather than individuals was responsible for the crimes committed, so de Klerk, as a man who presided over the system for some time, should apply for amnesty. I asked President Mandela what he thought of that idea. "It is true that it is the system," he said, "and it would be a fine gesture if Mr. de Klerk admitted responsibility. Because it was his party that was responsible. . . . I agree with Dr. Boraine that that would be a fine gesture on his part."

Curiously, the President seems to have a better relationship now with Gen. Constand Viljoen, former chief of staff of the South African Defense Force and head of a right-wing party called the Freedom Front. During the transitional period General Viljoen had ties with Afrikaners who seemed ready to use force to try to block political change. Mandela went to him and said, "General, you may defeat us now, but if you take the road of violence, some day you and your people will be destroyed." General Viljoen dissociated himself from violence and took the Freedom Front into the new political system. When he asked the President to extend the time for amnesty applications to the truth commission last year, it was done.

In his character and his place in his country's history, Mandela brings to mind George Washington. Of course they are worlds apart, in time and culture. But Washington's biographers, too, describe him as a man of strong emotions who suppressed them in the interest of creating a nation. His disciplined leadership held the quarreling colonies together in war and kept such strong-minded political antagonists as Thomas Jefferson and Alexander Hamilton together in his Cabinet.

"There is in the life of a country but one such person; we are just lucky that he came along at this time." That was said to me of Mandela by his lawyer, George Bizos. It sounds like the standard appraisal of Washington. The face that Washington presented to the world was not Mandela's disarming smile but an austere formality. But the two seem similar in the controlled personalities that made them the irreplaceable fathers of their countries.

THE QUESTION EMERGING in South Africa is whether the Great Reconciler is also a great President. In Washington's day there was world enough and time. In Mandela's, South Africans, like everyone else, have to compete pell-mell in a world economy. A fast-growing population suffers from unemployment that may be as high as 40 percent, a grotesquely unequal distribution of wealth, appalling crime. Voices are beginning to be heard complaining about Mandela's record on those and other problems.

"The young are fed up," a prominent black figure told me, "with 400,000 coming on the job market every year and few jobs. They think this old man has been too much of a moderate, too reconciliatory, too compromising." Kaizer Nyatumba, political editor of *The Star* in Johannesburg, wrote a tough column last fall after Mandela denounced some black journalists. "His unquestionable greatness notwithstanding," Nyatumba said, "Mandela is an ordinary man with feet of clay."

If one ranks the challenges facing South Africa by what is on people's minds, crime is the most serious. Across lines of race and class, it is the subject of conversation. Carjacking is a terrifying example. Drivers are jumped as they get into their cars outside their

homes or stop at a red light, ordered out at gunpoint, sometimes killed. The president of the Constitutional Court, Arthur Chaskalson, and his wife were held up outside their home. It happened to another judge while I was in Johannesburg last month. "The main problem in the country is criminal violence," said Winston Floquet, the chief executive of Fleming Martin Securities. His brother-in-law was shot dead outside his home, and two people in Floquet's office were attacked recently. One of them immediately left for Australia. White emigration has increased, and Floquet said Australians are vigorously recruiting South African financial professionals.

When I asked President Mandela about crime, he began by saying, "We don't want to be complaining about what happened under the apartheid regime — we have now been in power for more than two and one-half years, and it is our responsibility to solve problems as we find them." But it is a reality, he said, that in the apartheid years the police concentrated "not on detecting crime but on suppressing political activity." Others of varying political views made the same point to me. Not only did the white police devote most of their effort to putting down dissent; they also encouraged black policemen in Soweto to make deals with criminal syndicates that let the criminals operate in return for their help in the job of suppression. So corruption was and is a major problem. The President said his Government had arrested more police on corruption charges in its brief life than previous Governments had in the 45 years of apartheid: 400 police in the Johannesburg area alone.

The apartheid system did create conditions for crime: oppressive racial discrimination, deliberate denial of decent education to blacks,

miserable housing and economic policies that left millions jobless. But the President was right that the responsibility is his Government's now, and its performance so far has to be judged a failure. In his address at the opening of Parliament in Cape Town last month he said, "Let me warn the criminals — the carjackers, the rapists — we will make their lives difficult." Perhaps new policies will take hold, but the police are still undermanned and underreformed.

Housing is a signal disappointment in the Government's record. The need is overwhelming, as even a casual visitor who looks around will understand. On the way to town from the Cape Town Airport you pass Crossroads, a squatter community that became famous 20 years ago, when the apartheid Government bulldozed it, not just once but repeatedly. But the squatter problem persisted, as thousands of blacks fled the desolate "homelands" to which they were confined under apartheid. It is still not over. From time to time, residents of Crossroads are resettled, but new thousands move in and build their shacks. And not just in Crossroads. Around the country homeless families occupy land — often land on which the Government plans to build houses. It is a serious enough problem that President Mandela, in his speech at the opening of Parliament last month, condemned the illegal "occupation of land."

The A.N.C. promised in the 1994 election campaign to build a million new homes in five years; so far, according to the Department of Housing, 123,000 have been built or are under construction. On the plus side, millions of people have been provided clean water and electricity for the first time. Mandela estimated that 1.7 million more would get water this year: a remarkable accomplishment.

The contrast between Cape Town, which may be the most beautiful city in the world, and nearby Crossroads symbolizes a fundamental truth about South Africa. It is both a first- and a third-world country, with some people, most of them whites, living in a luxury scarcely matched anywhere else, and others barely surviving. The society's gross disparities in wealth remain essentially untouched, a time bomb for possible future social turmoil.

When I asked Mandela about that, he said: "We must not overestimate the speed with which a democratic government can bring about change in the thinking of the community or the structure of the economy. We are determined not to be deflected from the aim of assuring that there's a proper distribution. But we must not be unrealistic. We want to bring about change without any dislocation to the economy." He added that a start had been made on equalizing wages and on what is called black economic empowerment, black ownership of major companies. A striking example of the latter is the move by Cyril Ramaphosa, who was the A.N.C.'s chief constitutional negotiator, from politician to capitalist as the head of a large industrial group.

Mandela's caution about "dislocation to the economy" reflects a big change in his thinking and that of his colleagues, a growing concern about killing the golden goose in pursuit of equality. The A.N.C.'s 1955 Freedom Charter called for nationalization in some areas of the economy, and that was still in the air in 1990. The word is not heard today. When I spoke with the President, one of the first statements he volunteered was, "Private sector development remains the motive force of growth and development."

Leaders of business say they are content with the

Government. Bobby Godsell, a high executive in the giant Anglo American Corporation, said he was "robustly optimistic." His reason was that "at long last the fundamental diseases of the economy are being tackled." From the mid-1970's on, the apartheid Government ran very high budget deficits. The effect, Godsell said, was "to depress saving and investment, which undermined our capacity to acquire new technology, to be globally competitive." Helen Suzman, one of the sharpest critics around, said: "You cannot undo 45 years of misgovernment in so short a time. In that light they've done amazingly well."

Inflation was down last year from double digits to 7 percent, the lowest figure in 25 years. But the value of the South African rand fell 22 percent, though it recovered some of that loss in the opening months of 1997. Government corporations built up in the apartheid years — owners of airlines, the railroad system, telecommunications and other big companies — are being wholly or partly privatized. Annual economic growth is about 3 percent, not enough to make a dent in the unemployment rate.

The question is what the orthodox economic policy being followed by the Government will do to meet the expectations of the poor majority of blacks, and how soon. Mandela was careful not to raise expectations high in the 1994 election campaign. And South Africans have always been patient — astonishingly so by American standards. Will that patience continue? Deputy President Mbeki has said that it will if people can see some improvement, however modest: a fresh water tap, a halt to the eviction of rural tenants. The Government aims to raise the economic growth rate to 6 percent. But that will take lots of foreign investment, which has

not flooded in so far, and an increase in worker skills.

"The worst legacy of apartheid is the lack of education," Winston Floquet said. "People say South Africa is going to be another tiger economy, like the ones in Asia. But you can't get there from such a low skills base. It will haunt us for at least another decade."

Segregated schools and grossly disproportionate spending on white students played a key part in creating the separate worlds that the philosophers of apartheid wanted. But that is changing rapidly, as large numbers of black children enroll in the once all-white public schools in the suburbs of Johannesburg. "It is one of the most successful pieces of racial integration that I know about in the world," Bobby Godsell said. "It is one area in which the two worlds have begun to overlap."

But around the country most black children still get a sadly inadequate education. And critics say the Government is leveling down rather than up. It set a national standard of 1 teacher to 40 pupils and then forced thousands of teachers in Western Cape Province to move or retire because the ratio there was only 1 to 25 or 30. (Almost all retired.)

Beyond these specific areas of doubt about the Mandela Government's performance, there is criticism about the way it governs. The complaint is that the President is too autocratic, too loyal to failed Cabinet ministers who go into a defensive crouch when their mistakes are exposed. Dr. Mamphela Ramphele, vice chancellor of the University of Cape Town, and a close friend of Mandela, said: "The more insecure people are, the less open they are to constructive criticism. He's not insecure, but his Government is."

Some of Mandela's old A.N.C. colleagues have been successes in office,

others surely not, a prime example being the Foreign Affairs Minister, Alfred Nzo, who is virtually invisible. The Minister of Health, Nkosazana Dlamini-Zuma, spent the equivalent of \$4 million on a theatrical production that was supposed to tour the country advising people on how to avoid AIDS. The President did nothing when that mis-spending came to light, and nothing when the same minister later announced that scientists at Pretoria University had found a cure for AIDS — without submitting the claim to normal scrutiny. (The country's AIDS problem is frightening. Nearly a fifth of the women who go to prenatal clinics in the Johannesburg area are H.I.V.-positive.)

Mandela has rejected all calls for changes in the Cabinet. He made a joke of it when he spoke to Parliament last month. After delivering his written text for an hour, he put the manuscript aside, took off his glasses and ad-libbed that he had rejected all the reasons advanced for reshuffling his Cabinet, but he had looked over during his speech and seen several members asleep — "A good reason to drop them," he said. But then, he added, he had noticed the same thing among opposition M.P.s, "so in equity I won't reshuffle the Cabinet."

There are questions, too, about the way President Mandela has anointed Thabo Mbeki as his successor. At least some in the A.N.C. would have preferred an open contest between him and Cyril Ramaphosa for the party leadership when Mandela gives it up at the end of this year, with the presidency following almost inevitably. Mandela is sensitive on the subject, insisting that he has not forced the choice but that it will be made democratically by the A.N.C. He told me that he had agreed to Ramaphosa's wish to go into private busi-

ness only after once turning him down. And he said he continues to speak frequently with Ramaphosa: "I am not going to allow him to escape from political duties. Cyril Ramaphosa is a son to me." Opinions differ on whether Ramaphosa will some day again seek public office. He would do so from an interesting new position: wealth.

Finally, among the felt doubts about Mandela as President, there is a concern that he has carried his emphasis on unity too far, to the point of dampening the criticism that characterizes democracy. He recently invited into the Government the Pan-Africanist Congress and the Democratic Party (heir to Helen Suzman's Progressives), which has modest white liberal support. The Democrats' leader, Tony Leon, has been a vigorous critic, saying recently that President Mandela has too often "sacrificed accountability to loyalty." Suzman snorted at the idea of his joining the Government. She said she had told the President that "that would emasculate Tony Leon." (After considering the invitation for weeks, Leon declined.)

THOSE ARE THE MAIN criticisms of Nelson Mandela as President. To me, they are overshadowed — overwhelmed — by his achievements in the last three years. He has taken a country utterly divided by race and made it one where people of different races actually share a vision: where "the two worlds have begun to overlap," as Bobby Godsell of Anglo American put it. He has transformed the political system without creating unrealistic expectations in the newly enfranchised. He has taken a country where fear was everywhere and made it free. He has given a society marked by official murder a culture of human rights.

I find South Africans to-

day less resentful, less guilty, less prickly about race than many Americans. The submissiveness of some blacks is fading along with white lordliness. Young black lawyers call senior white colleagues by their first names: a social revolution.

But it is the acceptance of a human rights culture that struck me most powerfully on this visit. Law used to be an instrument of oppression. It dictated where you could live, whom you could marry, what you could read. The masters of that system rejected all demands for legal protection of individual rights, and many feared that when change came the new masters would be as unrelenting toward the old. But Mandela the lawyer, together with Cyril Ramaphosa and Arthur Chaskalson and George Bizos and other lawyers, carried out a revolution by law and in law.

A written Constitution and Bill of Rights as protective as America's now defend South Africans against official abuse. President Mandela told me with pride how the new Constitutional Court, where Chaskalson now presides, had overturned as unconstitutional his proclamation of elections in the Western Cape: "Arthur Chaskalson defended me when I was sent to Robben Island for 27 years. But when it came to the question whether I was entitled to issue those proclamations, he felt I had no right. And he overrode me. And within an hour of his ruling I came out and made a public statement to say this is the highest tribunal in constitutional matters, they handled a complicated case with great skill, and I called upon members of the A.N.C. and the public to respect the decision. I had to do so. It was a fitting opportunity for us to assert the independence of the structures we have put up to show that the Bill of Rights is a living document."

Neville Alexander, Man-

Continued on page 73

dela's Marxist fellow prisoner, said: "I don't think his South Africa is going to do much for the people in economic and social terms. But the crucial point of agreement is on a human rights culture."

For me, South Africa remains the most moving, the most exhilarating of countries: a land of possibility. Nelson Mandela made it that, made it a country whose people feel like proud citizens rather than pariahs. And that is not just a product of the transitional

years after 1990. It could all have been lost when it came time to form and run a government. Whatever the faults of the Mandela Government — and the critics have a case — the transformation of South Africa into a free and rights-oriented society has been secured. The critics, most of them, recognize that. Richard Steyn, former editor of *The Star*, said: "Mandela is so intent on reconciliation that governing takes second place. We need some tough decisions. But just think where we were!"

There is an autocratic element in Mandela. He is both

an autocrat and a democrat, an old colleague said. But he has an unyielding respect for human beings, and for law. What other leader of a liberation movement has subjected himself to legal limits when he won power: Castro? Mao? Arafat?

What, then, is the source of Nelson Mandela's leadership? The friends I have quoted mentioned his discipline, his mastery of symbols, his single-minded purpose, his magnanimity, his patience, his realism, his sense of power. Helen Suzman spoke of the way he establishes personal contact: "When I stuck my hand

in 1967, it was almost an instant rapport."

Patrick Lekota met Mandela on Robben Island and became an A.N.C. supporter there. He has just been made chairman of the new upper house of Parliament, the National Council of Provinces. When asked about Mandela, he listed these qualities: "First of all, consistency. I cannot think of a day when he flagged in his commitment to the struggle for freedom or even for better prison conditions. His stamina, to pursue an issue right to the end. There's a certain deliberateness. If

you are deliberate in taking risks, then nothing can shock you because you've already come to terms with the possibility. And he is at peace with himself." Nadine Gordimer said: "It's his total lack of personal self-protection and vanity. And an honesty of what he feels and thinks — that's what makes him absolutely unique." No vanity, I said, but isn't there pride? "Not pride," Gordimer said: "Self-respect. You're entitled to that when you know who you are and what you stand for."

Yes, Mandela knows who he is. Magnanimity came

Continued on page 79

LUXURY HOMES AND ESTATES

Live The Dream in South Florida's Ultimate Country Club Community.



27 Holes of Championship Golf Designed by Arthur Hills.
The Grand Clubhouse. World Class Amenities.
The Finest Luxury Single-Family Homes
from the Mid 300s to Over Two Million,
in Palm Beach County's Premiere Location.

ADDISON RESERVE

7150 Addison Reserve Boulevard, Delray Beach, FL 33446
1-800-317-2289 or 561-637-9101 • www.addisonreserve.com
A Taylor Woodrow/Kenco Community.

This offering is not registered in the State of New York and is not available to New York State residents.

WELCOME TO

Luxury Homes & Estates...

Advertisers: For information, space reservations or other assistance, call your advertising agency or your New York Times real estate advertising representative at (212) 556-1581. Outside New York City, call (800) 843-3113.

Be sure to make note of the many additional special interest banners scheduled to run within the next few months.

Issue Date	Properties
Mar 16	Equestrian
Apr 6	Historic & Unique
Apr 20	Waterfront/Waterview
May 18	The Annual Review
June 8	Historic & Unique
Sept 7	Golf Communities

The New York Times Magazine

Expect the World™

Who showcases Manhattan's finest residences?

EAST SIDE		EAST SIDE	
70's East	Exclusive	Gracie Square	New Exclusive
SENSATIONAL TOWNHOUSE APT 9 Exceptional renovated rms. 2850 sq. ft. Antique paneled LVRM w/WBE NY's best master/solarium/apa. 3 Add'l Bt's & bth, 1st, 2nd, 3rd. Everything you've fantasized about. Gene Pein 570-2440 x268/Res: 988-5940		MAGICAL VIEWS Sky-high loft-like renovation w/staggering views from all major rooms. New wndws. Cntd at: WBE 23 Masters. \$1.2M. Louise Wallace 570-2440 ext 233	
Park/91st	1st Offering Exclusive 9 Rms	70's East	Co-Exclusive 5 Rms
CARNEGIE HILL ESTATE Make this 8 rm apt your own. Grand rms w/LR + 2 Bt's facing Park Ave in top, F/S PW bldg. FLR w/WBE DR, 3Bt's, 1st, 2nd's. \$1.425M. \$2500 mt. Cornelia Zagat Elend 570-2440 ext 210		GREAT INVESTMENT Condo in top location. New on the market. Corner 28th/29th. Dining room. Exercise party. play room. Will not last. Furnished at \$699,000. Victoria Gilligan 570-2440 x240/Res: 861-8503	
Low 90's/Park Avenue	Huge 9	Park Ave/60s	New Exclusive 4.5 Rms/2Bt's
SPLendid SPACE & DETAIL grace this glorious home with paneled library, vast family kitchen, South, West and North exposures, low maint. Will sell immediately. Knight Patterson Moscon 570-2440 ext 288		EUROPEAN SPLENDOR For grand-scale liv in PW prestige bld. 20'x25' LR w/WBE 18th century panelling & sep. DA w/china closets. Huge MBR w/wd study/office. All rms w/Park Ave exps. \$750K. Maint \$1782. J. Shindler, VP 570-2440 x290/Res: 580-0291	
50's East	Exclusive 8 Rms	Seton/57th St. East	New Exclusive 2 Bt's
MESMERIZING VIEWS Breathtaking river and city views from every rm. Add some balconies/terrace, spec drawing rm, FDR, 3Bt's, 3.5Bt's. \$2.5M. Bailey Symington 570-2440 x203/Res: 908-5957		FREWAR IN MINT CONDITION Sophisticated living room w/WBF and Juliet balcony facing So. on 1st flr. 2 Bt's & 2 baths. EIK, QUIET, WONDERFUL \$475K. Judith Durham 570-2440 x223/Res: 831-6881	
Park Avenue	Price Reduced	Prewar 3 Bt's	
FABLED COURTYARD A classic and beautiful 8 room prewar apartment facing So. into magnificent courtyard at tree-top level. Distinguished Carnegie Hill building. Asking \$1,595,000. Maint \$2169. Inez Wade 570-2440 ext 254		FIFTH AVENUE SPECTACULAR 1BR OVERLOOKING THE MET 1BR co-op in prestigious Fifth Ave/80's full service bldg. Views of Met & Central Park from 14th floor. Priced to sell at \$345K. Mary Beth Daniel 570-2440 ext 112	
70's East	New PH/Duplex Exclusive 7 Rms	70's/RSD	New Exclusive
YOUR FLORIDA HOUSE Open views, breathtaking 35' LR/DR, soaring 14' atrium, terrace, den, cat-in-kitchen, 2.5 master Bt's, 2.5 baths. UNIQUE & MINT! Prime location & bldg. Asking \$1.1M. \$1953 maint. Lisa Meyer 570-2440 ext 245		TOWNHOUSE FOR SALE Pristine 5 Story brick and brownstone 1 family with original details, planted garden, big modern kitchen w/bay windows. Sunny parlor flr w/WBF's & balcony to garden; MBR suite w/Jacuzzi; den w/mbr mantle, 3 more Bt's + playroom or studio. Suzanne Hebron x218 570-2440 Joyce Stenheimer x290	
ERA/80's	New Excl-Great Space	CPW/81st St.	Exclusive 9 Rm Duplex
8.5 RMS-FREWAR DUPLEX-\$1.1M Unique rambling apt that's more like a house than an apt. Includes 3BR, FDR, large renovated kitchen, dining room, huge family rm & separate TV area. WBE W/D, Maint \$2500. Marge Goldin 570-2440 x263/Res: 472-8775		HUGE TERRACE - DIRECT PARK VIEWS Duplex with spectacular Park & skyline views from very hi-floor in one of NY's best bldgs. 5013 living room w/WBF & library open onto 36x16 terrace. Formal dining room, powder room. Upstairs 3 master bedrooms, 4 baths & 2 mdr's. Mt \$3900. Lorraine Damber 570-2440 x220/Res: 874-4551	
Fifth Ave/70's	1st Offer 7.5 Rms	CPW	Exclusive 2BR + LR/3Bt's
DIRECT PARK VIEWS Mint cond, tastefully renovated in traditional style apt in top full service bldg w/views all major rms. Large gallery leads to living rm, FDR, 3 Bt's, gourmet EIK, 4 baths + maid's room. Doris Benedek 570-2440 x262/Res: 288-5335		PARK VIEW CONDO MAGIC Park vs flr 40' LR/DR in lux condo. Approx 2200sf w/every sq. inch superbly renovated for the most discerning tastes. Jim White x269 570-2440 Elizabeth Paul x302	
Fifth Ave/Corner 59th St.	New Exclusive 2 BR	Riverside Drive/70's	4.5 Rms
THE SHERK NETHERLAND TOWER 22nd floor corner tower. Stunning 10' wide x 9' windows—single pane-frame finest park views. Living room/dining room & MBR on Central Park + 2nd BR Park & City view + 2 marble baths. Remov. Furnished. Small text. All hotel services. Marilyn Connolly 570-2440 ext 217		TRIPLE MINT 2 BEDROOM/2 BATH Move right into this terrific apt. New kit, new bth, thru-wall AC, sep din area, tons of closet. Low mt. Fine DW bldg. \$420K. Greta Walker 570-2440 x253/Res: 871-6749	

Stribling & Associates

The Right Broker Makes All The Difference

924 Madison Avenue, New York, New York 10021, (212) 570-2440
Downtown: Stribling-Wells & Gay • 340 West 23rd Street (212) 243-4000
E-mail: STR924@aol.com Internet: www.homenet.com/stribling.htm



MANDELA

Continued from page 73

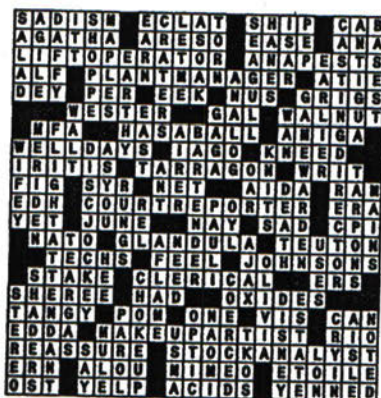
easily to him because he regarded himself as superior to his persecutors. There is an inner confidence in him as great as any I have sensed. And a moral quality: it is hard to imagine him doing a mean act.

But if those are some of the qualities that account for his ability to lead, where do they come from? His childhood in a chief's family cannot explain it, I said to George Bizos; hundreds and thousands have come from such a background, and the same with prison. What was it that made Mandela what he is? Bizos said, "I don't know that you'll ever find an answer."

Toward the end of the interview, I asked the President how he would like to be remembered. I mentioned Jefferson's tombstone, which by his choice says nothing of his having been President. Laughing, Mandela said: "Well, that would be very egotistic of me, to say how I would like to be remembered. I'd leave that entirely to South Africans." But he said that he had "reached the stage of planning my death." Then, in a soft voice, he added: "I would just like a simple stone on which is written, 'Mandela.'"

ANSWERS TO PUZZLES

OF MARCH 16, 1997



CHARLES KURALT: (A) LIFE ON THE ROAD — proud old Charleston, South Carolina, ... is where the Ashley and the Cooper rivers join to form the Atlantic Ocean. And if there is a finer place than Charleston in ... spring, when azaleas bloom in every garden ... I don't know it.

- | | |
|--------------|----------------|
| A. Countess | N. Lajoie |
| B. Hoopla | O. In the wind |
| C. Achieve | P. Flaps |
| D. Recap | Q. Ezra |
| E. Lois Lane | R. On trial |
| F. Eyewash | S. Narbonne |
| G. Schooled | T. Torrid |
| H. Kitschy | U. Hoof it |
| I. Unaided | V. Entrapment |
| J. Refreshes | W. Ranger |
| K. Avert | X. On high |
| L. Lincoln | Y. Athwart |
| M. Tonic | Z. Dormant |

NOTE: 1-Across in this week's diagramless puzzle begins in the fifth square of the top row.

SCHOOLS

SUMMER PROGRAMS

Preparing for future challenges ...
and having fun in the sun!

Rectory Summer Session

June 22 - July 26 - Grades 5-9

- * 135 acre country setting
- * enrichment and remediation
- * award-winning faculty
- * one-to-one individual tutoring
- * classes stressing study skills
- * arts, crafts, sports and swimming

For more information, contact
The Rectory School
Admissions Office
Pomfret, CT 06258
Phone: (860) 928-1328
Fax: (860) 963-2355

Rectory - Over 75 years of Excellence in Education



EXPLORATION SUMMER PROGRAMS

Summer Enrichment Programs for Boys & Girls
Academic Workshops • Activities • Sports

Wellesley College, Wellesley, MA

- Senior Program (entering grades 10-12)
 - Intermediate Program (entering grades 8-9)
 - Junior Program (entering grades 4-5 & 6-7)
- 470 Washington St. • P.O. Box 368 • Norwood, MA 02062
Phone: (617) 762-7400 • Fax: (617) 762-7425

Academic Turning Point

MARVELWOOD SCHOOL / MARVELWOOD SUMMER
Traditional, coed boarding school, grades 9-12, small classes average 8 students, individual attention, study skills; 5 week summer study for grades 7-11 in reading skills, math, SSAT/SAT prep, ESL, vocabulary, recreational sports.
476 Skiff Mt. Rd., Kent, CT 06757-3001
860-927-0047 • 860-927-5325

TO PLACE A
CAMP OR SCHOOL
AD

212-556-8081
The New York Times

CO-ED SUMMER ACADEMIC CAMP ST. THOMAS MORE SCHOOL

JUNE 29 THRU AUGUST 8

- * CO-ED, Grades 5-12
 - * Over 100 Acres, 4000 ft. of Lake Waterfront
 - * All Athletics & Water Sports
 - * Make-up Credit in All Academic Courses, ESL, Computers, Language Lab, etc.
- JAMES T. HANRAHAN, Headmaster
ST. THOMAS MORE SCHOOL
45 Cottage Rd., Oakdale, CT 06370
(860) 859-1900 • Fax (860) 859-2969

ART

the expect
the World

The
New York Times
Magazine

DALI



Collect Rare, Authentic
Limited Editions
From \$ 2500

CALL FOR CATALOG
1-800-999-DALI
or (212) 798-1300

SILVERSTATE FINE ART

SUMMER PROGRAMS

Grades 9 - 12 • July 7 - August 1

Columbia University

Summer Program for High School Students

Students engage in serious study with Columbia's distinguished faculty. Residential and non-residential. For a brochure, call (212) 854-2820, or mail the coupon below.

Open House
Saturday, April 5, 2:00pm
309 Havemeyer Hall

Please send a brochure for the Summer Program
for High School Students.

Name _____
Address _____
City _____ State _____ ZIP _____
Phone _____ NY

Return coupon to: Student Services Center,
Division of Special Programs, Columbia University,
2970 Broadway Mail Code 4119, NYC 10027-6902.

The Summer Academy at Suffield

For boys and girls 12-18
June 28-August 2



- College prep. skills program, laptop computer, Internet for each student
- Liberal Arts Curriculum including writing, math, history, drama, art, science, ESL, Spanish and Chinese
- Swimming, tennis, soccer, activities, special events
- Excursions to NY, Boston, Newport
- Beautiful, year-round country campus

Andrew D. Lowe, Dir., Summer Academy, Suffield, CT 06078 • (860) 668-7315 • FAX (860) 668-2966
E-mail: alowe@suffieldacademy.org



Summer School Session 1997

NEW YORK MILITARY ACADEMY

Boys & Girls Ages 8-18 (Non-Military)

Remedial Reading, Math, English as a second language. Advanced & Make-up Subjects, math, reading & language skills. Computer instruction/expanded computer programming, SAT prep. Supervised Study Hall. 2 students per room. 325 acre campus. 3 pools, free riding & off-campus trips. No graduates. 6 week session: June 28 to August 9. Day Students Welcome.

Writer: Mr. Peter C. Wicker, Dir. of Admissions, NYMA
28 Academy Ave., Cornwall-On-Hudson, NY 12520
Tel: 914-534-3710 Fax: 914-534-7121

"A Fun Summer
With A Purpose"

LEYSIN AMERICAN SCHOOL IN SWITZERLAND

Grades 9 Through 12, PG Year, Summer Enrichment Programs
Highly respected, coeducational, American International boarding school in the French Swiss Alps, near Lake Geneva. Successful American College Prep. Advanced Placement, and the International Baccalaureate programs. SAT Testing Center. Magnificent skiing "at our doorstep". Full U.S. Accreditation.

Thomas N. Rouillard, Admissions
P.O. Box 4016, Portsmouth, NH 03802-4016
Tel: 603.431.7654 Fax: 603.431.1280

st to en-
ding the
tific evi-
d to test
afe.

**.I.'s fo-
reesti-**

staff
600,000
r find-
ederal
'B.I.'s
tioned
e bar
xpert
rohib

der in
y col-
I. was
uld be
ert to
could
lieved
ndings
basis,
slead-

ire an
ony' is
lenge.
to the
stions
esses'
xperi-
mony
of the
at the
bility.

Sala-
ped
the
the
mb
gs.
nd
ny
n-

th
e-
:S
I.

BOB HERBERT
THE PRESIDENT HAS BEEN
4-23-97

Tiger's Best Shot

Tiger Woods had just finished winning the Masters. He had handled the course with the grace and sophistication of a Duke Ellington guiding his orchestra through the intricacies of his finest compositions. Now, with the gallery at Augusta watching, and with an enormous television audience also looking on, Tiger Woods walked straight toward his father. The two men embraced, held each other tightly, and as the CBS camera moved ever closer you could see the tremendous emotion on Tiger's face, his eyes squeezed tightly as the tears formed. And still they held each other. Father and child. Father and son.

President Clinton, who had watched the tournament on television, told Tiger in a telephone conversation that it was the "best shot" he had seen all week. For a lot of African-American children the amazing thing about the shot was that Earl Woods was there at all. Here was a father who stuck around. He hadn't cut out 20 or 21 years ago, abandoning his infant son and slamming the door on all responsibilities and any future relationship. He didn't disappear the way so many fathers have — and to their great and continuing shame, so awfully many African-American fathers.

Ah, but even this story is somewhat deceiving. Earl Woods, now 64, admits that he was less than devoted to the three children of his first marriage. He says he regrets it. He got another chance with the precocious Eldrick, nicknamed Tiger, and made the most of it.

Now with Earl and Eldrick (and Tiger's mother, Kultida) in the national spotlight there is a chance for the rest of us to learn something, or perhaps re-learn it. The lesson of Tiger's triumph at Augusta has little to do with golf (particularly for black Americans of modest means) and almost everything to do with the benefits to be reaped from hard work, discipline, perseverance, sacrifice and parental love.

Some months ago I interviewed a group of young black women who were hanging out on a cold afternoon in East Orange, N.J. They had no jobs and, they said, nothing to do. I asked how many had children. All but one of the six or seven women nodded or raised a hand. I asked where the kids were. The women said friends or relatives were watching them. I asked if any of the women were married to the fathers of their children. The response was a collec-

tive blank stare. It was not as if the women were surprised by the question. It was as if the question had no meaning. It was incomprehensible.

I asked again but no one said a word. I asked if any of the women had ever been to a wedding. One woman said, "I went to my cousin's wedding once." That was it.

The plague of absent fathers.

Children without fathers go through life with a piece of themselves missing. A couple of years ago I wrote a column that mentioned a girl named Kendra Newkirk, who had just turned 17. She had only seen her father once in her life, when she was 15. "Our house had burned down," she said, "and he heard about it and he was going to help us out with some money. So I went with my mother to the place where we were supposed to meet him. It was hard. He could have been any one of those men we saw walking on the street. I kept asking my mother, 'Is that him? Is that him?'"

The idea that you should care for your children is an idea that is alien to enormous numbers of black men — men who even as they make their babies have one eye on the exit door. There are no excuses for them. They have condemned their children, in so many instances, to lives of poverty and violence, drugs and degradation, ignorance and unhappiness, and bitter, raging failure. They are by far the main reason for the swollen population of blacks in prison and the early termination of so many young black lives.

Can a woman successfully raise a child on her own? Of course. Examples abound. But a child without a decent father grows up with a heavy handicap. And the synergistic wonders that can arise from the efforts of two devoted parents are not possible.

Earl Woods is not a perfect model. But the last time I saw him he had his protective and encouraging arms wrapped tightly around his son, and he seemed prepared to hold him for as long as was necessary. □

Copied
Reed
Emanuel
COs

Because he knows the Clinton Administration will say and do nothing in protest. And, especially, because he can get away with it.

Here is the Fed's official explanation: "The action was taken in light of persisting strength in demand, which is progressively increasing the risk of inflationary imbalances developing in the economy that would eventually undermine the long expansion." These words had been carefully foreshadowed in Mr. Greenspan's Congressional testimony four days before, which is why the action was not a surprise.

But in that testimony Mr. Greenspan offered no serious evidence of increasing inflation. Instead, he spoke of the low and "benign" inflation of the past year. And he said that "competitive pressures here and abroad should continue to act as a restraint on inflation in the months ahead."

The only risks Mr. Greenspan sees are these: First, a continued tight labor market. Second, the rising minimum wage later this year. And third, the possibility that "larger increases

could put upward compensation." could not have been not concerned is concerned, remote and is, that the might start to decrease slightly bigger growth that the past seven

is the essential do that is to slow economic growth, raise unemployment and make sure that the job insecurity that Mr. Greenspan explicitly credits for suppressing wage growth does not diminish or disappear.

But repressing wages is not the only thing. The Fed is also the tax collector for the commercial banks, which instantly raised their prime rate and thus their revenue from every adjustable-rate loan they make. (Higher rates paid out for savings will be very slow to follow.)

THE PRESIDENT HAS SEEN

4-23-97

The New York Times

THURSDAY, MARCH 27, 1997

VP - Mr. tell me again why he's wrong about this? ~~How~~ will the Fed at least maintain the air time?

teaches at the Johnson School of Public Affairs at the University of Texas.

By Bob Dole

Giving Away the Airwaves

WASHINGTON
The Clinton Administration, Congress and the Federal Communications Commission are about to make the already difficult job of balancing the Federal budget harder than it has to be. In just a few days, the F.C.C. is going to give away the first broadcast licenses for digital television to broadcasters for absolutely nothing. If the Government sold this new spectrum, it could be worth \$12 billion to \$70 billion.

The network news programs are proud of their commendable watchdog segments like "The Fleeing of America," "Reality Check" and "Your Money." But the networks and many newspapers that own TV stations have largely ignored their own fleeing of the taxpayers.

The broadcasters insist that they need these airwaves — on which they will duplicate their programming in digital — to make the transition to high-definition television. O.K., but why not pay a fair price?

Since 1993, wireless phone and direct-broadcast satellite companies have paid for airwaves to upgrade or offer new services. Just last year, the Government auctioned off licenses for lower-quality spectrum, raising a whopping \$20 billion. We don't give away trees to newspaper publishers. Why should we give away more airwaves to broadcasters? The airwaves are a natural resource. They do not belong to the broadcasters, phone companies or any other industry. They belong to the American people.

The stakes in this debate are high. The national debt now exceeds \$5 trillion. This year, the budget deficit is expected to top \$112 billion. Balancing the budget with the help of proceeds from the new digital spectrum could lower interest rates by two percentage points, reducing costs for home mortgages and student loans.

While the needs of less economically viable stations and those in rural areas should be considered, broadcasters should be expected to pay for

additional spectrum. After all, broadcasters have a long history of paying top dollar for existing channels. And the new technology will allow them to cram other potentially lucrative services — additional TV stations and CD-quality radio broadcasts — into the same amount of spectrum that currently accommodates one TV signal.

The Clinton Administration and a majority of the F.C.C. commissioners insist that the transition to the digital spectrum will allow the Government to sell the old analog spectrum by 2002. Indeed, the projected money from this sale is used by President Clinton to claim a balanced budget by then. But few believe Mr. Clinton's budget is really balanced, and even fewer believe the transition to high-definition TV can be completed according to his timetable.

As it is, this mandated transition to digital television is going to cost taxpayers plenty. Consumers will find their current televisions rendered obsolete by digital broadcasts. Replacing all 222 million TV sets in the country could cost upward of \$200

billion. That's pretty serious sticker shock for "free" broadcast television.

Before leaving the Senate, I secured a written commitment from the Congressional leadership and all five F.C.C. commissioners to prohibit the distribution of digital-TV licenses until Congress passed legislation concerning the use of these airwaves. Strangely, no new laws have been passed, and the resolve of members of Congress has melted (with the exception of Senator John McCain). And despite their commitment, F.C.C. commissioners plan to proceed with the giveaway.

Given recent developments, what's the rush? Broadcasters are scrambling to meet the Government's timetable. President Clinton belatedly proposed that in exchange for the licenses, broadcasters provide free time to political candidates. Still others propose trading licenses for a stronger TV-ratings system. At the very least, the next step should be to let the free market work and delay the giveaway until politicians and regulators get their priorities straight.

Taxpayers should demand better from the President, Congress, the F.C.C. and the broadcasters. After all, we're talking about billions of dollars — and that's your money. □

Bob Dole, the former Senate majority leader, was the 1996 Republican Presidential candidate.

associations with witnesses or suspects.

Should American students be more British or
selection, as
The current
ded, and in
er hand, grill-
r biases is no
given the re-
ss can report.
can afford to
because they
ly to have in-
al jurors. Any
on the Amer-
sisted.

ts of lawyers

to manipulate a trial by selecting a favour-
able jury, there is little hard evidence that
this works. In a recent book ("We, The Jury";
Basic Books, 1994), Jeffrey Abramson, a pro-
fessor of politics at Brandeis University, ex-
amines six famous cases in which jury se-
lection was held to have influenced the
verdict. In each, he argues, the jurors were
in fact able to put to one side their sup-
posed biases (based, for example, on their
age, race or sex) and instead came to a ver-
dict based on the evidence before them.
With luck, the jurors in the McVeigh trial,
whoever they are, will do the same.

Education

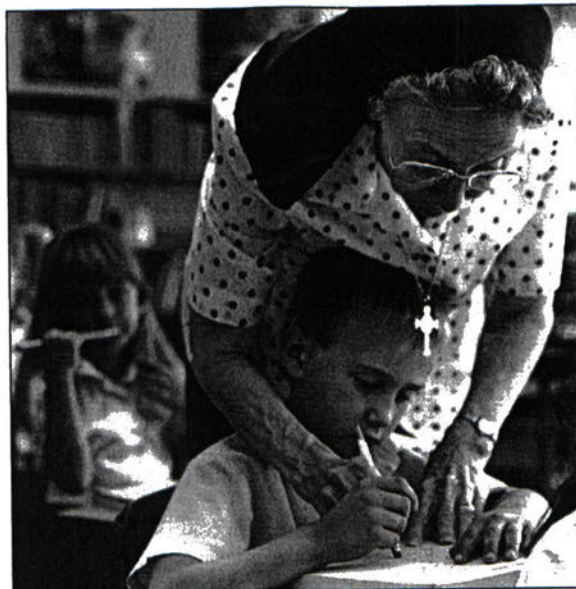
Answered prayer

CHICAGO

PUT in a call to Hales Franciscan school
in Chicago, and the answerphone mes-
sage tells you that "100% of our 1996 stu-
dents were admitted to college." Arrive at
the school at 8.45 in the morning, and 300
black teenagers in crisp white shirts and
ties are getting down, in total quiet, to a
school day heavy with English and math-
ematics. Hales Franciscan is a sterling suc-
cess story—all the more so because it sits in
a part of the city where most of the children
are on financial assistance and where, as
one local man puts it, "You would not want
your car to break down."

Catholic schools like this one may
sometimes appear old-fashioned and
other-worldly; but they are increasingly
popular in America. Enrolment in such
schools has grown in each of the past four
years, and their 2.6m pupils represent the
majority of America's privately educated
children. They also continue to draw wide-
spread admiration for their solid results, es-
pecially in districts where the state schools
are failing.

The issue of what public schools can
learn from Catholic ones is nowhere more
lively than in Chicago. The city has a
sprawling public-school system with
413,000 children and some of the worst ac-



G for God and G for Graduation

ademic results in the country. It is also
home to the Catholic archdiocese's 323
schools, with 135,000 children, who rou-
tinely outperform the public schools in ac-
ademic tests and graduation rates. One of
Chicago's Catholic elementary schools, St
Agnes of Bohemia, teaches 580 Latino chil-
dren in a poor district from which even bo-
hemians have long since departed. Yet 95%
of its students, who are taught in English
only, go on to graduate, compared with
40% of Latino students in the city's state
schools.

The head of the state-school system,
Paul Vallas, wants more co-operation with
the Catholic schools. Since he took on the
task of improving the state schools two
years ago, Mr Vallas has sent out teams to
interview Catholic school principals. He
has encouraged the copying of things such
as uniforms and discipline, and he has
talked of borrowing from the Catholic
schools' curriculum, which has less "fluff"
than the many optional courses in the state
schools. Further plans include sharing fa-
cilities, possibly even teachers.

In Springfield, the Illinois state capital,
legislation has been proposed to introduce
a voucher system in Chicago that would al-
low state-school students to use public
money to attend Catholic schools. Al-
though such a plan has been blocked in the
courts in Milwaukee, Wisconsin, just up the
lake to the north, it has been approved by
the courts in Cleveland, 300 miles to the
east; and the superintendent of the Catho-
lic schools in Chicago is enthusiastic about
it. She has also campaigned for another bill
that would strengthen the Catholic schools
by providing fee-payers with a tax credit.

Most Americans still have to be con-
vinced, however. In opinion polls, school
choice and vouchers continue to receive
mixed reactions, and people are not yet

persuaded that Catholic
schools are better. If the
Catholic schools select
abler students to start with,
and those students often
come from wealthier
households where the par-
ents take more interest in
their children's education,
can the performances of
private and state schools
really be compared?

The University of Chi-
cago has led the way in in-
vestigating such questions.
Sociologists there have pro-
duced statistical evidence
to show that Catholic
schools improve test re-
sults regardless of pupils'
backgrounds. Other aca-
demics from the university
have gone on to identify
the aspects of Catholic

schools—their discipline, their sense of
community and their curriculum—which
help them to do this.

The most sophisticated statistical anal-
ysis* comes from Derek Neal, an econom-
ics professor at the University of Chicago
and a fellow at the National Bureau of Eco-
nomic Research. Mr Neal found that Catho-
lic schools do not always improve stu-
dents' performance; indeed, for white
children in the suburbs, they are no better
than state schools. But he found an "enor-
mous" difference in Catholic schools'
graduation rates for black and Latino chil-
dren in urban areas. Attending a Catholic
school gave a child with such a background
an 88% chance of graduating on average,
compared with 62% in the state system. The
same child, he found, would also have a
better chance of graduating from college,
and would be likely to make about 8% more
in wages later on.

Although students at Catholic schools
tend to come from wealthier family back-
grounds, Mr Neal allowed for that. He iso-
lated no fewer than 20 demographic fac-
tors, including whether the parents were
well-educated or single. The results were
consistent: Catholic schools got better re-
sults.

They also appear to use money more ef-
fectively than state schools. According to
Brother Donald Houde of the Archdiocese
of Chicago, the Catholic schools spend
about a third less than state ones on each
high-school student. Phyllis Winter, head of
the Children of Peace school in west Chi-
cago, makes the same case for younger chil-
dren. Children of Peace charges \$1,650 a
year for each pupil between the ages of

* "The Effects of Catholic Secondary Schooling on Educa-
tional Achievement", by Derek Neal. *Journal of Labour
Economics*. January 1997.

three and ten. Add gifts and grants from the church, and it adds up to spending of \$2,500 per pupil. State schools spend about \$4,000. Children of Peace also teaches deaf children, and there the cost differential is even bigger.

Lower teachers' pay is the main reason why Catholic schools are cheaper. A starting salary at Children of Peace is \$19,500; at a typical state elementary school it is \$29,600. That, of course, is one reason why efforts to intertwine the private schools more closely with the public sector, which is heavily unionised, are fraught with difficulty. Still, let Americans count their blessings. The teachers and administrators who work in Catholic schools for modest pay not only turn out sterling results. The fact that they educate children outside the state network saves the taxpayers billions.

Developing New York

This island race

NEW YORK

THE islands dotted around the waters off Manhattan may do much for the area's natural beauty, but they are doing less for the nerves of New York's authorities. Just over a year ago President Clinton offered to hand Governors Island to New York for \$1—on condition that it came up with a plan to develop the island for public use. New York has dithered, so the government may now sell the island to developers for up to \$500m. To add to New York's island woes, on April 1st a Supreme Court arbitrator recommended that a 170-year dispute with New Jersey over control of Ellis Island, the immigrant gateway that New York has long thought of as its own, should be settled by dividing the island in two—

with New Jersey getting most of the land. Rudolph Giuliani, New York's mayor, described the decision as "a fix".

Neither case is as straightforward as it appears. Governors Island, named in 1698 when it was set aside under British rule "for the benefit and accommodation of His Majesty's governors", is to be vacated later this year by the Coast Guard, which has been its tenant since 1966. Whoever takes over the 172-acre (70-hectare) island will also inherit the maintenance of its historic buildings and infrastructure, which the city estimates costs over \$30m a year. Access to the island is only by ferry, which must also be paid for—and expanded if the public is to be granted landing rights for the first time since the Revolution. And then there is the matter of transforming the island for public use. One proposal by the Regional Plan Association envisages "something like Central Park with a large water feature". It does not, however, envisage its cost.

Whereas Governors Island may yet end up in the hands of developers, New York is much less nonchalant about the future of Ellis Island. The forebears of two out of every five Americans passed through the island's immigrant-processing centre between 1892 and 1954—among them the grandparents of George Pataki, New York's governor. In its first 32 years (after which Congress curbed mass immigration), 16m immigrants passed through the centre. They then took the ferry to New York, where a third of them subsequently settled. That is why New Yorkers are so adamant that Ellis Island should be part of the Empire State rather than the Garden State.

New Jersey agrees that Ellis Island should belong to New York—but only the 3.3 acres that originally made up the isle, which was bought by New York state in 1808 and then turned over to the federal government. Between 1890 and 1936, how-

ever, landfill increased the size of Ellis Island to 27.5 acres. And since New Jersey, thanks to an 1834 settlement, already had rights to the waters displaced by landfill, the arbitrator has recommended handing control of only five of Ellis Island's acres (among them the original rock) to New York. If the Supreme Court accepts this ruling later this year, the two states will have to work out a way to share the island's tax and tourism revenues. That could take another 170 years.

Care in the community

The doubts grow

SAN FRANCISCO

EVEN in California, most relaxed of states, they are starting to worry about "care in the community". California has its share of mentally retarded people and sufferers from autism, cerebral palsy and epilepsy. It has six residential institutions which currently look after 3,362 of them. Another 141,975 come under the care of 21 regional centres; some live with their families, some in licensed care homes, a few in their own apartments, but all of them are watched over by the regional centres. The balance has lately been tilting away from the residential institutions (their number fell from seven to six last year, and there will be only five after June), and some Californians want to stop the trend.

Until recently, California was the most hesitant of the big states to try letting these unfortunates live outside the big institutions. Between 1980 and 1993 only about 27% of those in institutions moved out to community living. The figure in New York was 72%, in Michigan 87%, in Florida 51%. But the Californian pattern started to change in 1994, after a court case brought by parents whose son had been injured in a state hospital while scuffling with other youthful patients. They wanted to get more of the disabled out of such institutions. They won a settlement in which the judge specified that 2,000 should be shifted into care in the community within five years.

The trouble is that this may be risky. Davis Strauss of the University of California at Riverside claims that in 1993 and 1994 the proportion of deaths among adult patients who had moved out into the community was 82% higher than among those who stayed in the residential centres. Among children aged between two and 14, he says, the mortality rate was 23% higher.

These figures are vigorously disputed by Dennis Amundson, the director of the state's clumsily named Department of Developmentally Disabled. But many Californians are prepared to believe them. In the big institutions, after all, doctors and



Yours for a dollar, but hurry up

Keep talking to North Korea

✓

THE PRESIDENT HAS SEEN

4-23-97

But America and South Korea should prepare for the worst

SOME countries are hard to help. North Korea is about the hardest of all. UN food officials say it is on the verge of famine. Its usually secretive regime has admitted that some children have died from malnutrition. Yet even as North Korea extends its begging bowl—this week America chipped in \$15m more for UN relief efforts—it continues to bite the hands trying to feed its hungry people. America and its South Korean “puppets” are roundly abused. Missiles that could strike Japan are readied for testing. So what to make of North Korea’s expected yes (see page 40) to a joint American-South Korean proposal for four-way peace talks (to include China, too) that could ease tensions at one of the world’s most dangerous frontiers? Hope for the best, but prepare for the worst.

Assuming they get going soon, these talks represent the best, because the only, chance of avoiding the worst: either a lunge south by a suicidal North Korean regime, or a violent collapse that would dump thousands of starving refugees in the lap of South Korea, China and Japan. Or even both. One difficulty, however, will be to keep the North Koreans talking.

The four-way proposal was made a year ago, when North Korea was already in dire straits (its economy has shrunk by an estimated 30% since 1990). Both America and South Korea insist, rightly, that large-scale help, beyond emergency aid, can flow only as relations between North and South improve. Yet North Korea has waited until it is on its uppers before responding. Why? Because its leader, Kim Jong Il, would do almost anything—including watch his people die—rather than talk to South Korea. Locked in his private cold war, Mr Kim's priority is his own survival. Too much contact with the prosperous, democratic South might threaten his grip on the

world's last outpost of Stalinism. If talks begin, he will drag his feet, demanding concessions for every step.

Paradoxically, given the menace from North Korea's armed forces—the fifth-largest in the world—and its record of terrorism and clandestine bomb-building, its neighbours would also prefer to help prop up the regime for now, rather than see its sudden collapse. America has 37,000 troops in any firing line in South Korea. Both China and Japan have more to fear than floods of refugees: China is loth to see a united, capitalist Korea on its borders while Japan, not crazy about a united bill it will be expected to pay, would like to see the Koreans blanch at the possibility of an impoverished North—anythin Better to coax the North Koreans to help them raise their dismal lives are a start.

Will history
mans on both s
unify. Five mo
nomic conditio
once the regime
the two Germai
tighter grip on l
his regime. And it will take more than aid, even large dollops
of it, to compensate for decades of centrally planned failure.
What North Korea needs is radical economic reform. But that
entails political risks that Mr Kim has shunned all along.

Indeed, the biggest worry is that it may already be too late to prop up North Korea. By all means hope for a "soft landing" for its crumbling economy. But be prepared for a crash.



copied
Benger
COS

Iran in the dock

ck Sandy
also on back - ~~strategy~~
both working on it
hope to agree on a common strategy

Good reason for America and Europe to agree on a common strategy

IT DID not need a three-year investigation by a German court to convince the open-minded that Iran pursues, intimidates and murders its dissidents, whether armed, or merely outspoken, wherever they may be. But the court's verdict on April 10th—squarely blaming Iran's top leaders for the 1992 assassination of four Iranian Kurds in a Berlin restaurant—makes it impossible to turn a blind eye to the Islamic Republic's villainous side. But what to do? It can be argued, as *The Economist* has done, that America and Europe should stop pursuing contradictory policies towards Iran and find a policy that stands a better chance of persuading Iran to moderate its ways. It is harder to specify what this policy should be.

The Clinton administration, fingering the Iranian regime as an unreformed international terrorist, cut off all dealings in 1995; the following year it slapped sanctions on any non-

American firm that invested in Iranian oil or gas. Although these unilateral American sanctions are an irritation to Iran—nowadays it has to pay more to get American goods by round-about means—their effect on policy has been minimal.

The Europeans, by contrast, went on trading but tried to talk the Iranians into better behaviour. They claim—though it is unprovable—that Iran's record on human rights might have been even worse without their "critical dialogue". Maybe. But the *fatwa* to murder Salman Rushdie remains in force, writers who offend the regime mysteriously disappear and questionable Islamist groups benefit from Iranian gold. It is hard to argue that the now suspended dialogue did much more to change Iran's ways than America's sanctions did.

But suspending, probably ending, the talks and calling diplomats home (all the EU countries, bar Greece, and some



others have recalled their ambassadors, with Iran reciprocating) is not a sufficient answer to the German court's verdict. Iran plainly thinks it can get away with this kind of behaviour, and some European countries, including Germany itself, have given it reason to feel this way (see pages 50 and 44). The episode could end with no more than a bit of huffing in Europe, some demonstrations in Tehran and some Iranian growling about the hideous chemicals that German firms illegally sold to Iraq in the Iran-Iraq war. It should not.

Europe is right in believing that economic and diplomatic pressure has a better chance—slim though it may be—of inducing Iran to mend its ways than packing it off to Coventry. But if pressure is to work, it has to be backed by a credible threat. In the "critical dialogue", it was not: Europe, Iran thought, would do nothing that hurt itself. The Iranians should be nudged to think again. Commercial cooling off is an obvious start: no credits or concessions, a firm no to any export that might have a military use. But if Iran continues to be caught out in villainy, the EU needs to steel itself to go further. After all, Iran depends at least as much on western investment as the West depends on anything that Iran can sell

it, including oil.

The danger inherent in this argument is that Iran, run by multifarious forces, with shadowy security services to the fore, has a huge under-used capacity as troublemaker. The leadership is split between those who favour a western link and those who believe their Islamic Republic would be better off without one. Hostile action by the West, unless carefully prepared for, would bring aid and comfort to the latter group.

Armed action by America could strengthen Iran's men of violence. Newt Gingrich, the speaker of the House of Representatives, has called for air strikes were the administration to conclude that Iran had a hand in the bombing of a military compound in Saudi Arabia that last year killed 19 Americans. This plausible theory has been taken a step further by a *Washington Post* report that a senior Iranian intelligence officer had contacts with a Saudi now held in Canada in connection with the bombing. An armed response, were this proved true, would be understandable—America cannot let its servicemen be blown up with impunity. But a better first step would be economic punishments—provided they really bite, and are joined by Europeans and Americans alike.

A question of leadership

America's trade policy is in a mess. Bill Clinton and Congress share the blame

IF A single word can summarise America's view of its role in the world, it is "leadership". In international diplomacy this is not in doubt. Until recently it was also true in international trade, as America pushed steadily for global trade liberalisation (if not always in ways that this newspaper applauded). Now, however, America's trade policy is in disarray. An uneasy peace has broken out with the European Union over the Helms-Burton anti-Cuba law; another war, over the state of dead American poultry, is on hold until April 29th. Bill Clinton's China policy, in which trade bulks large, is disintegrating. And his dream of free trade in the Americas, beginning with Chile's long-awaited admission to the North American Free-Trade Agreement (NAFTA), is still just that.

In large part, this is Mr Clinton's fault. But blame also belongs at the other end of Pennsylvania Avenue. Too many in Congress see trade as a stick with which to beat the president, not as a route to peace and prosperity. America deserves, and the rest of the world needs, stronger leadership than this.

Once, it was a different story. During Mr Clinton's first two years he and both parties steered first NAFTA and then the legislation to implement the Uruguay round of trade negotiations through Congress, in the teeth of fierce opposition. They put their many differences aside because they knew that freer trade was good for America.

It still is, but where is that leadership now? Take the China fiasco first. "Engaging" China is now the most important plank in Mr Clinton's foreign policy. He wants a deal this year to admit China to the WTO. This is in any case a more difficult task than he thinks—witness the resignation of his two top negotiators (see page 71). But allegations that the Democratic Party accepted election-campaign finance from China last year have left the whole policy hopelessly mired.



The last thing on the minds of congressional leaders, however, is the damage this could do to trade. Foremost is the mischief they can make for the president. So this summer China's "most-favoured-nation" (MFN) trading status (which simply means its goods face the same tariffs as WTO members' do) might not be renewed. Ordinarily it would pass easily. But now some supposed free-traders are "rethinking"—among them the House speaker, Newt Gingrich, who suggests renewing MFN status for six months rather than the usual year. Some leadership. Rather than play games with trade, Congress should stand up for it, and renew MFN.

Slow track

The admission of Chile to NAFTA may look easy. Yet it too is stymied by presidential dithering and congressional mischief. To get started, Mr Clinton needs Congress to give him "fast-track" negotiating authority. But there is huge disagreement over whether labour and environmental standards should play a part in the trade talks. Some Republicans rightly think not; the Democrats' House leader, Richard Gephardt, says America should insist on including them. And Mr Clinton? He is expected to ask for authority this year, but is unsure about what it should cover.

Much of the mess reflects Mr Clinton's habitual indecisiveness in many areas of policy, not just trade. Much also stems from the changes in Congress since 1994. Gone from key committees are trade champions; in their place are lesser lights. There are still free traders on the Hill, but they, and Mr Clinton, have lost the initiative. No wonder that when America speaks of trade, its allies now hear only the North Carolinian tones of Senator Jesse Helms.

Looking for Captain Button

SEATTLE

THE United States Air Force is not in the habit of losing aircraft. Over the past 28 years it has lost only 25 for more than a day, and only two for more than a week. But for more than two weeks now the air force has been thoroughly baffled by the disappearance of an A-10 attack aircraft piloted by a 32-year-old captain with an impeccable service record.

The aircraft, a twin-engine jet used for low-level attacks against tanks and on April 2nd taking off from base near Tucson, Arizona, was piloted by Captain Craig Button. Two other

on the ground saw it as it approached New York Mountain near Vail, Colorado, zig-zagged between the wild peaks for a few minutes, and then disappeared.

The air force has scoured the area where the jet is believed to have crashed, using radar, heat sensors and high-resolution cameras. Military ground crews, as well as hundreds of volunteers, have slogged over snow-covered hillsides hoping to find the jet. As *The Economist* went to press, they had still found nothing.

In the absence of the A-10 itself, rumours have abounded. One possibility suggested early on was that Captain Button had fallen ill. But witnesses said he

seemed to be in full control of the jet, not flying on autopilot, as he manoeuvred over the Rocky Mountains. It has also been proposed that Captain Button was despondent, and used the \$9m jet to commit suicide. His father, an air-force pilot himself, dismisses that notion. Meanwhile, the air force has quietly admitted investigating Captain Button's background in search of connections with anti-government groups, common in Colorado, that might want to steal such a jet. This seems far-fetched, but has not stopped the air force from using penetrating radar to check whether the A-10 and its four 500-pound bombs are sitting in a building somewhere near Denver.

Whatever the reasons for Captain Button's flight, there is sadly little reasonable doubt as to how it ended. Out of fuel, and

without advanced terrain-detecting radar, the A-10 almost certainly ploughed into a mountainside. There, mixed with snow, rocks and trees in an area hundreds of square miles in size, it may well evade searchers for weeks, perhaps years. "The A-10 is not like a 747 that will knock down a hillside-worth of trees," said John Pike, a scientist familiar with airborne search equipment, in an interview with the *Post*. "Some hunter will find it 30 years from now."



THE PRESIDENT HAS SEEN

Last seen near New York Mountain

nothing.

In fact, Captain Button's A-10 had not crashed. Instead it had embarked on a mystifying flight of some 800 miles, crossing over Arizona, New Mexico and Colorado. Several radar stations tracked the aircraft and dozens of people

only when one employee escaped through a ventilation shaft. Lesser abuses are widespread. A 1996 survey of Californian garment firms found that 99% were in breach of wage, health-and-safety or state-registration laws; on one estimate, around half of the country's 22,000 clothing contractors do not pay the minimum wage. Up against such devious and determined opposition, the anti-sweatshop agreement may end up as so much window-dressing.

Youth crime (1)

What is a child?

WASHINGTON, DC

HE HAS cute pictures of children on his tie; he has sonograms of his unborn offspring on his office door; he has a child's puzzle on his conference table. But Kent Markus, the Justice Department's top man on youth crime, has more than this: he has a plan to fix child criminals. In the decade to

1995, the arrest rate among 10-17-year-olds jumped by 61%; the arrest rate for murder suspects in this age group leapt by 75%. Moreover, America's teenage population is growing, threatening an explosion of youth crime. Something needs to be done: and yet, to hear his critics tell it, Mr Markus's plan betrays the whole idea of childhood.

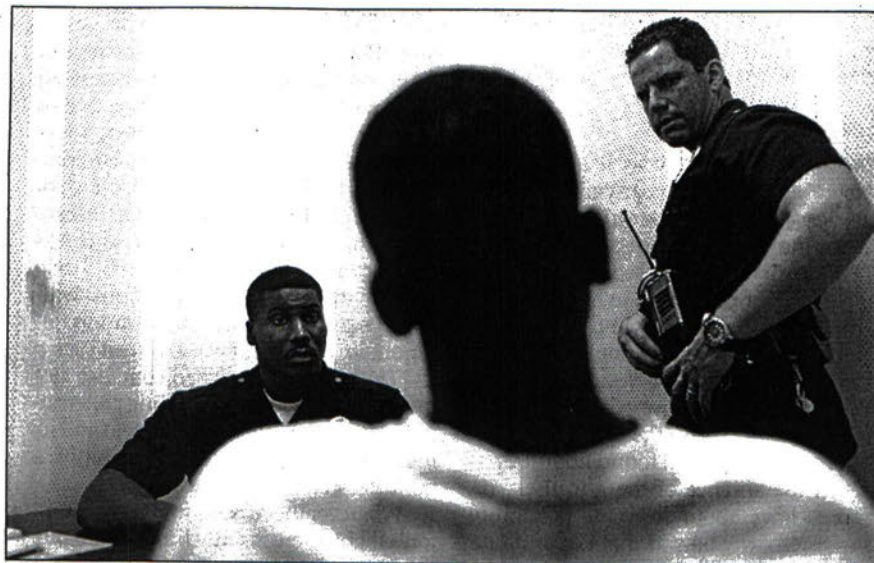
Mr Markus's proposals are laid out in the Clinton administration's juvenile-justice bill, which was sent to Congress last month. They include many unprovocative ideas: more resources for prosecutors, better fingerprint collection. These measures have worked well in Boston, which has made great strides against youth crime (see next story). But the administration's bill also empowers federal courts to imprison children aged 16 or 17 with adults, rather than in separate youth facilities, and to try children as young as 13 in adult courts.

In Congress, Republicans and Democrats alike support these ideas, which are therefore likely to become law. State politicians are behind them too: between 1992 and 1995 40 states passed laws making it

easier to prosecute juveniles as adults. Yet this political consensus is matched by another consensus, equally forthright. Academics of varying stripes insist that children differ fundamentally from adults, so should be treated separately. Children are less responsible for what they do, the argument goes, so less deserving of retribution; they are more malleable, so more deserving of attempts at rehabilitation.

The academics find support in two studies of state attempts to treat children as adults. The first is by Charles Frazier of the University of Florida. Mr Frazier compared Florida youths transferred to adult courts with others who, though charged with the same crimes, remained in the juvenile system; he also matched age, race, gender and previous criminal records in the two groups. He found that those tried as adults were more likely to be arrested again; that these rearrests tended to happen sooner; and that the offences that prompted them were more serious than those committed by youths tried in juvenile courts.

The second study is by Jeffrey Fagan of



Uncomfortable in adult company

Columbia University. He compared 15- and 16-year-old robbers and burglars in New York with those across the border in New Jersey: in New York offenders went to adult courts, in New Jersey they went to juvenile ones. Again, the adult courts did not prove helpful. New York offenders, though similar in profile to their New Jersey counterparts when the study began, turned out worse later on: they were more likely to be rearrested, and these rearrests came sooner.

Back at the Justice Department, Mr Markus knows all about this research; but he remains undaunted. He challenges the academics' methodology, suggesting that even though the studies went to considerable lengths to match youths in the two systems, they may not have gone far enough. If two teenagers team up to rob a grocery store, for example, both may be caught and charged with burglary. Yet one may have pistol-whipped the store keeper, while the second may merely have acted as a lookout. In such cases, prosecutors may transfer the nastier offender to the adult courts, leaving the accomplice in the juvenile system. This in turn may have distorted the academics' findings.

Besides, Mr Markus simply does not believe that the premise of juvenile courts—that children differ from adults—holds in all cases. Some 16-year-olds are as hardened as adults, he says. Prosecutors, therefore, should have the discretion to transfer teenagers to adult courts; they should be trusted not to abuse this by transferring immature defendants, for whom rehabilitation is more appropriate than punishment.

In the end, this is the choice: trust the academics' research, or trust prosecutorial discretion. Some people—indeed, some prosecutors—suspect that prosecutors may be too hard-pressed to exercise discretion wisely. On the other hand, the academics concede that their research is not foolproof.

Messrs Fagan and Frazier are both doing new studies, paid for by the Justice Department, which will refine the control groups. By the time the results are in, Mr Markus's bill will probably have been enacted.

Youth crime (2) Strangled

BOSTON

WHEN it comes to crime-busting, New Yorkers have hogged the limelight. But Boston has as much right to brag, particularly when it comes to curbing youth crime. In 1996, the city had no gang murders. The last homicide by a juvenile was in July 1995; school crime is down; and juvenile assaults with guns have dropped by two-thirds since 1993.

The city has come a long way since 1990, when there were a record 152 homicides; 18 of these were of people aged 16 or under. Crack had hit town, and guns were spreading. In response, the police department moved towards neighbourhood policing, and established the Youth Violence Strike Force to challenge the gangs on their own turf.

Operation Night Light put probation officers into police cars to make evening spot-checks on their more difficult charges. The most dangerous offenders now know they are under scrutiny, and that any misstep may mean prison; less dangerous ones have an excuse to stay off the streets. As a carrot to this stick, officers with Night Light help send children to summer camps and get them jobs.

Another initiative, Operation Cease-Fire, was designed (using research from Harvard) to disrupt the market in guns and target the nastiest gang members. Gangs

were told that they were being watched; if they doubted that the authorities were serious, they were convinced by a massive night-time sweep, involving a dozen agencies, that cleaned out the Intervale Posse. National Guard units razed the gang's meeting area, while police arrested 23 members on drugs charges. Right behind the cops were city workers, scrubbing off graffiti and boarding up derelict buildings. And after them came social workers who set up sports and literature programmes.

This blurring of the previously sharp line between social and police work has much improved community relations with the police. Complaints about police behaviour, which reached 460 in 1990, were down to 248 in 1995, although there are almost 600 more officers about. The department has tapped this good feeling to hold well-attended meetings to define a set of goals for each of Boston's 14 districts—from reducing public drunkenness in one district to clearing out crime dens in another.

On the punishment side, the emphasis has been on getting the worst offenders to do serious time. Co-operation with federal prosecutors, once notoriously bad, has improved. In one case, a firearms trafficker mockingly tossed a round of ammunition in police officers' faces. They charged him with possession of ammunition—a violation of his parole that prosecutors were happy to turn into a federal case. The outcome: an 18-year sentence.

Getting high-risk offenders into prison early in their careers helps cut crime rates down the line. The emphasis, however, is not on prison for everyone. Police work with parole officers to find alternative punishments for the not-so-rotten apples. First-time drug offenders go to a drug court and are usually referred for treatment.

Timing helped Boston's turnaround. Once the crack market stabilised, violence was bound to fall; and the number of teenagers in the city has dipped. But police departments around the country are paying Boston cops the ultimate compliment: stealing their ideas.

Youth crime (3) Gangsters' tales

CHICAGO

HOW do gangs work? Few occasions offer such an opportunity to peer behind the veil as the current trial of Larry Hoover, the "King" or "Chairman" of the Gangster Disciples, which is said to be the biggest of America's street gangs.

This gang operated, according to the federal government, with "the efficiency of a Fortune 500 company". The prosecutors say that Mr Hoover masterminded the

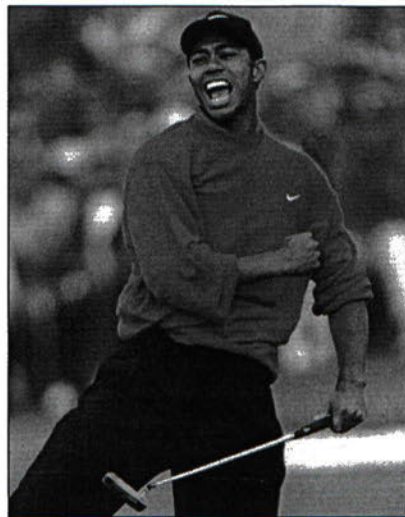
Burning bright

NOT since Kim Jong Il's five holes-in-one on his first day on the links, which may have owed a little to the North Korean dictator's hagiographer, has golf seen anything like the feat achieved last week at the Masters tournament in Augusta, Georgia, by Eldrick "Tiger" Woods, a 21-year-old African-Thai-American-Indian. Sweeping the ball further than anyone thought possible, reducing the course's mighty par-fives to a drive and a pitching wedge, Mr Woods won by a record-breaking 12 strokes. If Tiger is this good at 21, what will he be like at 35, the age when golfers usually peak?

For the game and its sponsors, Tiger's arrival could not have been more timely. Golf lacks a superstar. Greg Norman, an Australian, is handsome, but wobbles under pressure; Nick Faldo, the Briton who is probably the best golfer of the past decade, does not smile enough; John Daly, the only pro who approaches Tiger's length off the tee, is an admitted alcoholic and brawler with a hideous hair-do and a gut like a beach ball.

Mr Woods, by contrast, is almost too good to be real: courteous, intelligent and with a blindingly white grin. Nike was thought rash to give him a rumoured \$40m sponsorship contract the day he turned professional nine months ago. Now the sporting-goods firm is congratulating

itself on a bargain. The tops and caps Tiger wore on each day of the Masters were pre-planned so that Nike could have replicas in the shops the same day. Some of his fellow professionals are worried that Mr Woods is so much better than everyone else that he will scoop up all the sponsorship cash. But it seems more likely that, by making the game look cool to teenagers and drawing bigger television audiences, he will swell the money-pot for everyone.



How big a victory?

Now, as the first non-white winner of one of the game's four major tournaments, can Mr Woods do anything to purge the bigotry from golf? This will be quite a task. Golf is a notoriously snobbish sport. Until recently, all the members at Augusta were white, and all the caddies were black. Lee Elder, the first black professional to compete in the Masters (in 1975), had to be escorted around the course by four armed policemen. The fact that most of the better courses are owned by self-selecting private clubs makes them hard to desegregate. Accused during the 1992 presidential campaign of belonging to a golf club that excluded Jews, Ross Perot countered that the club did not bar Jews—it simply didn't have any Jewish members.

Mr Woods's success is not going to mean that black Americans suddenly start to play more golf than basketball. There is little room for spacious country clubs in inner cities, where blacks tend to live. And money, which black folks often lack, is a prerequisite for the sport. Hoops are cheap, but golf clothes, equipment and green fees are expensive. Top golfers, unlike champion boxers, usually have rich daddies.

Baseball started admitting black players, in the person of the great Jackie Robinson, 50 years ago this week; American football did so around the same time. Golf is a harder nut to crack. But if anyone can integrate the fairways, Mr Woods can.

gang's operations even while he was in prison. They have called him an "organisational genius", likening the gang's drug-retailing acumen to the hamburger-selling might of McDonald's. The Chicago-based gang is reckoned to have had revenues of \$100m a year.

Among the evidence offered is a computer file allegedly seized by the government which describes the gang's staff system and the way it ran its territory. It lists 96 officials with titles such as "governor", "regent" and "co-ordinator", and ties each to a specific area. A patch of South Side Chicago around 49th and State Streets was run by a governor, "Boo G", and an assistant governor by the name of "Crusher". Five sub-divisions were run by regents, including "Goodie", in whose area the document notes that there are "40 2/4s". The "2" stands for "B" and the "4" for "D"; the "BDs" are a rival gang, the Black Disciples.

The computer file suggests a startlingly sophisticated organisation. Some entries about rival gangs include meticulous asterisks and footnotes explaining that "there is a question of accuracy regarding this information pending further investigation." Some people have doubted the reliability

of the document, but it fits the evidence from the trial itself: "Boo G" and "Crusher" are both recognised gang members, and indeed are on trial with Mr Hoover.

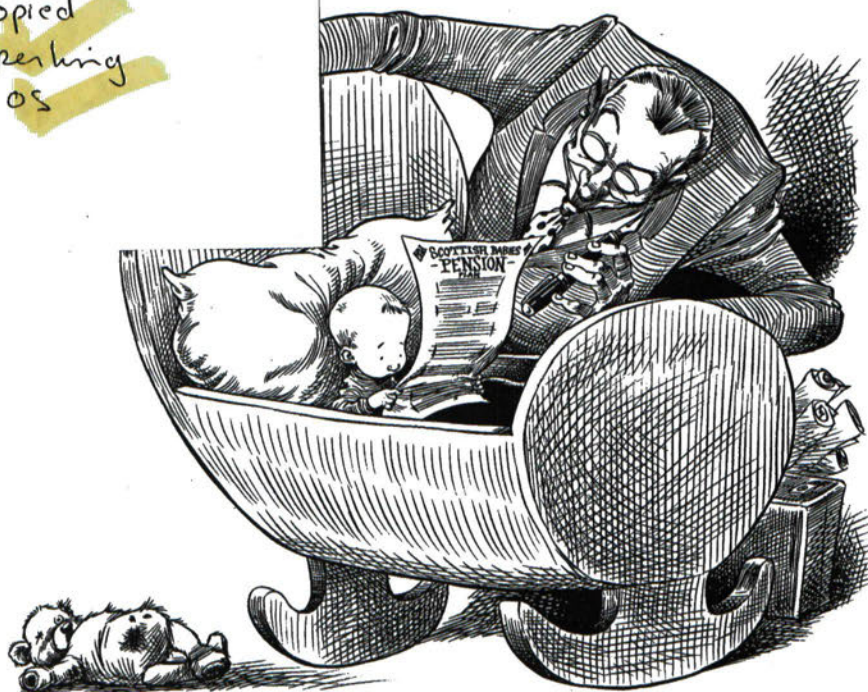
One witness says he earned over \$100,000 a month selling bags of crack cocaine through an army of about 50 street-corner retailers. The gang's hierarchy took a cut of that, he said. All drug-sellers had to pay \$45 in weekly dues, including \$5 for "political contributions" (marches and rallies) and \$35 for the right to sell in Gangster Disciple territory. ("Ain't much to pay for your life," Mr Hoover is said to have observed.)

In what is claimed to be a secretly taped discussion, Mr Hoover is alleged to discuss a new dues system that would claim one day's worth of sales each week. This, he estimated, would bring in \$1m a month. The leaders got even more money by requiring members to buy clothes or attend concerts and outdoor events. On April 15th, new evidence produced at the trial showed that much of the money was laundered by buying gold, diamonds and Rolex watches.

Methods of enforcing discipline are described in other alleged recordings. A taped conversation catches a gang member ap-

parently calling into a prison to order another member's beating. Secret tapes, made by concealing a wafer-thin microphone in prison visitors' badges, appear to record Mr Hoover and others talking about murders and beatings. Some of the conversations are hard to follow, and are spattered with obscenities. The mostly white jury and the dozen lawyers in the case have digested them by following the dialogue on a television screen with subtitles.

If the tapes, the most damning evidence, lead to the conviction of those on trial, Mr Hoover will be moved from the Illinois state prison system—where he has been for over 20 years, and where his gang has been linked to internal drug smuggling, pay-offs and infiltration of prison guards—to a maximum-security federal prison outside the state. The theory is that the isolation would end his reign and weaken the gang. That looks plausible. After convictions of a dozen Gangster Disciples last year, there have been signs of declining discipline and several internecine murders. Now, with the chance that Mr Hoover will be entirely cut off, an even more debilitating leadership struggle could ensue.

Copied
Spelling
COS

Tomorrow's pensioners

New Tory proposals would mean no state pension for most of today's infants when they retire. This sounds scary, but it makes good sense

REFORMING the welfare state is one of those nettles that politicians on all sides agree privately will have to be grasped—as long as someone else does the grasping. So it came as a bolt from the blue on March 5th when John Major announced radical proposals which, over a couple of generations, would abolish the state pension for most people. The Labour Party was so shocked by this dramatic turn of events that for several hours it had nothing to say beyond some reflex muttering about “chilling prospects”.

The core of Mr Major's proposal is for the current basic state pension—worth around £61 (\$98) a week to a retired single man, £95 for a couple—to be replaced with a compulsory, privately provided pension. This would be known as “basic pension plus”. Anyone already working would be unaffected. But anyone entering the labour market after the scheme is introduced—around 2000 if the Tories somehow manage to be re-elected—would be required to take out such a pension from an approved private fund manager or insurance firm.

To pay for the new pension, the government would give back to new workers about £9 a week of their national insurance contributions. The government actuary calculates that, when invested over a working lifetime, this amount should generate big enough returns to pay a pension of at least equal value in real terms to the current basic state pension. In the unlikely event that it did not generate large enough returns, the government would make good the shortfall from public funds.

The state earnings-related pension fund (SERPS) would be gradually wound up, so no-one with the new “basic pension plus” would be eligible to join it. However, they would receive a rebate worth 5% of that part of their earnings on which national insurance is levied. They would have to invest this in a second, earnings-related pension (which could be merged with the basic pension plus), to which they would also be able to make further voluntary contributions.

What would all these changes achieve? First, they would reduce public spending by around £40 billion a year in real terms.

Unfortunately, they would not do so until around 2040. In the short term the burden of taxation would rise as existing pension obligations are met at the same time as the new funded system is built up. At its peak, this would increase the overall pension bill for all taxpayers by around £7 billion a year. Fortunately, as our chart on the next page shows, Britain does not face the sort of ballooning state pension costs that loom over countries such as Germany, Japan and even America.

The reason that Britain's public finances do not face a pensions time-bomb is that, since the early 1980s, the Tories have been reducing the role of the state in pension provision and increasing that of the private sector. In particular, they announced that increases to the basic pension would no longer be linked to the rise in average earnings, but to inflation, which is usually lower. In the mid-1980s the Tories encouraged people to opt out of SERPS, and created new private-sector personal pensions for many of them to opt into. They then cut the benefits promised by SERPS.

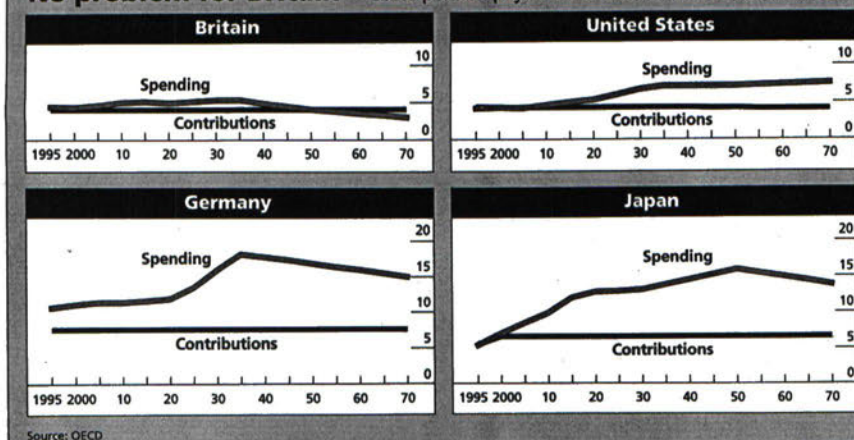
The new proposals would complete this process. Pensions would be provided entirely by the private sector, with the state intervening only as a last resort for the genuinely needy. And the whole pension system would be funded: pensions would be paid from the revenues earned on money invested by the pensioner during his working life. Although Britain has long had a large funded private pension system, its state pension system operates on a “pay-as-you-go” basis, with today's pensions paid for with taxes levied on today's workers.

Not all economists agree that a fully-funded pension system is desirable. They argue that it may expose pensioners too much to financial-market risk. And they point to the danger of fraud and mis-selling in the private sector. Certainly, the government was embarrassed by the collapse of pension funds controlled by the late Robert Maxwell, and by the sale of inappropriate personal pensions by insurance companies. However, it argues plausibly that these problems have now been tackled through tougher regulation—and points out that the state would continue to guarantee the minimum pension. It also argues that the huge costs associated with selling personal pensions would not apply to the “basic pension plus”—because these would be compulsory, there should be no need to spend a fortune persuading people to buy one, as happened with personal pensions.

Funded pensions are considerably less exposed to the risk of being plundered by

No problem for Britain

State-pension payments and contributions, as % of GDP



Source: OECD

politicians, whereas pay-as-you-go state pensions have a long record of being reduced in value by governments looking to save money, as the Tories themselves did. Moreover, because it would be funded, the basic pension plus could be much larger than today's basic state pension: since 1979, the annual rate of return on private pensions was double that assumed by the government in drawing up its plans. And funded pensions might boost the rate of growth of GDP by increasing the amount of saving and, thus, investment in the economy. Britain's savings ratio is low compared with most industrialised countries.

By reducing the state's role to that of setting the overall framework and providing a safety net, and by ensuring that every adult owns his or her own funded pension, the Tories hope to create a massive psychological shift in attitudes to saving. Certainly, two recent studies, "A changing nation" by NatWest, a bank, and "Saving Sense" by Demos, a think-tank, argue that the British now save far too little. The Demos study points out that, although three-quarters of workers contribute to some sort of pension, over 40% of these put in less than £50 a month, which is likely to generate a paltry pension.

A missed opportunity

BELFAST

AS EXPECTED, the talks begun last June in Belfast between all Northern Ireland's political parties except Sinn Féin were adjourned on March 5th. Bipartisan assurances mean they will resume on June 3rd, after the forthcoming British general election and local elections in Ulster on May 21st.

The talks ended as they began with participants divided over the question of when IRA and loyalist weapons would be "decommissioned". Virtually nothing was achieved in the meantime, and few participants believe the talks will make much progress when they resume.

The wrangle about decommissioning only seems to confirm what both the British and Irish governments have been at pains to deny: that the talks, at least in their current form, are doomed to go nowhere until Sinn Féin, the political wing of the IRA, is somehow brought into them. Sinn Féin has been excluded because the IRA has failed to reinstate its ceasefire. Nevertheless the issue of IRA weapons has stymied progress on any other issues.

The mainstream unionist parties want the IRA disarmed in advance of talks, although David Trimble, the leader of the Ulster Unionist Party, the largest unionist party, reluctantly accepts the idea of staged decommissioning during talks. This was the recommendation in January 1996 by a three-man commission led by George Mitchell, the former American senator who has chaired the multiparty talks as well.

Mr Trimble's problem is that Ian Paisley, the bombastic leader of the Democratic Unionist Party, refuses to countenance any form of parallel decommissioning, leaving Mr Trimble open to accusations of a sell-out to the IRA.

All of this is not as academic as it sounds. The IRA is expected to call another ceasefire sometime after the election, especially if Labour wins with a clear majority. Basically the Belfast talks have been stuck on the same issue which has bedevilled the "peace process" since the Anglo-Irish Downing Street Declaration of December 1993: the terms of Sinn Féin's entry to the political process once the IRA stops trying to kill people.

The Tories' new scheme would almost certainly increase saving. Labour says it is keen to encourage savings, and some of its influential MPs, such as Frank Field, favour compulsory pensions. If Labour wins the election, as expected, it would be wise to shed its aversion to private pensions and take up the Tories' ideas, whatever it says about them now.

Young offenders

Misunderstood

"WE must condemn a little more and understand a little less," John Major said in 1993 of Britain's most infamous young offenders, the two ten-year-old boys who killed the toddler James Bulger. Michael Howard, the home secretary, has since adopted a range of measures intended to crack down on young criminals, from reducing the use of cautions to introducing military-style boot camps. Labour, eager to display its new authoritarian streak, followed suit with plans for "final" police warnings and local youth curfews.

So when Mr Howard published a green paper on young offenders on March 4th, it was greeted as another gambit in the game of law-and-order one-upmanship. Yet behind a little bluster about hauling negligent parents into court, Mr Howard's proposals focus not on punishment, but on wet-sounding priorities such as prevention and rehabilitation. The document's surprisingly sympathetic tone may cost the Tories some ground in their propaganda war with Labour, but at least it reflects an attempt to understand, rather than blindly condemn, youth crime.

Neither party denies that young offenders are a serious problem. Half of all young men and one third of all young women in Britain admit to having committed an offence, and one quarter of all known offenders are under 18. The Audit Commission estimates that young people commit 7m crimes each year, which cost victims and the state £4 billion (\$6.4 billion), according to the Home Office. Yet the police solve a mere 5% of these, and only 1.3% end up with a formal charge or court summons.

Among the few young offenders who are actually punished, the reoffending rate is over 40% after a first prosecution, and climbs thereafter. It costs more to keep a child in a young offenders' institution than it would to send him to Eton. Because the population of 15 to 19-year-olds is set to rise over the coming decade, and because young men are taking longer to settle down and abandon crime than in the past, the problem looks set to get worse.

In the 1980s, the political and academic consensus emphasised the rehabilitation

will, all policemen having left.

After Kisangani, where will Zaire's rebels head for? They cannot get to Kinshasa. The roads to the capital are almost non-existent, and there are no boats for going by river. The only route is via the south-east where, as it happens, lie the diamond mines of Mbuji-Mayi in East Kasai, the one source of revenue still available to the government.

Like the southernmost province of Shaba, East Kasai is virtually autonomous already. The rebels' southward advance into Shaba seems to have stopped at Kalemie on Lake Tanganyika. They can afford to leave the province alone; it is the home of Mr Kabila, and therefore expected to support them anyway. But Mbuji-Mayi would be a real plum, though difficult. The inde-

pendent-minded Kasaians may not welcome encroachments by anybody. And diamond fever has the habit, in several African countries, of turning wars into even more murderous free-for-alls.

Drugs in the Americas Time for retreat?

MEXICO CITY AND BOGOTA

THE war on drugs, as the United States likes to call it, has long had its surreal qualities. For one thing, it never seems to get anywhere: even the State Department concedes that it has had "little discernible effect" on the price or availability of narcot-

ics on North American streets. Still, domestic politics has forced President Bill Clinton to stick with prohibition and to name Ban gen copied Mc harby COS war of o has have high proc that agai drug ico, dals usually noisy reaction. The controversy has had three effects, which could force a re-

Take out life insurance before you enter

RIO DE JANEIRO

DEMOCRACY has replaced dictatorship, guerrilla wars are mostly over—but everyday life for Latin Americans has become far less secure. An explosive increase in murders since the mid-1980s has turned Latin America into the world's most criminally violent continent. In the big cities, fear of crime has pushed the rich into the segregated world of walled condominiums. Most of the murders, often of teenagers, occur in the shanty towns on the periphery.

The figures are imprecise. One conservative estimate puts Latin America's average annual murder rate at 20 per 100,000 people, double that of the United States. Colombia, where violence is partly an offshoot of the drugs business, remains at the top of the World Bank's league. But El Salvador (its guerrilla war long over and not on the bank's list) is now believed to be the world's most violent country, with a murder rate of 140 per 100,000.

Since the mid-1980s, a wave of violence has spread across much of Latin America. The murder rate has climbed sharply in cities such as Sao Paulo in Brazil (48 per 100,000 in 1995) and Caracas in Venezuela (around 60). Lesser crimes have grown, too. In Mexico city's Federal District, the better-off part of the capital, robberies have almost doubled since 1994. Last year 157 vehicles were stolen each day, a fourfold increase since 1990.

"Rather than being an aberration, Colombia may be a precursor," Francisco Thoumi, an economist at the Woodrow Wilson Centre in Washington, DC, told a seminar on urban violence held in Rio de Janeiro this week by the Inter-American Development Bank (IDB). The causes of this explosion of crime are complex. In

Drugs, poverty, bad police

Murder rates per 100,000 population

	Late 70s-early 80s	Late 80s-early 90s
Colombia	20.5	89.5
Brazil	11.5	19.7
Mexico	18.2	17.8
Venezuela	11.7	15.2
Trinidad and Tobago	2.1	12.6
Peru	2.4	11.5
Panama	2.1	10.9
Ecuador	6.4	10.3
United States	10.7	10.1
Argentina	3.9	4.8
Uruguay	2.6	4.4
Paraguay	5.1	4.0
Chile	2.6	3.0

Source: World Bank

Colombia and El Salvador, it may be rooted in historical conflicts over land. Elsewhere it is often the consequence of Latin America's chaotically rapid urbanisation: more than 75% of the population now lives in cities, most of them marked by the geographical segregation of rich from poor. On top of this, Latin America's recent adoption of market economics has led, at least in the short term, to rising unemployment and cuts in such welfare provision as existed.

Many of the children and grandchildren of the migrants who left the settled rural world of the 1950s and 1960s now face a seemingly jobless life in the shanty towns. The consumption of alcohol and, to a lesser extent, of drugs is growing. Extreme inequalities of wealth and widespread corruption, often related to drugs, undermine the authority of the estab-

lished order. When politicians get rich on drugs money, and businessmen owe their wealth to tax evasion or padded government contracts, why should the poor be honest?

Worse, when violent crime reaches current levels, it overwhelms conventional methods of prevention and control, argues Luis Ratinoff, a consultant for the IDB. When they have not become criminals themselves, the police forsake detection for repression. The courts are choked. The rich turn to private security firms or strike deals with criminal gangs or death squads.

This human tragedy is also an economic problem. Javed Burki, the World Bank's top official for Latin America, reckons that the region's income would be 25% higher if its level of violence were similar to that of the rest of the world. Mauricio Rubio, an economist at Bogota's University of the Andes, calculates that violence, scaring off investors and tourists, is costing Colombia two percentage points of growth each year.

What is to be done? In Colombia, some officials treat violent crime as a public-health problem, identifying "risk factors" such as alcohol consumption and possession of guns. By curtailing late-night alcohol sales and organising amnesties for the surrender of unlicensed guns, the city of Cali has cut its murder rate by a fifth in two years. Brazil has just approved a law penalising people for carrying a gun without a permit.

But if Latin America's cities are to be pacified, more effort needs to be put into improving social conditions. Bigger and better-trained police forces are also called for: Sao Paulo has half as many policemen per 1,000 inhabitants as New York, and four times as many murders. Above all, governments have to develop the will to do something serious.

benefit southern
aging efficient
r trade should
region should
ne small coun-
neighbour. For
tiant conglom-

~~222~~ medicine
82

Spec/Policy

as well as the
report - principal in standard
four - as shown report
bying from 20 kid to standard
standard (think -
need to be putting this
PX

THE PRESIDENT
4-23-97

Copied
Reed
Emanuel
COS

By John Ritter
USA TODAY

THE PRESIDENT HAS SEEN
4-23-97

Wynn Seale Middle School was once so dysfunctional, and its students' performance so low, that school officials did the educational equivalent of throwing up their hands. They "disestablished" the school, brought in a new principal and let him handpick his teachers.

That was three years ago, when fewer than one in four Wynn Seale students passed state math tests. Today, 60% pass. Reading and writing scores are up almost as much.

Wynn Seale's kids come from the city's most gang-infested neighborhoods, so poor that 95% of the kids qualify for free or subsidized school lunches.

Stern discipline helped turn around this knot of low expectations. But the real key to better performance was a single-minded focus on establishing tough academic standards, a focus that has made this south Texas port city virtually without equal nationwide.

"Standards took the mystery out of learning," says Wynn Seale principal Richard Peltz. "Our kids know exactly what's expected of them. And they know we expect a lot. There aren't any more excuses."

The hue and cry for higher standards has gained momentum in the last decade behind corporate leaders, education reformers and politicians, including President Clinton. But the pace of school reform and the move to curriculums based on standards have been slow.

Supporters say tough standards are a way to inject consistency and competitiveness into American schools at a time when students change schools often, when the nation's employers knock schools for turning out unemployable graduates and when U.S. students' test scores trail those of Asian and European students.

Yet, not many schools have tough standards, and even fewer enforce them. Standards are a highly charged issue for school boards and state legislatures. Conservatives often object that the government is trying to dictate what should be taught. Liberals worry about how poor kids, minorities and immigrants will fare when the academic bar is raised.

Little progress nationwide

The public seems to have no appetite for national standards. A Bush administration proposal to set national standards bombed. President Clinton is trying to jawbone the states, but progress is fitful. Of standards that do exist — state or local — few are world-class.

Corpus Christi, however, stands out as an example of what can be done when there is the will to do it. No large school district has pushed the envelope the way this city has. It has set standards for what its 42,000 students should know and be able to do in every subject in every grade — from dates, facts, trends and concepts to problem-solving, experimentation and essay-writing. And it demands that teachers teach them and students learn them.

CORPUS CHRISTI, Texas

As simple as that sounds — as fashionable as it sounds — it's not happening to the degree that education reformers say it should if the nation's schools are to rise above mediocrity.

"What we still see is that it's going to take more than just talk to arrive at high-quality standards," says Matt Gandel, director of education issues for the American Federation of Teachers.

The teachers' union, behind its late president Albert Shanker, has long pushed for tougher standards, and it keeps track of progress. Its annual review last year found that only 15 states have standards in math, English, science and social studies "that are clear, specific and well-grounded in content."

Two states — Iowa and Wyoming — have no standards at all. In 12 states, standards in all four core subjects fail to meet the teachers' union criteria. The remaining 21 states and the District of Columbia have standards that fall in one, two or three subjects.

Most states that have set standards, whether rigorous or not, don't take the critical extra step of requiring students to pass tests based on them. So there's no guarantee schools will use the standards.

And many standards simply don't measure up because they're too vague, wordy or all-inclusive to be useful as practical learning guides.

An example, from Oregon, that falls short: "Students are required to demonstrate the ability to think critically and creatively in solving problems." And one from Corpus Christi that measures up: "Analyze the development of individual rights in the United States from 1865-present."

Texas' standards meet teachers' union criteria in all four subjects, and students from grade three on take state English and math tests annually. But students don't have to pass the tests to be promoted. And although students must pass a high school exit exam to graduate, it is based in part on eighth-grade, not 12th-grade, standards.

Corpus Christi's standards not only are more rigorous than Texas', but students have to master them to graduate.

Pushing for change

So how is it that this oil and petrochemical hub, the nation's sixth-busiest port, a middle-sized city with a Hispanic majority, has moved to the forefront of the academic standards movement?

Employers were complaining that high school graduates lacked basic skills. More than half the graduates who enrolled in a community college were taking at least one remedial class. "Basically there was no consistency in what was being taught," says Sandra Lanier-Lerma, assistant superintendent for instruction.

"I have five Biology I teachers," says King High School principal Sherry Blackett. "There was no way to be sure that students got the same amount of instruction in the most important things."

The realization touched off a two-year crusade that brought together parents, teachers and experts. The final product: *Real World Academic Standards* — 50 pages of the stuff students must know and how they are to show they know it, from pre-kindergarten through 12th grade.

King and 22 other schools tested the standards in 1995-96. All 61 schools adopted them this school year, and every student was immediately accountable.

"Last year no one really liked them," says junior Morgan Switzer, 17. "This year it's a lot easier."

"You study for the performance standards, you learn the information to pass them and then you retain the knowledge much longer than if you had just crammed for an exam."

Senior Hillary Towers, 18, says, "You know exactly what you're supposed to be learning, and you know you have to learn it by the end of the year. You're prepared for it."

Some high school parents balked when their children failed to master standards and lost sports and extracurricular eligibility under Texas' no pass, no play rule.

"We told them student achievement is non-negotiable," Blackett says.

To the surprise of many, the district's overall course failure rate is down slightly this year. The presumption had been that more students would struggle under tougher standards. "Kids will rise to the expectations you set for them," Superintendent Abelardo Saavedra says.

But Corpus Christi's transition was helped by other elements of its standards initiative that experts say are crucial to success:

▶ A discipline code, which stripped away disruptions to learning. Anything that smacks of gang influence — certain caps and jewelry, untucked T-shirts with baggy pants — is banned.

▶ Regular testing that determines whether the standards are being taught. Students must show their mastery of standards as they learn them. Grades don't hinge on one big final exam.

▶ Programs that kick in quickly to help students who are falling behind — before-school and after-school tutoring, Saturday classes and "clustering" students who are struggling with the same standards. Summer school was restructured so students go just long enough to pass standards they had failed.

▶ A ban on "social promotion," allowing students to advance from grade to grade whether they pass. "On the social promotion issue, few if any places match up to Corpus Christi," says Gandel of the teachers union.

Outlawing social promotion may be the best insurance that standards are met, but few districts have the stomach for it. Some experts think the emotional distress children suffer when they're held back is worse than the academic repercussions of promoting kids who fail.

They don't buy that in Corpus Christi, although the real test of the

policy won't come till the end of this school year, when for the first time students could be held back for failing standards. Linda Bridges, president of the teachers union local, says teachers are anxious to see whether the district follows through.

Saavedra says: "We're not going to socially promote."

Taking the next steps

Across the district, there's a level of cooperation that outsiders say is rare in an education bureaucracy. A key to success is that teachers had a central role in drafting the standards.

As a result, Corpus Christi has moved on to issues that aren't even on the radar screens of most other districts. Grading, for example. It became apparent that the best set of standards could fall prey to the grading quirks of teachers. Corpus Christi is now experimenting with scoring criteria for every standard.

Teachers also are shifting to more active and hands-on learning. A buzzword districtwide is "products" — charts, portfolios, displays, demonstrations, research — that students create, often in teams, as they learn. Students are more motivated.

Corpus Christi is trying to incorporate more reading, writing and math into the other subjects. Until high school, you don't take English; you take "language arts," a combination of reading, writing, speaking and listening. A reading course is required for all high school freshmen.

Teachers find that some textbooks no longer measure up to Corpus Christi standards, and that has put a premium on finding other resources. Now it's not just social studies teachers requesting maps for classrooms; language arts and science teachers want them, too.

Math gets a huge push. A goal is that all students pass algebra by eighth grade. Computation takes a back seat to problem-solving. "If students can verbalize about math, they retain it longer," algebra teacher Jerrie Barker says. "What we had been doing was not working."

The district has no meaningful data yet to prove that tougher standards are raising performance. And it may not have any for a few years, because standards are not a quick-

fix. Lanier-Lerma is quick to point out that some schools, and some principals, lag behind others.

But anecdotal evidence is encouraging. Test scores seem to be heading up. Blackett says some of last year's King High graduates who resisted standards the most have come back to tell her they were wrong, that they benefited from a single year of higher expectations.

Most teachers are believers. "Before, you closed your door and you didn't want anyone to know what you were doing," says Ann Rall, a seventh-grade language arts teacher. "Teachers used to keep their successes to themselves. Now we want to share our successes."

In just two years, standards clearly are driving public education here. They dominate school meetings. Banners and posters everywhere preach standards. Teachers laminate them and post them in classrooms. Students know what they have to master and when. Parents

are becoming familiar with them.

"We're after higher-order thinking skills," says Wynn Seale principal Peltz. "We're used to hearing teachers say, 'Tell me, listen, restate.' Now we're hearing 'Evaluate, create, defend, justify, give reasons.'"

Peltz and his teachers have made a lot of progress with Wynn Seale's at-risk student population. But he thinks taking them to the next level, the district's goal of 90% passing state tests, will be much harder. "Anyone can take a school to 60% or 70%," he says. "The research says we're going to plateau next year, and the kids will slip."

"So we'll try more radical strategies. Maybe extend the day, regroup children every other day. Teach, assess and regroup. The paradigm is going to have to be broken by the parents. Maybe the parents of under-achievers will have to come to school once a week, learn how to help their kids with homework."

"We'll have to be more radical."

*Long St
Coss Fyl
Gardner
Re*

INTERNET ADDRESS: <http://wsj.com>

... 75 CENTS

Tax Report

A Special Summary and Forecast Of Federal and State Tax Developments

SUPPORT GROWS in Congress for easing restrictions on home-office deductions.

More people will be able to deduct the costs of a home office if any of several recently proposed bills wins approval. The bills are designed to change tough rules stemming from a 1993 Supreme Court decision that angered small-business groups. That decision hurt many self-employed people, including consultants, salespeople, freelance writers and home decorators, who do some work at home but also provide services or see customers elsewhere.

In that case, the court refused to let a doctor deduct his home-office expenses even though he worked at hospitals that didn't provide him with an office. The court said his home office wasn't his "principal" place of business because his work there wasn't as important as his hospital work. Unfair, say Sens. Bond, Nickles, Hatch, Lieberman and other lawmakers.

Under one proposal, a home office would qualify as a taxpayer's principal place of business if it were used on a "regular and systematic" basis for "essential" business activities, and if the taxpayer had no other place to do them.

MILLIONS OF PEOPLE give Uncle Sam a free ride once again.

Getting a hefty tax refund may feel great—and certainly beats having to write a big check. But people should remember that a refund check means they gave the government an interest-free loan, tax advisers say. It makes more sense for taxpayers to adjust their withholding during the year so that they wind up owing little or nothing.

Many people, though, ignore this advice, perhaps out of lethargy or uncertainty about how much they will owe. And some view a refund as a way to force them to save. One New Yorker says he arranges for a big refund each year to hide the money from his wife, who would spend it if he lowered his regular withholding. Whatever the case, the IRS as of March 14 approved individual refund payments totaling \$40.46 billion, up 6% from a year ago. Average income-tax refund: \$1,418, up 9%. The number of people getting refunds totaled about 28.5 million, down 3% from the prior year.

LONG IRS DELAYS in questioning taxpayers draw criticism—from the IRS.

An IRS official says the agency typically takes too long to issue "compliance contacts" such as notices about discrepancies between what taxpayers report on their returns and what is reported to the government by banks, brokers and other payers. Lee Monks, who heads an IRS program designed to help taxpayers resolve problems, says these contacts are "routinely initiated from one to two years after the income was received and/or reported."

Such a long delay "burdens taxpayers with the possible lack of recall and records," Mr. Monks says in a recent report to Congress required by a law enacted last summer. Delay also burdens taxpayers with "potential additional penalty and interest charges." He says the IRS is well aware of this problem and is "pursuing additional processing and procedural changes" to reduce the time.

The IRS's goal is to reach taxpayers before they file their next return so that

Contact Sport

Nonstop Schmoozing Propels an Accountant Into the Big Leagues

Rising From a Humble Start, Jay Alix Advises or Buys A Series of Ailing Firms

'That's Good Color, Isn't It?'

By BRIDGET O'BRIAN and GABRIELLA STERN
Staff Reporters of THE WALL STREET JOURNAL

In a battered briefcase, Jay Alix carries the telephone numbers of nearly everyone he has ever dealt with—86 pages of names in tiny type, updated monthly.

A firm believer that success depends on whom you know, Mr. Alix has become a multimillionaire adviser to and acquirer of troubled companies by striving to know everybody. His secretaries are on duty 14 hours a day to spare callers the indignity of voice mail. He takes such pains with gifts, cards, favors, compliments and timely phone calls that he risks coming across as, well, unctuous.



Jay Alix

The fact is that the 41-year-old Mr. Alix really believes in and practices the syrupy management prescriptions he spouts, such as the value of making everyone he knows feel like the most important person in his life. They have helped make him a consummate rainmaker in the cutthroat, jealousy-ridden corporate-turnaround business. In this game, getting hired to rescue a sinking company can depend as much on networking prowess as on competence, and nobody matches Mr. Alix in networking.

His 16-year-old firm, Jay Alix & Associates of Southfield, Mich., has helped restructure National Car Rental System Inc., Wang Laboratories Inc., Unisys Corp. and Leslie Fay Cos. His latest high-profile case is Centennial Technologies Inc., the maker of computer memory cards whose former chief executive, Emanuel Pinez, was recently indicted for allegedly inflating sales and for illegal options trading. Mr. Pinez pleaded not guilty at an arraignment Monday.

How did Mr. Alix land Centennial? He knew a director from an earlier turnaround deal.

Leveraged Buyout Firm

Now, the connections he has established have also put him at the helm of Questor Partners Fund LP, a leveraged turnaround and buyout fund with \$300 million in equity capital from institutional investors and big-name partners such as financiers Daniel Lufkin and Herbert Allen. Questor's acquisitions so far include the consumer truck unit of Ryder System Inc.; an Ohio auto-parts maker; and a British insurance company.

Of course, there are lots of smart consultants in the turnaround business

*Copied
Sosnik
LOS*

New Yorker says he arranges for a big refund each year to hide the money from his wife, who would spend it if he lowered his regular withholding. Whatever the case, the IRS as of March 14 approved individual refund payments totaling \$40.46 billion, up 6% from a year ago. Average income-tax refund: \$1,418, up 9%. The number of people getting refunds totaled about 28.5 million, down 3% from the prior year.

LONG IRS DELAYS in questioning taxpayers draw criticism—from the IRS.

An IRS official says the agency typically takes too long to issue "compliance contacts," such as notices about discrepancies between what taxpayers report on their returns and what is reported to the government by banks, brokers and other payers. Lee Monks, who heads an IRS program designed to help taxpayers resolve problems, says these contacts are "routinely initiated from one to two years after the income was received and/or reported."

Such a long delay "burdens taxpayers with the possible lack of recall and records," Mr. Monks says in a recent report to Congress required by a law enacted last summer. Delay also burdens taxpayers with "potential additional penalty and interest charges." He says the IRS is well aware of this problem and is "pursuing additional processing and procedural changes" to reduce the time.

The IRS's goal is to reach taxpayers before they file their next return so that they can avoid repeating the mix-up that triggered the agency's notice.

SENATE FINANCE CHAIRMAN Roth sharply criticizes the idea of delaying tax cuts, as some lawmakers have suggested. "Read my lips: No delay," the Delaware Republican says in an interview. "You can both balance the budget and give major tax relief. . . I feel very strongly about that."

PROGRESS? The IRS answered 52% of callers' attempts to get tax help through Feb. 22, up from 21% a year ago, says Lynda Willis of the General Accounting Office, a congressional watchdog agency. The IRS, using different measurements, contends the rate rose to 71% from 52% a year ago.

TAX NOTES, a weekly journal in Arlington, Va., is the most-often-cited publication in a thick new anthology containing excerpts of about 150 tax-related articles in recent years. The anthology, from Anderson Publishing in Cincinnati, was assembled by law professors Paul L. Caron, Karen C. Burke and Grayson M.P. McCouch.

ELECTRONIC FILING continues to enjoy a big surge in popularity.

The IRS said yesterday that it received about 15.2 million returns filed electronically as of March 14. That was up 25% from a year ago. This year's total includes nearly 11.6 million returns filed through the IRS's standard electronic-filing format, up 18%. Another 3.7 million people filed by punching in their data on push-button phones, up 54%. Thus, about 30% of all individual income-tax returns filed as of mid-March came in electronically, up from 24% a year earlier.

The IRS also says more than 3.5 million taxpayers filed both federal and state returns in one electronic transmission. That surpasses a total of 3.2 million for all last year. Separately, more people are choosing to have their refunds deposited directly into their bank accounts: Nearly 10.9 million chose this direct-deposit option this year, up from 10.5 million for all last year.

As of mid-March, the IRS had received a total of 50.7 million returns, about the same as a year ago.

BRIEFS: Glutton for punishment? House Ways and Means Chairman Archer says he will prepare his own tax return again this year. . . . The nation's total tax burden stands at a record high, says Paul Merski, chief economist to Joint Economic Committee Vice Chairman Sen. Mack.

—TOM HERMAN

mate rainmaker in the cutthroat, jealousy-ridden corporate-turnaround business. In this game, getting hired to rescue a sinking company can depend as much on networking prowess as on competence, and nobody matches Mr. Alix in networking.

His 16-year-old firm, Jay Alix & Associates of Southfield, Mich., has helped restructure National Car Rental System Inc., Wang Laboratories Inc., Unisys Corp. and Leslie Fay Cos. His latest high-profile case is Centennial Technologies Inc., the maker of computer memory cards whose former chief executive, Emanuel Pinez, was recently indicted for allegedly inflating sales and for illegal options trading. Mr. Pinez pleaded not guilty to an arraignment Monday.

How did Mr. Alix land Centennial? He knew a director from an earlier turnaround deal.

Leveraged Buyout Firm

Now, the connections he has established have also put him at the helm of Questor Partners Fund LP, a leveraged turnaround and buyout fund with \$300 million in equity capital from institutional investors and big-name partners such as financiers Daniel Lufkin and Herbert Allen. Questor's acquisitions so far include the consumer truck unit of Ryder System Inc., an Ohio auto-parts maker, and a British insurance company.

Of course, there are lots of smart consultants in the turnaround business and lots of LBO partners trawling for troubled companies. But in a business where it's hard to determine who is better at fixing foundering companies, Mr. Alix has built one of the largest turnaround firms with one of the most impressive client lists. His climb shows how the son of a service-station owner can rise to the top of his field by dint of intense focus and incessant schmoozing.

"This business takes a bit of brazen self-promotion," notes Mr. Alix's archrival, William A. Brandt Jr. of Development Specialists Inc. "At the core, this is a personal-services business."

It takes that touch to break into the cliquish bankruptcy world, a world of lawyers, judges and restructuring advisers who work with, and against, each other in case after case. Mr. Alix's edge is his unerring ability to pinpoint whom he needs to know and his strategic use of a prodigious network of contacts, which he calls "the daisy chain."

A Well-Cultivated Chain

He lovingly maintains the daisy chain, staying in constant touch with hundreds of people via an elaborate index-card system. He totes around 3-by-5 cards, which he orders in batches of 10,000, and jots down an idea or a name or a task on each, organized by date. A time-management zealot, he stockpiles the cards in his car, next to his bed, even in the bathroom.

After discovering that Michael L. Cook, a bankruptcy-law partner at Skadden, Arps, Slate, Meagher & Flom in New York, is also the son of a service-station owner, he tracked down and sent Mr. Cook the prize (a tote bag) from a service-station contest in which both had participated as boys. To a reporter inquiring about the card system, Mr. Alix sent a package filled with index cards, handwritten dividers and a note: "I am sending you this gift hoping that it brings you more productivity as well as free time in your life."

Competitors grumble that Mr. Alix sometimes is better at schmoozing contacts and cultivating reporters than at fixing companies. Mr. Alix keeps track of rivals' blunders, and some say they have felt the sting. There also are signs that he may be spread too thin. Given the pull on his time and his recent focus on his buyout fund, he increasingly lets lieutenants run the turnaround business, which has grown to nearly 70 employees in three offices, in Southfield, New York and Chicago.

Last month, his longtime associate, Please Turn to Page A12, Column 1

Jay Alix Networked a Path to Prosperity

Continued From First Page

Lawrence J. Ramaekers, was named acting chief executive officer of ailing Centennial and immediately got himself into hot water by talking about bullish sales reports, helping spark a rapid surge in the stock's price and prompting the New York Stock Exchange to suspend trading. Mr. Ramaekers's comments weren't intended to convey the company's financial condition, a Centennial spokeswoman says, but merely its operational health.

Mr. Alix dismisses the notion that his plate is too full and defends Mr. Ramaekers, who was instrumental in the National Car Rental turnaround for then-owner General Motors Corp. "I spend my time on strategy," Mr. Alix says, "figuring out the end game." As to complaints that he is better at schmoozing than at turning around businesses, he says: "Our results for our clients speak for themselves. We get great results."

It is true, however, that when Mr. Alix restructures a company, he doesn't always fix it. Following his advice, Unisys rearranged its debt and slashed operations, but the computer maker's stock still trades 80% below where it was before the company slid into difficulty. Mr. Alix says he is often hired to stabilize critically ill companies, not to create corporate behemoths.

There is nothing subtle about this burly man, who has the forearms of a shot-putter (he says he was a varsity walk-on in the sport at the University of Pennsylvania) and the instincts of a car salesman. He tends to spout Babbitt-like slogans, such as "Attack the problem, not the person," and touchy-feely expressions such as, "It's all about relationships." Though now traveling in rarefied company, with perks such as a chauffeur and chartered jets, he remains at heart a virtuoso pitchman.

A Bit of Color

Talking to reporters, he offhandedly mentions that his firm was named "the kingpin of turnaround firms" by the Turnarounds & Workouts newsletter. When appointed to a federal commission to review bankruptcy laws, he issued his own news release. Knowing that a reporter is looking for anecdotes, he offers that he enjoys driving bulldozers for fun. "That's good color, isn't it?" he asks.

Mr. Alix sees networking opportunities everywhere. In 1993, he spotted a color slide on a Manhattan sidewalk. Holding it to the sky, he saw Australian revenue projections for Bozell Worldwide, the giant advertising agency. So, he sent it to CEO Charles Peebler with a letter saying, "If my firm had lost this, I hope somebody would return it to me," and included a brochure about his firm. Mr. Peebler took Mr. Alix to lunch and was so impressed he invited him to participate in functions for a chief executives' group — providing even more networking possibilities.

Born Joseph A. Alix Jr. in Waterbury, Conn., Mr. Alix moved to the Detroit area to pursue his college sweetheart (whom he married), with just a rented truck and an M.B.A. in accounting from Rutgers University. In 1981, he was a CPA with chutzpah and a yen to get into the business of repairing companies. Stuck at a small accounting firm, he cold-called David Hermelin, a Detroit real-estate mogul, who got a kick out of the young man and became his unofficial mentor. When Phoenix Steel Corp., one of Mr. Hermelin's investments, needed help in 1986, Mr. Alix's fledgling

turnaround firm got the job. The steel-maker got out of Chapter 11, and Mr. Alix ultimately sold its assets to a Chinese investment group.

That's where the daisy chain started. Mr. Alix met Mr. Cook, who was representing Phoenix Steel shareholders. A few years later, when Wang Labs was near death, the New York lawyer introduced Mr. Alix to Wang's management.

A Ploy to Gain Time

Two other restructuring firms proposed to take Wang's top jobs themselves, but Mr. Alix offered to work with existing management, recalls Ed Grayson, then Wang's general counsel. Soon after winning the job, Mr. Alix scored big with Wang's CEO, Richard Miller. Wang needed relief from its bank debt, and the two decided to press for more time.

"He and I agreed we'd do a good cop/bad cop scenario," Mr. Miller recalls. They rehearsed a presentation: Mr. Miller would run through the numbers for anxious bankers, and after the anticipated refusal of an extension, Mr. Alix would throw a tantrum and threaten to walk off the job. It worked. The shocked bankers backed down, and Wang restructured its debt. Wang ultimately repaid all of it, although Wang is far smaller today.

Many of Wang's bankers had lent money to Unisys, and when Unisys was posting huge losses a year later, some of the bankers recommended Mr. Alix's firm. He set up teams of Unisys and his own employees to free up \$1 billion by, among other things, reducing inventory and accounts receivable and selling off real estate. They stabilized the company.

Meanwhile, Mr. Alix found a way to greatly expand his network: He taught courses such as "Basic Accounting for Judges" to bankruptcy judges at the Federal Judicial Center in Washington. The continuing-education program proved so popular that it was extended to district judges, U.S. attorneys and trustees. Eventually, Mr. Alix wrote a training manual for judges; it now is in its second edition.

Thus began another daisy chain. In 1992, Phar-Mor Inc., a discount drug retailer in Youngstown, Ohio, filed for protection under Chapter 11. Looking for someone to investigate possible fraud and decide whether Phar-Mor could survive, U.S. Bankruptcy Judge William Bodoh turned to his former teacher.

Controversial Undertaking

Mr. Alix's Phar-Mor work was controversial. Some creditors worried that the investigation would cost millions, and they tried to limit it. But, given free rein by Judge Bodoh, Mr. Alix and his staff found that Phar-Mor could return to financial health, and opponents became far more willing to swallow his approximately \$4 million fee. True to form, Mr. Alix stays in touch with Judge Bodoh and has consulted with him on Questor-related matters.

Among Wang's vast roster of consultants and advisers was Robert Marston, a New York public-relations and crisis-management consultant. Mr. Alix hired Mr. Marston to promote his turnaround firm, and the PR adviser made Mr. Alix a much-quoted expert by setting up meetings with financial journalists. More important, though, was a dinner Mr. Marston arranged in 1993 between Mr. Alix and an old friend and client, Mr. Lufkin.

Mr. Lufkin, a founder of the investment

bank Donaldson Lufkin & Jenrette Inc., hit it off instantly with Mr. Alix. Ten minutes into their first dinner, they decided to start a turnaround fund, and Mr. Lufkin attracted big-name investors. Since Questor was created in early 1995, it has looked at hundreds of potential deals, involving companies with annual revenue as high as \$2 billion. But it has proceeded cautiously and so far has invested only \$120 million.

Questor catapulted Mr. Alix into the big leagues, where he uses his cuddly persona to draw out reserved executives such as Mr. Allen, the media investment banker, and Eugene Freedman, former chairman of Coopers & Lybrand and now a director of Questor. Charmed by Mr. Alix's penchant for hugs and nicknames, Mr. Freedman says he calls Mr. Alix "Big Bear" and Mr. Alix calls him "Little Bear."

Mr. Alix was delighted when, in 1994, he was invited to Mr. Allen's exclusive annual retreat in Sun Valley, Idaho, where corporate chieftains gather for a few days of networking disguised as a vacation.

And Mr. Alix certainly stood out. Mr. Lufkin recalls what happened one morning. While the executives conversed softly over low-fat breakfasts, Mr. Alix hustled to his table in the two-tiered dining room, lugging a bulging briefcase. Surveying the assembled business elite pretending not to be doing business, he didn't even sit down. "I think I'll go work the lower room," he told Mr. Lufkin. And he did.



THE PRESIDENT HAS SEEN

Copied
Reed
COS

DOW JONES

VOL. C

Locking Horns

EDS, Lockheed Duel Over Contract to Run Texas' Welfare System

Each Firm Forms an Alliance
With a State Agency,
Promising Big Savings

The Battle With the Unions

By JOHN HARWOOD

Staff Reporter of THE WALL STREET JOURNAL

AUSTIN, Texas — Gerald Miller was puzzled when Lockheed Martin Corp. kept phoning him last year, while he was Michigan's welfare director. "Is this the wrong number?" he recalls wondering. "These people make airplanes."

Nearly a year later, in a windowless one-story building here that once housed top-secret work on the Trident missile, he is leading a new Lockheed division to design a 21st century welfare program for the state of Texas. If Lockheed can win the five-year, \$2 billion contract over a rival bid from Texas-based Electronic Data Systems Corp. and its allies, that could be just the beginning. "The opportunity in this," Mr. Miller says, "is very real."

What has turned Mr. Miller's career upside down — and has lured such heavyweights as Andersen Consulting LLP, Unisys Corp. and International Business Machines Corp. into the chase as well — is a decision by Republican Gov. George W. Bush and other state leaders to privatize administration of the Texas welfare system. The new federal welfare law authorizes states to contract with private companies, and whoever prevails in the Lone Star state could create a franchise for privatizing welfare elsewhere — a step being considered from Arizona to New Jersey.

Choosing Partners

In the process, the competition here is testing the ability of business and government to jointly navigate the currents of the Information Age. The companies and state agencies have sought each other out to help mine new markets in one of the most sensitive of public functions. And by harnessing private efficiencies, those agencies look to preserve a role for themselves in the face of public discontent.

Each company's choice of a partner says a great deal about its strategy. Lockheed is allied with the 5,600-employee Texas Workforce Commission, which oversees job-training programs, and is promising a huge shift toward moving welfare recipients into jobs. EDS, linked with the 17,000 employees of the existing welfare department, argues that the agency's expertise and the company's technological strength will deliver a smoother transition to a new system. Only one of the three prospective bids, from Chicago-based Andersen Consulting, lacks a public-sector partner, which could hurt its chances here.

The battle goes beyond the rival bids. In Austin and in Washington, privatization has sparked resistance from public-employee unions warning of lost jobs and potential corruption. Amid those objec-

What

Business and F

CLINTON CALLED talks to lay the gro springtime balanced-bi president was seeking tianship that has in with the Republican C sought to take advant suggestion that the t plan for deep tax cuts of balancing the budg

(Article on P

Sprint is the targ takeover effort bein Britain's Cable & Wir the 80% of Sprint th public would have to t than \$15 billion befor

(Article on P

Texaco and She merge much of their marketing units. Th would expand the a a pact with Saudi A refining assets wit

(Article o

The Big Three as many cars and quarter as a year expect continued

(Article

Housing start ary as mild wea for weakness the

(Article

Novell namer technology offic tems, as its cha

(Artic

Bell Atlanti more delays i lion merger. B inching closer

(Arti

TWA poste amid higher f tenance exper reliable opera

(Ar

PepsiCo 1 deal to be Ma ficial soft dri is expected t president of

(Artic

The Dov 58.92 to 6896 fell 10.09 to 1 Jan. 22 in w bear marke barely budg

state could create a franchise for privatizing welfare elsewhere — a step being considered from Arizona to New Jersey.

Choosing Partners

In the process, the competition here is testing the ability of business and government to jointly navigate the currents of the Information Age. The companies and state agencies have sought each other out to help mine new markets in one of the most sensitive of public functions. And by harnessing private efficiencies, those agencies look to preserve a role for themselves in the face of public discontent.

Each company's choice of a partner says a great deal about its strategy. Lockheed is allied with the 5,600-employee Texas Workforce Commission, which oversees job-training programs, and is promising a huge shift toward moving welfare recipients into jobs. EDS, linked with the 17,000 employees of the existing welfare department, argues that the agency's expertise and the company's technological strength will deliver a smoother transition to a new system. Only one of the three prospective bids, from Chicago-based Andersen Consulting, lacks a public-sector partner, which could hurt its chances here.

The battle goes beyond the rival bids. In Austin and in Washington, privatization has sparked resistance from public-employee unions warning of lost jobs and potential corruption. Amid those objections, the Clinton administration has delayed granting the approval Texas needs before it can choose a welfare contractor.

One-Stop Shopping

Some analysts also express misgivings about the wisdom of turning welfare programs over to private contractors to wring savings through efficiencies — as has been done for other public services. "It's not like garbage collection," says Judy Gueron, president of New York-based Manpower Demonstration Research Corp., a leading private authority on welfare. "Welfare administrators already know how to save money. All you have to do is set up another hurdle at the front door."

Here in Texas, leaders say they are aiming to remove, not increase, the hurdles for the state's 650,000 welfare recipients. They expect to save money and bureaucratic hassles through a system in which beneficiaries could apply for about 20 different programs — including Medicaid and food stamps — at a single stop. The private contractor running that system, they say, will be rewarded for competence and efficiency, rather than for how many applicants are turned away.

"It's not taking money from poor people and giving it to corporations," says Health and Human Services Commissioner Mike McKinney, who is Gov. Bush's welfare adviser. "They're not going to get a percentage of the benefits they deny."

ATMs for Welfare

While unions warn of lost jobs, private bidders say that most current welfare workers would stay on under a new system; they would simply move to the private sector. And Mr. McKinney promises to streamline welfare administration whether or not the state proceeds with privatization. He anticipates savings of \$100 million annually, from such measures as replacing field offices with kiosks that resemble automated tellers.

When Gov. Bush and the Legislature decided more than 18 months ago to solicit bidders, the most direct threat was to the agency that now runs the welfare programs. Preserving its franchise represented "a huge challenge," says Kathy Davis, a top official at the Human Services Department. So she sought a private-sector partner to help prepare its bid.

After examining several suitors, her department settled on EDS. Not only was the Plano-based company, founded by former owner Ross Perot, a familiar presence, it also had 20 years of experience

Please Turn to Page A8, Column 1

Novell name technology officials, as its chairman.

Bell Atlantic more delays in billion merger. B inching closer.

TWA posted amid higher maintenance expenses, reliable operation.

PepsiCo deal to be official soft drink is expected president of

The Dow 58.92 to 68.96, fell 10.09 to 1 Jan. 22 in which bear market barely budged.

Canada quire Wascote beating Tall

Marriott sell 29 retirement for \$227 million in no

American at a Puget Sound a deal, but meet again compromise

Adobe Systems dends base technology change how

Markets — Stocks: V Jones industrialization 2469.58 3.15. Bonds: Le 6507.36, off 4. Commodities \$1.15. Dow 0.37; spot in Dollar: 1 off 0.0180.

Abreast of the Amex Stock Bond Data CBOE Int. Commodities Correction Credit Mkt Dividend DJ Global DJ US In Earnings Econom Editor's Entrep Foreign Heard Index Intern Law Dir

Big Firms Compete for Welfare Contract

Continued From First Page

with the state from its contract to process Medicaid claims here. For EDS, which in recent years has focused on private-sector work, the welfare franchise would offer a return to one of its original strengths.

In late 1995, the EDS/Human Services team, joined by Unisys to provide computer hardware, sounded out one more possible partner: the Texas Workforce Commission. But the commission was already entertaining an overture from Lockheed Martin.

The aerospace giant has been seeking to diversify since dwindling Cold War tensions began threatening its defense business in the mid-1980s. The Texas contract offers a chance to expand its small information and management-services subsidiary, which in recent years has reached into such areas as child-support enforcement and municipal water billing. The contract also offers the Workforce Commission a chance to move from job programs into the much-bigger world of welfare administration.

"We felt that Lockheed... had a philosophical approach" in tune with the Workforce Commission's, says Bill Hammond, chairman of the agency. Instead of simply "signing people up for welfare faster," he says, the commission and Lockheed agreed that "we start the whole discussion based on getting a job." IBM, supplying computer services, rounded out the alliance.

But Lockheed, based in Bethesda, Md., faced a challenge in establishing its credibility here. A political force nationally — it

gave \$1.3 million to federal candidates and national parties in 1995-96 — Lockheed was best known in Texas for its defense work, which was being scaled back.

To help navigate around Austin, the company turned to people with ties to the Council on Competitive Government, the panel of elected state officials that will ultimately award the contract. It lined up a spokesman for controller John Sharp as a subcontractor. It hired Gov. Bush's former legislative liaison and a former top aide to Lt. Gov. Bob Bullock as lobbyists. "It's not sixth-grade civics up here," explains Dan Shelley, the former Bush aide. He says he hasn't spoken to the governor directly about Lockheed, but adds, "I don't need to."

Lockheed's most significant target was in Michigan. As welfare director for reform-minded Republican Gov. John Engler, Jerry Miller earned respect from liberals and conservatives. In 1995, as Republicans in Washington moved to draw up their own proposals to overhaul the system, Mr. Miller became a key adviser.

Lockheed approached him at the right time. For several years, he says, he had come to lament "the inflexibility of the public sector to respond to human needs" quickly and efficiently. Involving churches, nonprofit groups and private companies in a new system, he says, could make a system "better for the clients and better for the taxpayers." Once Mr. Miller solved a crucial family problem — finding an assisted-living facility for his two severely handicapped adult children — he agreed to lead the company's new welfare-reform initiative in September.

By hiring Mr. Miller, the Lockheed team underscored its promise to shake things up. "We've got a broken welfare system," he says, and "we can change it." In Texas, its efforts are twofold: Beyond seeking the contract to administer welfare eligibility, the firm is also bidding to run job-training programs under contracts to be awarded by more than two dozen local districts. The rival Human Services/EDS team, says Lockheed executive Ed Gund, represents "the status-quo team."

The Lockheed team, counters Louis Matrone, an EDS vice president, could bring "radical change" that might hurt "the truly needy." He adds: "Our solution provides for a better balance between putting people to work and helping those that aren't equipped to work."

Weekly strategy meetings of each side's high command reflect their different profiles. Gathering at Lockheed's offices a few miles from downtown Austin, Workforce Commission representatives express broad preferences while letting Mr. Miller and other company executives craft the "minutiae" of program specifics, Mr. Hammond says.

Meanwhile, EDS casts itself as a supporting player to its government partner. Their gatherings, held alternately at EDS's stylish offices near the Capitol and at the Human Services Department, reflect the gap between public- and private-sector values. "Sometimes we have difficulty understanding each other," says Ms. Davis, the Human Services executive who ran two small businesses before entering government a few years ago. "The cultures are so different. We don't look at the bottom line."

It still isn't clear how differently either team would administer welfare programs. Their plans are shrouded in secrecy, and any winning bidder would be called on to implement the same set of state guidelines. But Mr. Miller suggests cryptically that Lockheed's bid would be distinguished from its rival's in two ways: its use of technological innovation, and the services it provides before a prospective welfare recipient begins the application process.

The two firms have some history in competing for government work. In the early 1990s, EDS lost out to Lockheed for a New York City parking-violations contract that then-Mayor David Dinkins ultimately canceled amid allegations of favored treatment. EDS isn't shy about hinting the same thing could happen again. "They have hired very strategically," Mr. Matrone says of Lockheed. "The people that they have, have relationships and the ability to influence."

"You can't buy this contract," Lockheed's Mr. Miller responds. And EDS has its own stable of expensive talent, including eight Austin lobbyists who have reported to the state that they expect to earn at least \$150,000 this year from the company. Meanwhile, EDS's partner, Unisys, employs a former Texas House speaker.

As long as the Clinton administration delays approval, however, the process remains in limbo. Federal officials say the matter remains under "active consideration" but give no timetable for action. A chief attraction of privatization is that it forces the winning bidder — rather than the parsimonious Texas Legislature — to pony up the \$150 million or so required for a new computer system to administer eligibility. But if the federal government doesn't sign off before the legislature adjourns in June, the state may have to scale back or abandon the initiative and reorganize welfare administration on its own.

Such talk makes union leaders optimistic that privatization can be turned back, even in a state with a relatively weak labor movement. "They thought they were going to ride right over us," says Michael Gross, of the Texas State Employees Union. "I think we're going to win."

Lockheed for its part, says that it

Why World Watches His Clock

Continued From First Page

Henry Ford of atomic clocks.

"He is one of the real intellectual leaders of the clock business," says Steven Chu, a Stanford University physicist who sponsored Mr. Cutler's nomination as a fellow of the American Physical Society, the main professional society of American physicists. H-P announced yesterday that Mr. Cutler has indeed been named a fellow. "He's thought of as an engineer, but when you do something like what he does, what you really are is a physicist."

Consider: In 1972, scientists flew one of Mr. Cutler's clocks around the world in an airplane to prove a part of Einstein's theories of relativity, which hold that time slows down the faster you move or the closer you are to a source of gravity, like the Earth. Just as Einstein predicted, the clock flown in the plane showed a slightly different time than a comparison model left back on Earth.

Not that the soft-spoken, taciturn Mr. Cutler would ever boast about the experiment. Asked about his role in making scientific history, Mr. Cutler merely says, "It was fun."

Cracking Down

With his unreconstructed 1950s-era crew cut and pen-stuffed pocket protector, Mr. Cutler looks every bit the rumpled, old-school engineer. He can, though, be a demanding boss. Fellow H-P scientist Robin Giffard, who worked with Mr. Cutler on the 5071A, recalled that during the design of the unit, a novice engineer had trouble getting a part to operate as precisely as Mr. Cutler wanted it to. So often did Mr. Cutler send the part back for reworking that Mr. Giffard went over to console the young technician, a recent immigrant from Poland.

"Don't worry. It's nothing," the weary young engineer replied. "Before this, I worked under the Communists."

Most lay people can't begin to imagine why anyone would ever need to know the time as accurately as one of Mr. Cutler's clocks can convey it. That's accurate enough that the clocks need to be adjusted

whenever they go on a plane ride: Retired physicist David Allan calculates that someone flying from San Francisco to New York ends up nine-and-a-half billionths of a second younger than a person staying behind, which for an atomic clock might as well be a whole day.

It turns out that contemporary technology keeps creating a demand for ever-more accurate clocks as fast as scientists can create them. Indeed, researchers at the Boulder, Colo., facilities of the National Institute of Standards and Technology, or NIST, are working on an atomic clock that ticks ten-thousand trillion times a second, thousands of times faster than H-P's current top model. "We try to build for the future," says Don Sullivan, chief of the time-and-frequency division at NIST.

Big Drawback

Mr. Cutler, has only slightly less ambitious plans. As reliable as his latest clocks are, they have a big drawback: Getting an ultraprecise reading with complete certainty can involve up to a day and a half of measuring. "It's the weakest part of the present standard," Mr. Cutler says, and clearly something that has been rankling him for decades.

His solution: laser beams. If lasers were used to control the microwaves inside his clock, measuring time could drop to just a few hours. A lab version of this "optically pumped" clock has been built by NIST scientists. It works fine, and would be a smash hit in the marketplace except for one problem: It is 8 feet long.

Mr. Cutler and his H-P team are trying to shrink the device to the size of a briefcase. "The technology is just about there," he says. Should everything pan out, and should H-P decide to build and sell the device, it might be ready for the market in about five years. Among its potential uses: Keeping time for computer networks, which send packets of data at ever-faster rates.

Would he like to get an optically pumped clock out the door before he retires? "That would be very nice," Mr. Cutler says.

Mr. Cutler's clocks around the world in an airplane to prove a part of Einstein's theories of relativity, which hold that time slows down the faster you move or the closer you are to a source of gravity, like the Earth. Just as Einstein predicted, the clock flown in the plane showed a slightly different time than a comparison model left back on Earth.

Not that the soft-spoken, taciturn Mr. Cutler would ever boast about the experiment. Asked about his role in making scientific history, Mr. Cutler merely says, "It was fun."

Cracking Down

With his unreconstructed 1950s-era crew cut and pen-stuffed pocket protector, Mr. Cutler looks every bit the rumpled, old-school engineer. He can, though, be a demanding boss. Fellow H-P scientist Robin Giffard, who worked with Mr. Cutler on the 5071A, recalled that during the design of the unit, a novice engineer had trouble getting a part to operate as precisely as Mr. Cutler wanted it to. So often did Mr. Cutler send the part back for reworking that Mr. Giffard went over to console the young technician, a recent immigrant from Poland.

"Don't worry. It's nothing," the weary young engineer replied. "Before this, I worked under the Communists."

Most lay people can't begin to imagine why anyone would ever need to know the time as accurately as one of Mr. Cutler's clocks can convey it. That's accurate enough that the clocks need to be adjusted

ticks ten-thousand times a second, thousands of times faster than H-P's current top model. "We try to build for the future," says Don Sullivan, chief of the time-and-frequency division at NIST.

Big Drawback

Mr. Cutler has only slightly less ambitious plans. As reliable as his latest clocks are, they have a big drawback: Getting an ultraprecise reading with complete certainty can involve up to a day and a half of measuring. "It's the weakest part of the present standard," Mr. Cutler says, and clearly something that has been rankling him for decades.

His solution: laser beams. If lasers were used to control the microwaves inside his clock, measuring time could drop to just a few hours. A lab version of this "optically pumped" clock has been built by NIST scientists. It works fine, and would be a smash hit in the marketplace except for one problem: It is 8 feet long.

Mr. Cutler and his H-P team are trying to shrink the device to the size of a briefcase. "The technology is just about there," he says. Should everything pan out, and should H-P decide to build and sell the device, it might be ready for the market in about five years. Among its potential uses: Keeping time for computer networks, which send packets of data at ever-faster rates.

Would he like to get an optically pumped clock out the door before he retires? "That would be very nice," Mr. Cutler says.

same thing could happen again. "They have hired very strategically," Mr. Matrone says of Lockheed. "The people that they have, have relationships and the ability to influence."

"You can't buy this contract," Lockheed's Mr. Miller responds. And EDS has its own stable of expensive talent, including eight Austin lobbyists who have reported to the state that they expect to earn at least \$150,000 this year from the company. Meanwhile, EDS's partner, Unisys, employs a former Texas House speaker.

As long as the Clinton administration delays approval, however, the process remains in limbo. Federal officials say the matter remains under "active consideration" but give no timetable for action. A chief attraction of privatization is that it forces the winning bidder—rather than the parsimonious Texas Legislature—to pony up the \$150 million or so required for a new computer system to administer eligibility. But if the federal government doesn't sign off before the legislature adjourns in June, the state may have to scale back or abandon the initiative and reorganize welfare administration on its own.

Such talk makes union leaders optimistic that privatization can be turned back, even in a state with a relatively weak labor movement. "They thought they were going to ride right over us," says Michael Gross, of the Texas State Employees Union. "I think we're going to win."

Lockheed, for its part, says there is no holding back the trend toward companies running welfare programs across the country. Private sector opportunities, Mr. Miller says, could reshape the entire social service profession.

And Mr. Miller's old colleagues haven't accused him of selling out. To the contrary, he says with a grin: "I have a deep drawer here with resumes."

Auto Makers Plan Level Output

Continued From Page A3

Chrysler's second-quarter earnings to rise 12% to \$1.54 a share, according to First Call, while General Motors Corp.'s and Ford Motor Co.'s second-quarter earnings are expected to be about flat with a year

Talks to End Strike At GM Truck Plant Make Little Progress

By a WALL STREET JOURNAL Staff Reporter

DETROIT, Mich. — Little progress is being made in negotiations to resolve a strike at General Motors Corp.'s Fort Wayne, Ind., truck-assembly plant, according to a top union official.

"Things are going slow," said Joe Burkhamer, president of United Auto Workers Local 2209. A GM spokesman said talks were continuing.

About 2,700 UAW workers, who have been without a local contract for eight months, walked out on strike Friday morning. At issue in the strike are staffing levels at the plant, which the union has argued are too low and cause excessive mandatory overtime. Union officials say there are also hundreds of unresolved grievances at the plant.

GM is pushing for work-force reductions at many plants to increase its productivity, which ranks the lowest in the industry. It has made much slower progress in local contract talks than its domestic rivals, with only about half completed.

The disruption hasn't closed other parts of GM's operations, as previous strikes at parts and metal-stamping plants did. But the strike, the first at the Fort Wayne plant since it opened in the 1980s, is having a ripple effect on nearby suppliers. About 150 Johnson Controls Inc. workers have been put on temporary layoff from their Ossian, Ind., plant, which supplies seats.

GM makes 25% of its full-size Chevrolet CK and GMC Sierra pickups at the Fort Wayne plant.

In New York Stock Exchange composite trading yesterday, GM shares fell \$1.375 to \$56.75.

earlier. Both Ford and GM kept vehicle-production plans about flat for the second quarter.

Ford's earnings outlook is clouded by the likelihood that it will have to close some car plants for various periods during the second quarter to keep inventories from getting out of line. GM's vehicle mix still more heavily favors cars than trucks, and it is still scaling up production of a number of new models.

On balance, the Big Three are entering the spring selling season—the peak sales and production period of the year—about where they want to be. At the end of February, there were enough cars in dealers' hands, or in transit, to last 71 days at current selling rates and enough trucks to last 79 days, according to Ward's Automotive Reports, a trade weekly. Those totals may seem a little high by the normal 60-day to 65-day yardstick, but they aren't bad for this time of year, industry experts argue. The industry totals were inflated by relatively high inventories for No. 1 GM, which has been building up supplies of new models.

"We're all kind of humming along very nicely," said Van Bussman, the chief economist of Chrysler. "Market conditions are good," he added, citing consumer optimism, rising incomes and high employment levels. "Nearly every indicator is remarkably stable or favorable." Added Mustafa Mohatarem, the GM chief economist: "Virtue is being rewarded. There has been no boom-and-bust cycle this time."

The biggest negative is the issue of whether consumer debt levels are too high. Mr. Bussman argues that they aren't, but David Littmann, the chief economist of Detroit's Comerica Inc. banking group, maintains that the ratio of scheduled debt payments to disposable personal income has hit a seven-year high, at about 7.2%. "This indicates that the position of the consumer is that he is at the last stretch of his capability," Mr. Littmann said, arguing that auto makers should proceed with caution.

Texaco and Shell Oil Agree on Combination Of Many Operations

Continued From Page A3

the sum of its parts."

Texaco, based in White Plains, N.Y., and Houston-based Shell expect to pare operating costs by sharing management systems, business processes and support functions. There will be some reduction in the work force as the new company, which hasn't yet been named, is formed. Petroleum products will continue to be sold under both brand names.

Products were never sold using Star as a brand name. And if the Saudis sign on to the Texaco-Shell combination, Star Enterprise will likely disappear as an entity, according to Star officials.

People familiar with the continuing negotiations said that executives from Saudi Refining Inc., which oversees Star activities for its Saudi Aramco parent, will formally present to Saudi Aramco an outline of the potential deal, which the board of directors must approve. "We fully anticipate their approval, but we must remember the Saudis have the right to quash the deal," said one individual familiar with the transaction.

Texaco officials said they expect the Federal Trade Commission to approve the merger, and said it should be completed by early next year. But some consumer advocates plan to argue to the commission that the combination of the two companies' refining and marketing assets will be bad news for motorists. "This merger will sharply reduce competition in major gasoline markets," said Ed Rothschild, energy-policy director of Citizen Action.

In composite trading yesterday on the New York Stock Exchange, shares of Texaco fell \$1 to close at \$100.75. Shell isn't traded publicly as a separate U.S. unit.

Pro-Choice and Pro-Life

By Naomi Wolf

From a pro-choice point of view, things look grim. Last month, came accusations that abortion-rights advocates had prevaricated about how frequently "partial birth" or "intact dilation and evacuation" abortion is performed. Then the House of Representatives voted overwhelmingly to ban the procedure. The Senate may soon address the issue, but even if it fails to override President Clinton's promised veto, the pro-choice movement is staring at a great symbolic defeat.

This looks like a dark hour for those of us who are pro-choice. But, with a radical shift in language and philosophy, we can turn this moment into a victory for all Americans.

How? First, let us stop shying away from the facts. Pro-lifers have made the most of the "partial birth" abortion debate to dramatize the gruesome details of late-term abortions. Then they moved on to the equally unpleasant details of second-trimester abortions. Thus, pro-lifers have succeeded in making queasy many voters who once thought that they were comfortable with Roe v. Wade.

Unfortunately, we set ourselves up for this. Our rhetoric has long relied on euphemism. An abortion was simply "a woman's choice." We clung to a neutral, abstract language of "privacy" and "rights." This approach was bound to cede the moral high ground to our opposition and to guarantee an erosion of support for abortion rights. Thirty percent of Americans support abortion based on the "woman's choice" argument alone, but when people are asked whether abortion should be a matter between "a woman, her doctor, her conscience and her God," 70 percent agree.

By ignoring this hunger for a moral framework around legal abortion, we inadvertently played into the drama that was performed before Congress. When someone holds up a model of a six-month-old fetus and a pair of surgical scissors, we say, "choice," and we lose.

Some pro-choicers have recently resorted to heartless medicalese to explain away the upsetting details of late abortions, pointing out that no major surgery is pretty. Such responses make us seem disconnected from our own humane sensibilities. We should acknowledge what most Americans want us to: that abortion at any stage, since it involves the possibility of another life, is a grave decision qualitatively different from medical choices that involve no one but ourselves.

What if we transformed our language to reflect the spiritual perceptions of most Americans? What if we called abortion what many believe it to be: a failure, whether that failure is of technology, social support, education, or male and female responsibility? What if we called policies that sustain, tolerate and even guarantee the highest abortion rate of any industrialized nation what they should be called: crimes against women?

If we frankly acknowledged abortion as a necessary evil, a more effective and ethical strategy falls into place. Instead of avoiding pictures of mangled fetuses as if they were pro-life propaganda, we could claim them as our own most eloquent testimony.

Rolling back abortion rights would merely ease lawmakers' consciences, while many women, and more late-term fetuses than are aborted now, would die in back alleys, deaths as agonizing as those that pro-lifers have been so graphically describing. No woman, we should argue, should have to make the terrible choice of a late abortion if there is any alternative. And these late abortions are more likely to occur when 80 percent of women have to travel outside of their counties to end a pregnancy.

Let's face the truth about 'partial birth' abortion.

The moral of such awful scenes is that a full-fledged campaign for cheap and easily accessible contraception is the best antidote to our shamefully high abortion rate. Use of birth control lowers the likelihood of abortion by 85 percent, according to the Alan Guttmacher Institute. More than half of unplanned pregnancies occur because no contraception was used. If we asked Americans to send checks to Planned Parenthood to help save hundreds of thousands of women a year from having to face abortions, our support would rise exponentially.

A year of sexual responsibility can easily cost someone \$200 or more (and that someone is likely to be female). To those who oppose access to contraceptives, yet hold up images of dead fetuses, we should say: This disaster might have been prevented by a few cents' worth of nonoxynol-9; this blood is on your hands.

For whatever the millions of pro-lifers think about birth control, abortion must surely be worse. A challenge to pro-choicers to abandon a dogmatic approach must be met with a challenge to pro-lifers to separate from the demagogues in their ranks and join us in a drive to prevent unwanted pregnancy.

The Common Ground Network for Life and Choice has brought activists together from both sides. They are working on insuring better prenatal care; making adoption easier; reducing the rate of teen pregnancy through programs that give girls better opportunities and offer them mentors; and rejecting violent means of protest. They have teamed abortion clinics with prenatal care and adoption clinics to give desperate women real choices. The network has even found that half of the pro-lifers in some of its groups would support a campaign to improve access to birth control.

The pro-choice movement should give God a seat at the table. For many good reasons, including the religious right's often punitive use of Scripture and the ardently anti-abortion position of the Roman Catholic Church, the pro-choice movement has been wary of God-based arguments.

But on issues of values like abortion and assisted suicide, the old Marxist-Freudian, secular-materialist left has run out of both ideas and authority. The emerging "religious left" is where we must turn for new and better ideas. We should call on the ministers, priests and rabbis of the religious left to explain their support of abortion rights in light of what they understand to be God's will.

America is a religious country — and a pluralistic one. Even in debate about "partial birth" abortion, unspoken religious assumptions and differences play a part. While Judaism generally maintains that in a choice between the fetus and the mother, the mother's life, with its adult obligations, must always come first, traditional Catholic teaching holds that you cannot directly kill a fetus to save the life of the mother. Americans must be reminded that people of faith can reach different conclusions about abortion.

Finally, we must press Congress to work with the Clinton Administration to take this approach at the national level. On Jan. 22, Hillary Rodham Clinton, Vice President Al Gore and Tipper Gore took the extraordinary step of calling on abortion providers and their opponents to reject extremism, support efforts to lower the abortion rate and talk with those who do not share their views.

Now lawmakers must follow through with sweeping policies to give that sentiment substance. Congress and the Administration should champion the "common ground" approach, and add to it bipartisan support for financing far more research, development and distribution of contraceptives.

We have all lived with the human cost of our hypocrisies for too long. It is time to abandon symbolic debates on Capitol Hill in favor of policies that can give women — who have been so ill-served by the rigid views on both sides — real help and real choice. □

Naomi Wolf is the author of "The Beauty Myth," "Fire With Fire" and the forthcoming "Promiscuities: The Secret Struggle for Womanhood."

The New York Times

THURSDAY, APRIL 3, 1997

THE PRESIDENT HAS SEEN
4-23-97

VP

~~Belton/Kurtz~~

This is an important
argument - Must make
it well - Careless -
FX

Copied

VP

Emmanuel

Ann Lewis

COS

THE WHITE HOUSE
WASHINGTON

April 21, 1997

Copied
Spertling
COS

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *PC*

SUBJECT: Options for second-term G.I. Bill for America's Workers

Gene has sent you a lengthy memo asking for a decision on how to proceed on the G.I. Bill for America's Workers. *There is a subcommittee mark-up on Thursday and Gene seeks a decision as soon as possible so that there is time to adequately brief the Hill.* There is consensus among DOL, OMB and NEC on the preferred option -- Option 3.

Background. The Administration did not submit overall GI Bill legislation during the last Congress and instead chose to work with Congress on Republican bills. While those bills ultimately died, the Administration has made some progress toward achieving GI Bill objectives. DOL and ED have consolidated 33 of the 70 targeted programs (5 of the programs have been dropped from consolidation efforts) and we have been successful with such efforts as One-Stop career centers and School-to-Work. In this Congress, training reform legislation is a priority for both Goodling and Jeffords. The Mckee-Kildee bill to be marked up Thursday is similar to last year's bill but assures funding for dislocated workers and does not repeal School-to-Work. The Mckee bill and the options for your consideration embrace the core elements of your GI Bill initiative: choice of providers for trainees; improving accountability and barring bad providers; reforming the State and local systems through One-Stop career centers; and giving consumers better information.

Policy choice. The key issue for your decision is how to ration the availability of skill grants given budgetary constraints, and specifically, how to determine which dislocated workers should be eligible for the grants. Three options are presented for your consideration.

Option 1 eliminates the need for rationing by dramatically increasing funding. This approach has no support among your advisers given current budget negotiations, though it would be the closest to most purely implementing your original vision.

Option 2 and *Option 3* are similar in that they both (a) stay within budget; (b) give unlimited choice to both dislocated and disadvantaged workers in how to use their skill grants; and (c) treat disadvantaged workers similarly in that state and local agencies, using local guidelines, would determine which workers are eligible for the grants. ***The difference between the two options is how eligibility for dislocated workers is determined.*** Under *Option 2*, eligibility for dislocated workers would be determined at One-Stop career centers, using federal guidelines. Given that there is not enough money to train all eligible dislocated workers, the availability of skill grants to dislocated workers would be restricted by new guidelines such as offering grants only to those

workers laid off after 3 years in the same job, or excluding the long-term unemployed, who are often eligible for Pell grants. A detailed pros and cons discussion of Option 2 is on pages 9-10 of Gene's memo, but in short, the strongest argument for this option is that it gives dislocated workers, if they qualify under federal guidelines, the most discretion in choosing how to use their grant. However, this option reduces state and local officials' ability to respond to local labor market variations.

Option 3 is the recommended option. Under this option, eligibility for skill grants for dislocated workers would be determined at One-Stop centers by state and local agencies using state and local guidelines, just as most JTPA funds are now allocated. Given constraints on the availability of funds, it would be local agencies making the determinations rather than federal guidelines. Under this option, One-Stop centers would award skill grants to both dislocated and disadvantaged workers based on the worker's aptitude, local labor market conditions and judgements about who would best benefit. Both categories of workers would still have wide-open choice on how to use their skill grants

Pros: close to House bipartisan bill and many Democratic constituencies can live with it; even with greater local discretion, goes far to your vision because of skill grants, One-Stops and report cards; avoids arbitrary eligibility rules that could cut off State and local officials' ability to target funds and respond to variations in labor market conditions; avoids differential treatment of disadvantaged workers. *Cons:* some will feel that reliance on current local programs for determining eligibility is counterproductive to need for strong structural reform; does not contain a component that fits more pure empowerment/entitlement options for dislocated workers.

There is consensus among DOL, OMB, NEC and [WH staff] on Option 3. OMB notes that this option recognizes resource constraints while reforming the system and preserving the skill grant vision of individual control over training. Gene believes that, while Option 2 would be a better choice because it would more purely empower dislocated workers, Option 3 is the practical choice. *Sylvia supports Option 3 as do Kitty and Alexis.*

☐ Option 1 ☐ Option 2 ☒ Option 3 ☐ Discuss

THE WHITE HOUSE
WASHINGTON

April 19, 1997

'97 APR 19 PM5:08

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: FUTURE DIRECTION OF YOUR G.I. BILL FOR AMERICA'S
WORKERS

This memorandum presents options for a decision on the content and structure of the second-term G.I. Bill for America's Workers initiative. The memo contains two parts. The first section provides the relevant background. The second section presents options and recommendations.

I. BACKGROUND

THE INITIAL FY 1996 PROPOSAL. In December 1994, you proposed a Middle Class Bill of Rights to empower working Americans to pursue a lifetime of learning through education and training tax deductions, tax credits for families with children, and expanded IRAs. The fourth point of your Middle Class Bill of Rights was the G.I. Bill for America's Workers. In your 1995 State of the Union message, you articulated your vision:

"The New Covenant approach to governing is as different from the old bureaucratic way as the computer is from the manual typewriter The old way dispensed services through large, topdown, inflexible bureaucracies. The New Covenant way should shift these resources and decision-making from bureaucrats to citizens, injecting choice and competition and individual responsibility into national policy We should pass a G.I. Bill for America's workers. We propose to collapse nearly 70 federal programs, and not give the money to the States, but give the money directly to the American people; offer vouchers to them so that they can get a voucher worth \$2,600 a year for up to two years to go to their local community college or wherever else they want to get the skills they need to improve their lives. Let's empower people in this way. Move it from government directly to the workers of America."

The actual proposal, as outlined in your FY 1996 Budget, was far more complex. It included significant consolidation, but the workforce development system, while rationalized, retained five discrete parts (see consolidation schematic at Tab A). The budget request for FY 1996, including all elements of the GI Bill was \$14.3 billion (see FY 1996 budget chart at Tab

B).

(1) Adult Workforce System: This component envisioned a Skill grant for non-degree adult training administered by the Labor Department and Pell grants for degree programs administered by the Education Department.

(a) **Skill grants.** The FY 1996 budget requested \$3.6 billion for the Labor Department to implement skill grants of up to \$2,620 for "technical education" for dislocated workers and low-income adults. The skill grant for non-degree training included most adult JTPA programs and added non-degree training funded (then and now) by Pell grants into one program, managed by the Department of Labor. The \$3.6 billion budget request included a \$2.1 billion transfer of Pell grant funds for non-degree skill training from the Education Department to the Labor Department. The FY 1996 budget request was sufficient to serve **all** dislocated workers whom we expected to want training, and **some** of the economically disadvantaged adults who needed and wanted training. As a result under the initial proposal, State and local grantees were required to ration Skill grant resources for disadvantaged workers.

(b) **Pell grants.** The FY 1996 budget requested \$4.5 billion for the Education Department budget, to operate Pell grants of up to \$2,620 to defray the costs of associate's and bachelor's degree courses. As mentioned above, the proposal assumed that Pell grants would no longer be used for non-degree training and transferred the \$2.1 billion referred to above to the Labor Department.

(2) One Stop: A grant to States for adult services other than training. The FY 1996 budget requested \$2.7 billion for the Department of Labor budget to support a State and local private sector-led workforce development system of job placement and training-related services (counseling, skills assessment, etc.) provided through one-stop career centers. The proposal also envisioned a limited fund administered nationally for activities such as grants for multi-State mass layoffs and natural disasters, and research.

(3),(4) Two State grants for youth. The FY 1996 budget requested \$2.9 billion for the two State grants for youth. One grant was designed to support vocational education for in-school youth through the Education Department; a second grant for at-risk and out-of-school youth was designed to offer second chance training and work experience through the Labor Department. The FY 1996 proposal called for all activities to be structured within the School-to-Work framework.

(5) A State grant for adult and family literacy. The FY 1996 budget requested \$490 million for the Education Department to provide GED, ESL, and basic skills instruction, as determined by the States.

LEGISLATIVE HISTORY. The Administration decided not to transmit legislation to authorize the G.I. Bill reforms, except for separate bills in May 1995 to reauthorize the vocational and adult education programs of the Department of Education. We chose instead to work informally with the 104th Congress on bills Republicans were moving through both chambers. Our judgment was that specific Administration bill language on categorical program consolidations (which would be seen as terminations) would raise issues our supporters could not accept and would provide fodder for Republicans to criticize our proposal before offering their own. Senator Kennedy supported this approach.

The proposal to transfer the \$2.1 billion in Pell resources for non-degree training to the Labor Department was abandoned almost immediately because it was opposed by the higher education community and many in Congress on both sides of the aisle.

In the Fall of 1995, training reform bills -- known as "CAREERS" (Goodling) and "The Workforce Development Act" (Kassebaum) passed both Houses of Congress with overwhelming bipartisan support (345-79; 95-2). In spite of our opposition to the Kassebaum bill, we felt it was important to keep the legislative process moving forward; thus, the Administration expressed conditional support for both bills, and organized Democratic and interest group support, despite concerns with each. We wanted to keep the issue alive in Congress and looked to conferees to address our concerns. Supporting reform in principle, and not alienating key constituency groups wedded to specific categorical programs, also helped us in the appropriations fight, where we could argue that it made no sense to cut funding deeply with a major reform on the horizon.

Of the two bills, Rep. Goodling's CAREERS was closer to fulfilling your G.I. Bill principles and the Administration's support for the Kassebaum version was essentially a tactic for keeping the reform conversation alive. CAREERS required: vouchers for adult training (with an exception for training run by community-based organizations and allocated as they are under current law -- at the discretion of the local agencies), "report cards" and performance standards for training programs, the one-stop and school-to-work frameworks for adult and youth programs (although it would have repealed the School-to-Work Act), and private sector involvement in workforce development programs. By contrast, the Kassebaum bill did not require skill grants and would have made vouchers available only at State option; authorized a single State grant with one quarter reserved for broadly defined State-determined workforce development activities, which could include supporting company training of the employed; weakened accountability by permitting States to define success in their own terms; and greatly diminished the role of local communities in determining training needs.

The conference process on training reform was swamped by the FY 1996 and then FY

1997 appropriations struggle, and the Administration's reform proposals took a back seat to our efforts to preserve funds for categorical training and education programs (dislocated workers, summer jobs and vocational education) under attack. Although we blocked large cuts in the categorical training programs, both the pressures of negotiations with Congress and the need to rally constituency groups who are indifferent or hostile to vouchers and consolidation, led to a blurring of the Administration's principles for changing the way training gets delivered.

In a May 1996 letter to the conference leadership (attached at Tab C), you called for earmarked funding of at least \$1.3 billion for dislocated workers and "properly targeted" resources for a summer jobs program, adult education, in-school youth, at-risk youth, and the labor exchange. Your original G.I. Bill principles had never explicitly singled out these features as essential components of your reform vision.

Pressured by conservative "family groups" to resist compromise, and for other reasons, Republican conferees excluded the Administration and the minority from the negotiations. The partisan conference produced a bill that resembled Kassebaum's flawed block grant approach, unacceptable because it required only a 50-State training voucher "pilot," failed to ensure that adequate resources would be available for adult training, included weak accountability provisions and repealed School to Work. Former Chief of Staff Panetta made an effort to reopen negotiations. The last effort, a June 17th offer from the Administration representing our "bottom line," (attached at Tab D), received no response from the conferees. Emerging in July 1996, without the support of a single minority conferee or the Administration, the conference bill never reached the floor.

CONSOLIDATION AND OTHER ADMINISTRATIVE REFORMS. As we consider strategy for a new effort, it is important to recall that we already have made some progress toward achieving your G.I. Bill objectives. The Labor and Education Departments have aggressively pursued training and employment reforms through administrative changes and other statutory authorities, separable from fundamental legislative reform. Both Departments have made progress toward your goal of consolidating the tangle of federal employment and training programs.

As you recall, prior to your G.I. Bill announcement, the GAO identified 163 separate employment and training programs in 14 agencies spending nearly \$25 billion in what it called an uncoordinated system.

While the GAO called attention to an important problem, their reports overstated it. Sixty-seven of the 163 programs are targeted at specific non-employment and training problems and do not belong in the education and training system. For example, included in their list of employment and training programs were: the Foster Grandparent and Senior Companions programs (volunteer programs for the low-income elderly); State Legalization Impact Assistance Grants; Women's Business Ownership Assistance, and Health Care for Homeless Veterans.

Of the remaining 96 programs, the administration determined that 70 of the should be consolidated into coordinated system which the G.I. Bill proposal envisioned (see schematic at Tab A). (The 26 programs not targeted for consolidation are aimed at special populations -- e.g. Native Americans -- and are most appropriately administered nationally.)

In spite of legislative obstacles to enactment of the G.I. Bill, the Departments of Education and Labor have consolidated 33 of the 70 targeted programs targeted through administrative reform, appropriations, and other means (see list at Tab E). Another five of the 70 programs have been dropped from our consolidation efforts as a result of policy or other considerations. The Education Department is proposing additional consolidation in vocational and adult education programs.

Other administrative reform successes include:

- **One-stop career centers.** Begun in 1994, this Department of Labor initiative consolidates multiple training and employment programs at the "street level" through competitively awarded State implementation grants. The number of States implementing one-stop systems will grow from 16 currently, to 43 by the end of 1997, to 50 by the end of 1998.
- **America's Job Bank and America's Talent Bank.** These two rapidly expanding Department of Labor Internet websites now provide access to 600,000 job openings and resumes of two million job seekers.
- **School-to-Work opportunities.** Since enactment in May 1994, the School-to-Work Act has provided the "seed capital" to spur State school-to-work systems that connect secondary education to work-based learning, postsecondary training, and career opportunities. Currently 37 States are receiving implementation grants; in 1998, all States are expected to be implementing their School-to-Work systems.
- **Waivers and funding transfers.** With the Administration's support, the FY 1997 appropriation for the Department of Labor provided unprecedented flexibility for State and local employment and training programs. (You had already obtained significant new waiver authority for Education Department programs in 1994.) The Budget which continues this flexibility in FY 1998, includes:
 - **Authority** for the Labor Secretary to waive a wide range of JTPA and Wagner-Peyser Act (i.e., Employment Service) statutory and regulatory provisions pursuant to a request submitted by a State, in return for improved performance.
 - **"Work-Flex" partnership demonstration** (modeled on the 1994 "Ed-Flex"), in

which up to six States are authorized by the Labor Secretary to waive JTPA and Wagner-Peyser provisions, pursuant to a plan describing the local waiver process, outcomes to be achieved, and assurances of fiscal accountability.

- **Funding transfer authority** to permit Governors to approve requests by local programs to transfer up to 20% of funds for the dislocated worker and low-income adults between the two JTPA programs. Since FY 1996, unlimited funding transfers have been permitted between the JTPA Summer Jobs and year-round youth training programs.

G.I. BILL IN THE FY 1998 BUDGET AND 105TH CONGRESS. The FY 1998 Budget reiterates support for the G.I. Bill principles, characterizes training reform as "essential," and anticipates working with the 105th Congress to produce a bill. The FY 1998 Budget proposes an increase of \$274 million over the FY 1996 request for the relevant Labor and Education Department budgets (see Tab F for budget details). (This budget request reflects the appropriations successes we had in FY 1997 and before: doubling funding for dislocated workers since FY 1993, winning \$400 million for the embattled School To Work program and increasing Pell grants by 14% since the low of FY 1995.)

In the 105th Congress, training reform legislation is a priority for the Republican chairmen of the House (Goodling) and Senate (Jeffords) Committees. Both chambers have begun hearings and the House Committee is drafting a bipartisan bill for markup next week. In the Senate, although Chairman Jeffords has not begun drafting legislation, he is planning to report a bill out of Committee by the end of June.

The House bill, introduced by Congressman McKeon (Chair of the subcommittee on Chairman of the Subcommittee on Postsecondary Education, Training and Lifelong Learning) and Congressman Kildee, is similar to last year's bill, but assures that funding for dislocated workers will be maintained and does not repeal School to Work. As it did last year, it requires vouchers for adult training (with an exception for training provided by community-based organizations), "report cards" and performance standards for training programs, the one-stop and school-to-work frameworks for adult and youth programs, and private sector involvement in workforce development programs. And, as was the case last year, it maintains local agencies' discretion in allocating skill grants.

In the Senate, legislation will soon be developed under the leadership of Senator DeWine, who heads the Subcommittee on Employment and Training. While Chairman Jeffords is expected to be less hostile to skill grants than was his predecessor, there is still skepticism among Democrats on the panel.

The House bill is expected to include a title reauthorizing adult education programs, while vocational education will be considered separately. In the Senate, it is unclear whether

vocational and adult education will be addressed separately, or as part of larger workforce development legislation. In an effort to maximize the prospect for reforms and continue to consolidate the myriad programs, and as a hedge against the possibility that training reform legislation stalls again, the Education Department is sending separate reauthorizing legislation to Congress again this year.

Notwithstanding the progress we have made on consolidation, most of your vision of the GI Bill is still alive and achievable given the legislative context described above.

II. OPTIONS

This section of the memo lays out some second-term options for your "GI Bill for America's Workers" initiative.

All of the options and the McKeon bill embrace the following core elements of your GI Bill vision:

- giving trainees the choice of providers (e.g. a skill grant that can be used at a community college, a four year college, a trade school, a union-operated program or a community-based organization, like the Urban League),
- improving accountability by focusing on results and barring bad providers,
- reforming the State and local system by implementing One Stop Career Centers based on your original vision, and
- giving consumers better information about training providers and the labor market.

The key choice for you is how to ration the skill grants, because although we have doubled funding for dislocated workers since FY 1993, the current budget is not sufficient to serve everyone. Option One obviates the need for rationing by relaxing the budget constraint. Option 2 seeks to maintain a purer vision of a \$2600-\$3000 skill grant entitlement, but does so by limiting eligibility to people who have, for example, been dislocated after being at the same job for three years, while allowing local discretion in rationing skill grants opportunities for low-income disadvantaged workers. Option 3 does not restrict eligibility for either disadvantaged or dislocated workers, but instead leaves the rationing for both categories of workers to state and local level.

In considering these options, we must balance the benefits of local flexibility with the benefits of having a more pure skill grant vision, in which workers are automatically eligible for skill grants and can make choices that are not subject to the discretion of government workers. Relative to Option 1, Option 2 keeps a purer vision of skill grants by tightening eligibility. The advantage here, is that for these dislocated workers -- who were the main targets of your skill grant proposal -- they are directly empowered by an entitlement, like a Pell grant -- without having to wait in line at any bureaucracy.

Option 3, on the other hand, allows the local One Stop and JTPA system to exercise some discretion to pick and choose who gets skill grants. Option 3 also does not force arbitrary eligibility restrictions, and would better allow the State and local system of workforce boards and One Stops to target skill grants to those who need them and to respond to large dislocations without having to deny training to certain workers who don't meet the eligibility requirement.

Under all three options there is also the question of whether low-income workers who have not been in the workforce are well-informed enough to make good choices with skill grants. Some argue that we give such personal empowerment to 18 year olds with no experience when we give them Pell grants, so why should it be different here. Others focus on the likelihood that low-income recipients with no work experience would be taken advantage of by cosmetology school or fly-by-night training programs. One approach is to allow local discretion about which low-income workers receive their training through skill grants. A second approach is to accept the risk that in some cases, people will make poor choices -- as we do with Pell Grants. This is the approach taken in Option 1. A third approach -- which could be combined with any of the options -- is to use skill grants for everyone, but have strict requirements that those who get them without prior work experience or significant education go through a counseling course or session to learn which programs have the best track records and where jobs are needed.

SKILL GRANT OPTIONS

Option 1: Dramatically Increased Funding for Universal Eligibility

All dislocated workers and economically disadvantaged adults (as defined by current JTPA rules) would be eligible for skill grants. As is now the case for Pell grants, discretionary BA would be requested according to best estimates of how many eligibles would actually use the grants, but outlays would be driven by actual use.

This option would be a "pure" model of skill grants in which individuals are truly empowered and automatically eligible for skill grants. To do this would require a dramatic increase in funding, well beyond the current budget request and well beyond that anticipated in the current legislative discussion. Our very rough estimate is that the cost could go from \$1.3 billion to \$4.2 billion. Though this approach would have the benefit of truly embodying the principles of your vision, none of your advisers think this is practical or realistic at this time. We wanted you to be aware of it, in case you feel differently, and as a contingency in case the budgetary context changes.

Option 2: Allocate Limited Skill Grants for Dislocated Workers by Narrowing Eligibility

This option structures eligibility to stay within the \$1.37 billion budget for training under

current rules while giving dislocated workers (who presumably have more labor market savvy) more wide-open choice than disadvantaged adults in how skill grants are used. Under this option eligibility for dislocated workers would be determined at state and local One-Stop centers, offering additional training-related assistance.

There are several ways to tighten eligibility for dislocated workers. One option is to offer skill grants only to workers laid off after 3 years in a job, on the grounds that short-tenure workers have fewer job-specific skills to replace and aren't strictly speaking "dislocated." Another option is to exclude the long-term unemployed, who are often eligible for Pell grants. These two screens would shrink the pool of eligible dislocated workers to 643,000. (Your original G.I. Bill proposed an additional \$1 billion to serve several hundred thousand additional workers.)

For disadvantaged adults, eligibility would be limited by giving state and **local agencies discretion** to decide which disadvantaged adults can best make use of the available skill grants. (Once in possession of a skill grant, trainees could then use it as they choose.) This approach could be combined with a requirement that disadvantaged workers receive counseling and skills assessment. The combination of local agency discretion and counseling has the advantage of controlling the cost while addressing concerns that a weak attachment to the job market may make people especially prone to bad training choices.

Relative to Option 1, this option represents a strategic compromise. In the face of budgetary limits, and some plausible worries about the uniform workability of a pure voucher approach, it falls back to make the stand for the skill grant principle on the terrain where that principle is strongest -- dislocated workers with labor-market experience. And it preserves the local workforce-development system in its most plausible role -- guiding disadvantaged who may have special problems making good choices on their own.

Relative to Option 3, this option preserves more individual empowerment and a more "pure" vision of skill grants for dislocated workers, while reducing the risk of bad choices among those with the least experience in the labor market, the disadvantaged.

Pros of Option 2:

- For the limited group of eligible dislocated workers, this is a pure empowerment vision, as you originally conceived it.
- For the limited group of eligible dislocated workers, this option replaces reliance on the discretion of local system in allocating scarce training dollars. Some of your advisors, notably Paul Dimond, feel strongly that even a reformed local system should not be given discretion.
- Should the program be successful and popular, we can expect pressure to expand it.
- Lives within current budget estimates.
- Avoids the "new entitlement" charge while delivering training via skill grants.

- Addresses concerns (based on Pell and student loan histories) that the disadvantaged often have trouble making good training choices without guidance.

Cons of Option 2:

- Eligibility screens as the rationing mechanism for training resources reduce State and local elected officials ability to respond to variations in the local labor market. This is likely to be a major concern for governors.
- Replacing discretion with narrowly drawn eligibility screens may reduce the system's responsiveness to individual needs.
- While closer to your initial vision of pure empowerment for dislocated workers than Option 3, this would be a significant change from our willingness to live with skill grants as presented in last year's (and, by extension, this year's) House bill.
- State and local stakeholders (Governors, Mayors, and labor unions) will oppose what they will characterize as federalization of dislocated workers training system and advocates for the disadvantaged will object to be treated differently.

Option 3: Allocating Skill Grants Through Local Discretion

This option does away with new national eligibility rules as the rationing mechanism for disadvantaged and dislocated workers alike, and instead relies on local agencies to allocate skill grants, just as they now allocate JTPA training funds. As with Option 2, skill grants are limited by the amount of funding available. *But the discretion state and local agencies exercise over which disadvantaged workers get skill grants under Option 2 becomes universal here;* One-Stop officials award skill grants based on aptitude, local labor market conditions, and judgments about who can best benefit. Skill grants, once awarded, would still be under individuals' control.

For *disadvantaged* workers, this option is the same as Option 2. The two options differ in the treatment of *dislocated* workers: under this option, local discretion is the rationing mechanism for skill grants for dislocated workers; whereas under Option 2 new federal eligibility screens substitute for that discretion.

This option meets the empowerment model of skill grants by giving people skill grants that they would be able to use at the provider of their choice for the career path of their choice. It also does not automatically exclude people by setting a rigid eligibility rule. On the other hand, having local One Stop centers and JTPA offices decide who gets skill grants in the first place does not encompass the sense of entitlement or clear empowerment seen for eligible dislocated workers in Option 2. Much of this certainly will rest on the strength of the system -- both the workforce board and the One Stops. Some of your advisors feel that putting so much discretion in the hands of the current system -- even if improved -- does entail enough structural reform. Others feel that the boards are improving gradually through our reforms and that allowing local discretion does not significantly reduce your vision but provides for slower,

safer structural reform.

Pros of Option 3:

- Is close to current House bipartisan bill and what many Democratic constituencies can live with, and makes it less likely our efforts for major reform will disrupt Congressional efforts for significant reform consistent with your decisions.
- With skill grants, one-stops, and report cards, this option goes far to your vision even if somewhat compromised by local discretion.
- Avoids arbitrary new eligibility rules that will cut off State and local elected officials' ability to target funds to meet individual needs and respond to variations in the labor market.
- Avoids differential treatment of lower-income disadvantaged workers

Cons of Option 3:

- Does not contain a component that fits more pure empowerment/entitlement options for some dislocated workers.
- Some will feel that reliance on current programs for discretion is counterproductive to need for strong structural reform.

RECOMMENDATIONS

OMB recommends Option 3. They feel it is consistent with the principles the Administration enunciated during the debate last year. Specifically, they feel Option 3 explicitly recognizes the reality of resource constraints, adopts the widely desired guidance and help for disadvantaged adults and dislocated workers who want it, maintains the goal of a thoroughly reformed private-sector-based local service system, and preserves the key skill grant vision of individual control over training providers.

The Labor Department also supports Option 3. Labor Department staff feel that Option 3 allows you to claim victory on the key elements of your GI Bill vision. They are especially concerned that Option 2 would derail the progress made in the House and alienate key constituencies, especially the labor movement.

I feel that while Option 2 would be a better choice, because it would genuinely empower workers while creating a One Stop system based on your reform vision, Option 3 is the practical choice. By choosing Option 3 you would be recognizing the progress that Moderate Republicans and Democrats have made, and bolstering the chance that reform legislation -- which encompasses

your vision of skill grants, one stops, report cards and better accountability -- would pass this year .

Plan of Action: Once you have signed off on a policy, I recommend that we draft for you a set of principles consistent with our policy that we send to the Hill in time for Thursday's mark-up of the McKeon bill. The statement would lay out your vision from 1994 and make clear that you were pleased with the progress made in 1995 and 1996, disappointed by our inability to enact legislation last year, and that you feel it is critical for Congress to pass a training bill that meets your principles. This approach stresses your leadership, and sets up principles that allows us to push Congress in the right direction and claim a Clinton victory if legislation is passed that meets your principles.

Option 1 _____

Option 2 _____

Option 3 _____

Require counseling _____

Let's Discuss _____

4/23/97

Send to Silverman

Yes ☒

and to Donstet
for reply

No ☐

Save for Trip Book

Yes ☒

(copy - give
to Helen

No ☒

C.

Original newspapers (2)
given to Helen Howell

THE 21ST CENTURY[®]

A JOURNAL WRITTEN BY THE NEXT GENERATION

BOARD MEMBERS:

DAVID ANABLE,
Chairman, BU
School of Journalism

J. ROBERT CASEY,
Law Partner, Rubin
& Rudman, Boston.

JOHN B. MEYER
Pres. and Publisher,
The 21st Century

STEPHANIE MEYER,
Publisher, Editor
The 21st Century

ADVISORY BOARD:

THOMAS WINSHIP,
The Boston Globe
Editor, 1965-84

SUSAN WELD,
Lecturer in
Chinese History,
Harvard University

KAY FANNING,
The Christian
Science Monitor,
Editor 1983-88

BEVERLY BECKHAM,
Columnist,
The Boston Herald

HAROLD RAYNOLDS,
Mass. Commissioner
Education, 1986-91

Ms. Betty Currie
White House, West Wing
1600 Pennsylvania Avenue
Washington, D.C. 20500

'97 APR 23 PM 3:28

Dear Ms. Currie:

Re: The Presidents' Summit

On Wednesday, April 23rd, 20,000 junior and senior high schools across America received a total of 600,000 copies of the enclosed pre-Summit issue of *The 21st Century*. We hope that this distribution to school principals will inspire the students to participate in the Summit by watching on TV, interacting on the Web, and getting involved in their schools and communities.

The 21st Century asks teens to write their ideas, impressions and opinions to be published in a 24-page post Summit-Up issue to be distributed to these same 20,000 schools in May.

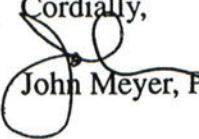
United Parcel Service has agreed to deliver the 20,000 packages to the schools for both the pre-Summit and post-Summit issues.

We hope President Clinton will appreciate the impact we are having on students and teachers and will be able to continue to work with us to get this message to America's teenagers. Thanks again for helping to get this letter to the President.

Now in its eighth year, *The 21st Century* is the nation's largest newspaper written entirely by teens and for teens. Every month about 200,000 students in 1,900 schools read the regular issues of *The 21st Century* and thousands become inspired to contribute. The central focus of the paper is always to increase self-esteem by providing an unparalleled opportunity for students to develop their reading, writing, creative and critical thinking skills.

The Young Authors Foundation, Inc., publisher of the paper, is a 501(c)3 non-profit organization committed to encouraging *all* students to value reading, writing and their entire education as a necessary tool for lifelong learning. *The 21st Century* is a unique project successfully reaching a broad range of social, racial, economic and ethnic groups and includes an outpouring of talent, experiences, ideas and innovative solutions from teens unmatched by any media. Few other publications value and respects teenagers the way we do.

Cordially,


John Meyer, President & Publisher

P.S. President Clinton can feel free to mention *The 21st Century* in any of his remarks, or to the the press, since this would be an effective way to let students know of this opportunity for their voices to be heard in a national forum.

The 21st Century

A Monthly Newspaper Written Entirely by Teens for Teens

Five Presidents Want You!



THE PRESIDENTS' SUMMIT
FOR AMERICA'S FUTURE
MENTOR PROTECT NURTURE TEACH SERVE



President Clinton



President Bush



President Reagan



President Carter



President Ford

Welcome to the Summit Issue of The 21st Century

For the last eight years, The 21st Century has been the monthly publication for America's future - today's teenagers.

The 21st Century offers teenagers the opportunity to publish their views, opinions and creative work on issues that affect their everyday lives.

The 21st Century, which is regularly sent to 2,000 high schools, has already published more than 12,000 student works.

We have no staff writers!

Published works include students' fiction, nonfiction, prose, poetry, art and photography. Thousands of students have submitted work on hundreds of topics including community service, the environment and the opportunities and problems facing America, as well as their views on movies, books, music and sports.

The 21st Century fulfills the need of teenagers to have a nonjudgmental forum that gives voice to their concerns, talents, joys and triumphs. The newspaper builds self-esteem by providing students with a unique opportunity to develop their reading, writing, creative and critical-thinking skills.

The 21st Century is proud to join the Presidents' Summit for America's Future with this Special Issue being distributed by UPS to 600,000 students in 20,000 high schools. We look forward to publishing teens' voices in the Summit-Up edition in May.

INSIDE	
Summit Events	2
Publishing Opportunity	3
Student Essays	4,5
Fundamental Resources	6,7
Corporate Commitments	8

An Invitation to

THE PRESIDENTS' SUMMIT FOR AMERICA'S FUTURE

*Including a Guide to Summit Events
April 27-29, 1997*

Presidents Clinton, Bush, Reagan, Carter and Ford, together with General Colin Powell and more than 1,700 community leaders, will gather in Philadelphia for The Presidents' Summit for America's Future.

They hope to inspire an unprecedented nationwide commitment to community service to help young people across America.

Not everyone can be in Philadelphia, but everyone can participate in the Summit. This is your opportunity to be part of the spirit of the Summit and to help sustain its message into the 21st century.

This is your invitation to participate and have your thoughts on the Summit and community service published in the Summit-Up Issue.



General Colin Powell
Summit General Chair

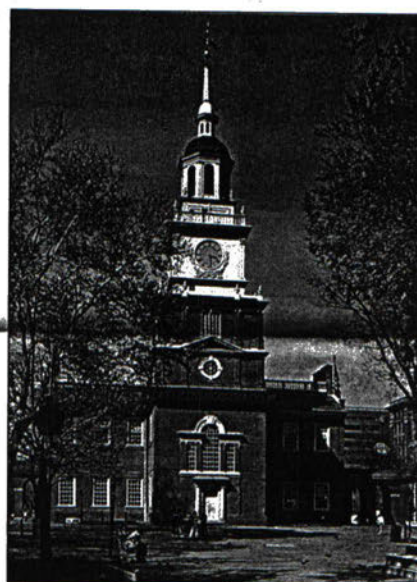
Students: The 21st Century wants you!

Experience the Power of Print

Give us your reactions to The Presidents' Summit and share your community service experiences and ideas for the Summit-Up issue in May.

Send your opinions, prose, poetry, letters, photos, and art for publication in The 21st Century by May 12th!

See rules on page 5.



Philadelphia's Independence Hall

Join the Summit:

- ★ **Watch and Listen** to the Summit on TV, radio, C-Span and the Internet.
- ★ **Read** all about the Summit in this and other newspapers and magazines.
- ★ **Discuss** the Summit ideas at home and in the classroom.
- ★ **Respond** with opinions on what the Summit meant; what community service programs are working locally; and what we can all do to solve today's challenges.
- ★ **Mail or email** your thoughts and ideas to The 21st Century by May 12th for publication in the Summit-Up issue.

the

21st
CENTURY

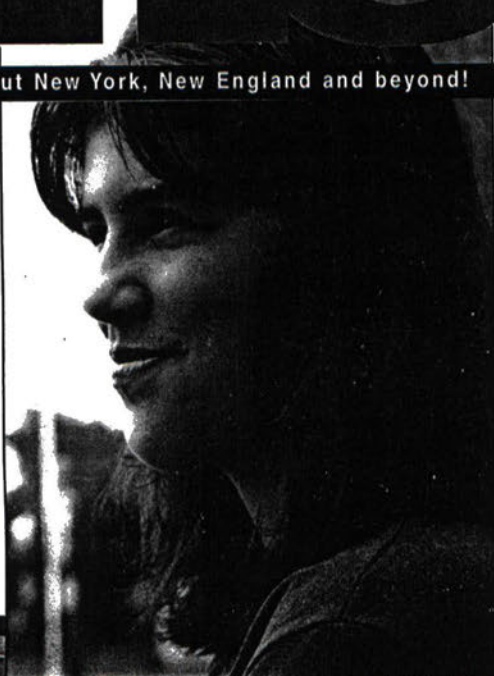
Reaching 1,800 schools throughout New York, New England and beyond!

RELIVING THE NIGHTMARE

It was a dark rainy day in mid-November. Washington, D.C. looked gloomy and the topic was not helping. The building looked like a ghetto from Warsaw. You could see smoke stacks and chain-link fences along the insides. Just looking at this morbid building sent chills down my spine. I never thought it was possible to feel this way. It was as if some outside force was about to take over my feelings, beyond my control.

As I walked into the first exhibit at the Holocaust Museum with my grandmother clutching my hand for dear life, I knew this was going to be one of the hardest things she would ever do. But if it meant educating me about a horrific event, which she had the misfortune of taking part in, she was willing to endure the pain. My family accompanied my grandparents through this traumatic experience. My grandparents relive the nightmare of the Holocaust every night when they go to sleep. They constantly have nightmares of the screams and gunshots which rang out during the night.

This nonfiction piece by Alison Reemer of New City, NY continues on page 8.



Photograph by Richard Senter II, Hampton, NH



Photograph by Peter Clarke, Marshfield, MA

College Pull-Out Section

New facts, figures, stories on pp. 15-28.

Summer Programs

Monthly guide on pages 37-39.

3 pages of Poetry!

In celebration of National Poetry Month.

Feedback -

We need your voice. See page 12.

Family Background -
Special Focus

Pieces about India, Poland and more.

ANTICIPATION

I stand here trembling. My knees feel weak. My fingers fidget nervously, as my palms begin to sweat. When I glance over my right shoulder I see crowds of wild-eyed people, screaming and yelling the names of their loved ones. Some of those eyes are staring at me and yelling my name. The sounds mesh together into one loud rumbling roar. My heart feels like it is going to burst. I look down at my right hand as it continues to shake, ever so slightly. I look at the silver band on my right pinky, it is supposed to bring me luck. Over to my left, a gang of people look around, secretly whispering and scratching down meaningless numbers on paper. Far behind me I can hear grunting and more screams. I look back and see, through a wire fence, large girls hurling heavy objects and groaning.

This piece by Megan Cross of Pembroke, MA concludes on page 33.

INSIDE

Book Reviews.....29	Science & Tech.....14
College Articles.....20	Solutions.....10-11
College Essays.....18	Special Focus.....6
College Section.....18-26	Sports.....33
Community Service.....27	TeenArt Gallery.....9
Concert Reviews.....28	TV Review.....29
Educator/Year.....24	Websites List.....14
Environment.....13	
Feedback.....12	
Fiction.....34-36	
Letters to Editor.....3	
Movie Reviews.....29	
Music Reviews.....28	
Nonfiction.....4-8	
Opinion.....10-11	
Poetry.....30-32	
Reviews.....28-29	

All published contributors receive an environmentally sound pen plus a gift certificate from

Strawberrys
MUSIC AND VIDEO STORES

Volume 8 • Number 8 • 40 pages