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SYRACUSE LAW REVIEW



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Betsy Edelin
my brother-in-law's
latest article;
thought it might be
of interest to you.

~~THE PRESIDENT HAS BEEN~~

5/11/97

interesting on

subject I want to
change

BL/et al Grounds of - BZ

TROUBLED TAXPAYERS' TOLLING TROUBLES

Malcolm L. Morris

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SYRACUSE LAW REVIEW
Volume 47, Number 1
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Volume 47 Number 1 1996

Original sent
to Bruce Lindsey

TROUBLED TAXPAYERS' TOLLING TROUBLES

Malcolm L. Morris[†]

CONTENTS

INTRODUCTION.....	121
I. Equitable Tolling.....	123
II. The Tax Side	130
III. The Remedy	144
A. Legislative Reform.....	144
B. Analysis.....	147
CONCLUSION.....	156

INTRODUCTION

"Time is of the essence." This shopworn caution recently resurfaced in the tax limelight as sanctions against untimely claims for refunds have grabbed center stage. Whereas the Internal Revenue Code¹ penalizes delinquent tax returns,² it exacts the highest possible cost on late refund requests, outright rejection on procedural grounds.³ Moreover, the penalties on tardy returns may be excused

[†] Professor of Law, Northern Illinois University College of Law, B.S., Cornell University; J.D., State University of New York at Buffalo; LL.M., Northwestern University.

1. 26 U.S.C. §§ 1-9806 (1994) [hereinafter the "code" or the "tax code"].

2. Internal Revenue Code section 6651(a)(1) imposes a "failure to file" penalty on delinquent returns equal to 5% of the tax properly assessable on the return for each month (or part thereof) the return is late, for up to 5 months. See I.R.C. §§ 6651(a)(1) (West 1996). The maximum late filing penalty is 25% of the amount required to be shown on the return. See *id.* In no event is the penalty to be less than \$100, nor can it exceed the amount of tax properly assessable. See *id.* § 6651(a). If the delinquency is fraudulent in nature, the monthly penalty is 15% and the maximum aggregate penalty is 75%. See *id.* § 6651(f)(1) & (2) (West 1996).

3. See, e.g., *Birenbaum v. United States*, 96-1 USTC ¶ 50,285 (S.D. Fla. 1996). In *Birenbaum*, the court stated that, "because no claim for a refund was filed [within the prescribed statutory period], the Plaintiffs have failed to 'duly file' their claim as required by I.R.C. §§ 7422 and 6511. Accordingly, the United States has not waived its sovereign immunity for this action and this Court is without jurisdiction over the above-styled cause." *Id.*; see also *Whitsitt v. United States*, 78 A.F.T.R.2d 96-5421 (N.D. Cal. 1996) ("Because

THE WHITE HOUSE
WASHINGTON

May 14, 1997

MR. PRESIDENT:

In the attached memo, Sandy Berger recommends that you accept the first Yitzhak Rabin-Shimon Peres Nobel Award for Peace, an award established by Lea Rabin and Shimon Peres with the funds from the Nobel Peace Prize.

Rahm concurs in the recommendation.

If you agree, please sign the response to Mrs. Rabin and Mr. Peres where indicated.

Todd Stern *TOS*
Phil Caplan *Phil*

*OK - we have to
do some work on this*

copied Berger
NSC
COS

THE WHITE HOUSE

WASHINGTON

'97 MAY 12 PM 7:10

April 21, 1997

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER 

SUBJECT: First Rabin-Peres Award for Peace

Purpose

To decide whether to accept a peace prize from Lea Rabin and Shimon Peres.

Background

Lea Rabin and Shimon Peres, through a Peace Foundation they have organized, wrote to offer you the first Yitzhak Rabin-Shimon Peres Nobel Award for peace. The prize was established as a way to put their own Nobel Peace Prize funds to good work.

We recommend you accept the award, and advise Mrs. Rabin and Mr. Peres that you understand that they have suggested that the approximately \$50,000 prize money be used for scholarships for American students to study in Israel. Your letter also makes it clear (at the behest of the Counsel's office) that it would be inappropriate for any scholarship fund to bear your name or be attributed to you in any other way.

The Peace Foundation has proposed a number of events for the Autumn in connection with the award. We will work with the organizers to minimize the demands on your schedule.

RECOMMENDATION

That you accept the Rabin-Peres Nobel Award for Peace, and that you sign the letter to Mrs. Rabin and Mr. Peres at Tab A.

Attachments

Tab A Reply to Mrs. Rabin and Shimon Peres
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Lea and Shimon:

Thank you for your gracious letter offering me the first Yitzhak Rabin-Shimon Peres Nobel Award. I am honored and delighted to be the first recipient.

It is my understanding that any funds connected with the award will be devoted to a scholarship fund for deserving American students who could benefit from study in Israel. However, our regulations dictate that I must decline the offer to have the scholarship fund set up in my name. I would instead suggest that any scholarship fund bear the names of those more directly involved in the peace process -- Yitzhak Rabin and Shimon Peres.

Ambassador Indyk has told me that you suggested some events in connection with conferring the award. I have asked Sandy Berger and the National Security Council staff to work with you as planning proceeds.

Thank you again for this honor and best wishes for the successful development of the Peace Foundation.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton", with a long, sweeping horizontal stroke at the end.

Mrs. Lea Rabin
His Excellency Shimon Peres
The Peace Foundation
c/o The Honorable Martin S. Indyk
American Ambassador
Tel Aviv
Israel

NATO's Quality of Life

By Vaclav Havel

As I follow the debate over whether NATO should be enlarged, I have the strong sense that the arguments are often purely mechanical, somehow missing the real meaning of the alliance. The process of expansion must be accompanied by something much deeper: a refined definition of the purpose, mission and identity of NATO.

The alliance should urgently remind itself that it is first and foremost an instrument of democracy intended to defend mutually held and created political and spiritual values. It must see itself not as a pact of nations against a more or less obvious enemy, but as a guarantor of Euro-American civilization and thus as a pillar of global security.

Yet the arguments of many participants in the debate over NATO — especially those who are opposed to admitting new members — froze up somewhere in the days of the cold war, at the time of the bipolar world. The subtle, instinctive transfer of the old way of thinking into the present is perhaps even more dangerous than the endurance of the clearly anachronistic idea of two powerful systems at war.

For decades, the Soviet Union and the Warsaw Pact were NATO's opponents. But the threat was not dangerous because it was Russian. It was dangerous because it was Communist and totalitarian. Still, it would be preposterous to believe that after the fall of Communism and the dissolution of the Warsaw Pact, over which I presided in Prague, there were no longer threats to Euro-Atlantic values of freedom and democracy.

The foes of expansion can't shake their bipolar hangover.

The danger is not coming from the present Government in Moscow. The real threats today are those such as local conflicts fueled by aggressive nationalism, terrorism and the potential misuse of nuclear arms and other weapons of mass destruction. As the case of Bosnia has shown, NATO — with American leadership — is the only consolidated force capable of effectively confronting such threats while offering other countries, including Russia, an opportunity to cooperate in defusing them.

But I believe that certain ways of thinking, which involve clinging to the stereotypical image of a NATO-Russia dichotomy, keep us from being able to stand up to such threats.

Needed: An alliance to protect Euro-American values.

Some people simply want to continue fighting the cold war and consider the Russians their chief enemy; they see the threat of Russia as the reason to enlarge NATO. Others, citing the end of cold war, in effect think along the same lines when they say, "Let's not enlarge NATO because it might irritate the Russians," or "Let's not enlarge NATO because Russia is not a threat anymore."

All of them have something in common: Their thinking is deeply rooted in the bipolar world of the past, and they grossly underestimate the variety of dangers that exist for democracy, peace and freedom in the Euro-Atlantic region and elsewhere in the world.

If this way of thinking prevails, it will turn the alliance into a hopelessly antiquated club of cold war veterans. Moreover, if NATO itself fails to live up to the new purpose I am describing, it will encourage some countries — perhaps even including some inside the alliance — to return to the kind of unfortunate situation that existed before NATO, when the most powerful nations divided Europe into spheres of influence and negotiated the regimes that would rule.

History has proved that such dealings with sovereign states, as if they were commodities subject to trade, lead to conflicts, as was painfully experienced by Czechoslovakia under the Munich Agreement of 1938. For that reason, it will not work to have NATO's enlargement decided by some kind of summit meeting of superpowers — selected NATO member states and Russia. This approach also contradicts NATO's fundamental principle of full equality among members.

This principle has enabled members within the alliance to eliminate centuries-old conflicts, developing and cultivating common values in cooperation, thus producing greater stability.

The opportunity to make decisions about common defense should not be denied a priori to countries that have embraced and advanced Euro-American political and cultural values. Some of the candidates for NATO membership have undergone pain for the sake of these values and have proved willing to protect them, as in the Persian Gulf war and Bosnia. A security vacuum in Central Europe exists today and could arouse unnecessary temptation among nationalists and those we suspect of nostalgia for power blocs and regional dominance.

As I have said many times, if the West does not stabilize the East, the East will destabilize the West. If principles of democracy win in the East, the peace and stability of all Europe will be insured. And not only to Europe. So NATO expansion should be perceived as a continuous process, in which the nations of Central and Eastern Europe mature toward the meaning, values and goals of the enlarged and revived alliance.

Seven years ago, when I spoke before Congress, I said that if the Americans wanted to help the Central Europeans, they should first of all help the Soviet Union. In principle, this remains true today, though the Soviet Union no longer exists. Many of NATO's tasks could and should be undertaken with Russia as a partner. But such a partnership with Russia must not seek to restrict the sovereign rights of Central European countries or Russia's neighbors to decide on membership in security organizations. Nor must it restrict the alliance's decisions to act.

An enlarged NATO should consider Russia not an enemy, but a partner. A new democratic Russia and a revived NATO can actively and quite naturally pursue constructive cooperation in solving concrete problems. After all, they face common threats. Both Russia and NATO, for example, have an interest in preventing the potential misuse of nuclear weapons. And there is always the possibility of new, not yet fully recognized tectonic cracks in the security map of the world.

But Russia is nonetheless a Eurasian superpower, so influential that it is hard to imagine it could become an intrinsic part of NATO without flooding the alliance with the busy agenda of Russian interests.

Perhaps we have not yet progressed enough in redefining the mission and identity of NATO. I believe that expanding the alliance will be a step forward. Not only will it require serious consideration of the purpose and meaning of the alliance, there will be more of us to take part in this reappraisal. □

Vaclav Havel is President of the Czech Republic.

Security

This is good

It's more abstract version of argument & made to yell in

copied

*Berger/NSC
COS*

The New York Times

TUESDAY, MAY 13, 1997 |

97 MAY 12 PM 7:29 *cliron*

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5-14-97

May 12, 1997

MEMORANDUM TO THE PRESIDENT

FROM: STEPHANIE STREETT *SS*
SUBJECT: SCHEDULING DECISIONS
CC: JOHN PODESTA & SYLVIA MATHEWS

ACCEPT

Date of Event:

Description of Event:

5/14/97

Meeting with Congressional Democratic Leaders
Staff Contact: John Hilley

5/19/97 - 5/23/97

Meeting with NATO Secretary General Javier Solana
Staff Contact: Samuel Berger

5/20/97 - 5/21/97

Meeting with the Congressional Bi-Partisan Leaders
Staff Contact: John Hilley

5/21/97

Meeting with the Congressional Black Caucus
Staff Contact: John Hilley

6/17/97

Meeting with President Kiro Gligorov of the Former
Yugoslav Republic of Macedonia
Staff Contact: Samuel Berger

6/17/97

WETA In Performance at the White House Highlighting
"Young American Artists"
Staff Contact: Ann Stock

Fundraiser for Senator Moseley-Braun, Chicago, IL
Staff Contact: Craig Smith

This event will take place on June 25, following the Annual Family Conference in Tennessee. Following the fundraiser you will overnight in New York, in advance of your address to the UN General Assembly Special Session on the Environment.

UN General Assembly Special Session on Environment & Development

Staff Contact: Samuel Berger, Katie McGinty

PENDING

Description of Event:

Private Dinner for President of Czech Republic, Vaclav Havel, Secretary Albright's Residence

The First Lady will be attending this dinner, arriving around 8:00pm, and would like you to attend also.

Drop-by the White House News Photographers's
Associations' Dinner, The National Building Museum
Staff Contact: Mike McCurry

The current recommendation is for you not to attend the dinner this year to allow you to have the weekend down. This will be your only day off for the weekend, and it is the day before the Morgan State commencement. We will try to get one of the other principals to attend.

Interview with *People Magazine*
Staff Contact: Mike McCurry

People has requested an interview to discuss your recent injury. This would also be an opportunity for you to discuss your newfound respect for those with permanent disabilities. There is general support for this interview in the building. This will be difficult to schedule given your current schedule for the rest of May. Is this something you would like to consider doing?

May TBD

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May TBD
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6/10/97

Press Conference
Staff Contact: Mike McCurry

We are currently holding June 10 for a possible press conference.

June TBD

Brief Meeting and Rose Garden Event with Representatives Crane, Rangel and McDermott and Possibly Other Co-Sponsors of the African Trade Legislation
Staff Contact: Daniel Tarullo, Samuel Berger, John Hilley

100% 100% 100%

The recommendation is to postpone this event until June due to your busy schedule and other issues that need to be resolved by Legislative Affairs and the NSC.

REGRET

Date of Event:

Description of Event:

5/22/97

Participate in the First Annual Space Day
Staff Contact: Rahm Emanuel

This is the day of your Education Town Hall in West Virginia.

6/1/97 - 6/30/97

Participate in Flood Restoration Activities in Yosemite National Park
Staff Contact: Katie McGinty

Your current schedule for the June California trip does not allow time for this event. This proposal has been forwarded to the Vice President's office for consideration.

6/5/97

Participate in the National Working Women's Summit Teleconference
Staff Contact: Kitty Higgins, Betsy Myers

This is the day before Chelsea's graduation, and various family events are scheduled throughout the day. This proposal has been forwarded to the other principals for consideration.

6/5/97 - 6/7/97

Speech to the 1997 Conference of Community College
Presidents and Trustees, Baltimore, MD
Staff Contact: Maria Echaveste

This is the week of Chelsea's graduation, and several
family events are scheduled on these days.

6/12/97 - 6/15/97

1997 American Friends of Bilderberg Meeting,
Lake Lanier, Georgia

The recommendation from the NSC was to regret this
event. The day of June 12 has a full schedule, and you
will be traveling to California for the reconciliation
speech on June 13 and 14. Sunday, June 15 is Father's
Day, a day down, and the finals of the US Open. I will
discuss this with you further.

ALL DONE
CONFERENCES
US OPEN
FATHER'S DAY
JUNE 15

AE

5/14

original to
McGinty

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TO K McGinty

By

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THE PRESIDENT HAS SEEN

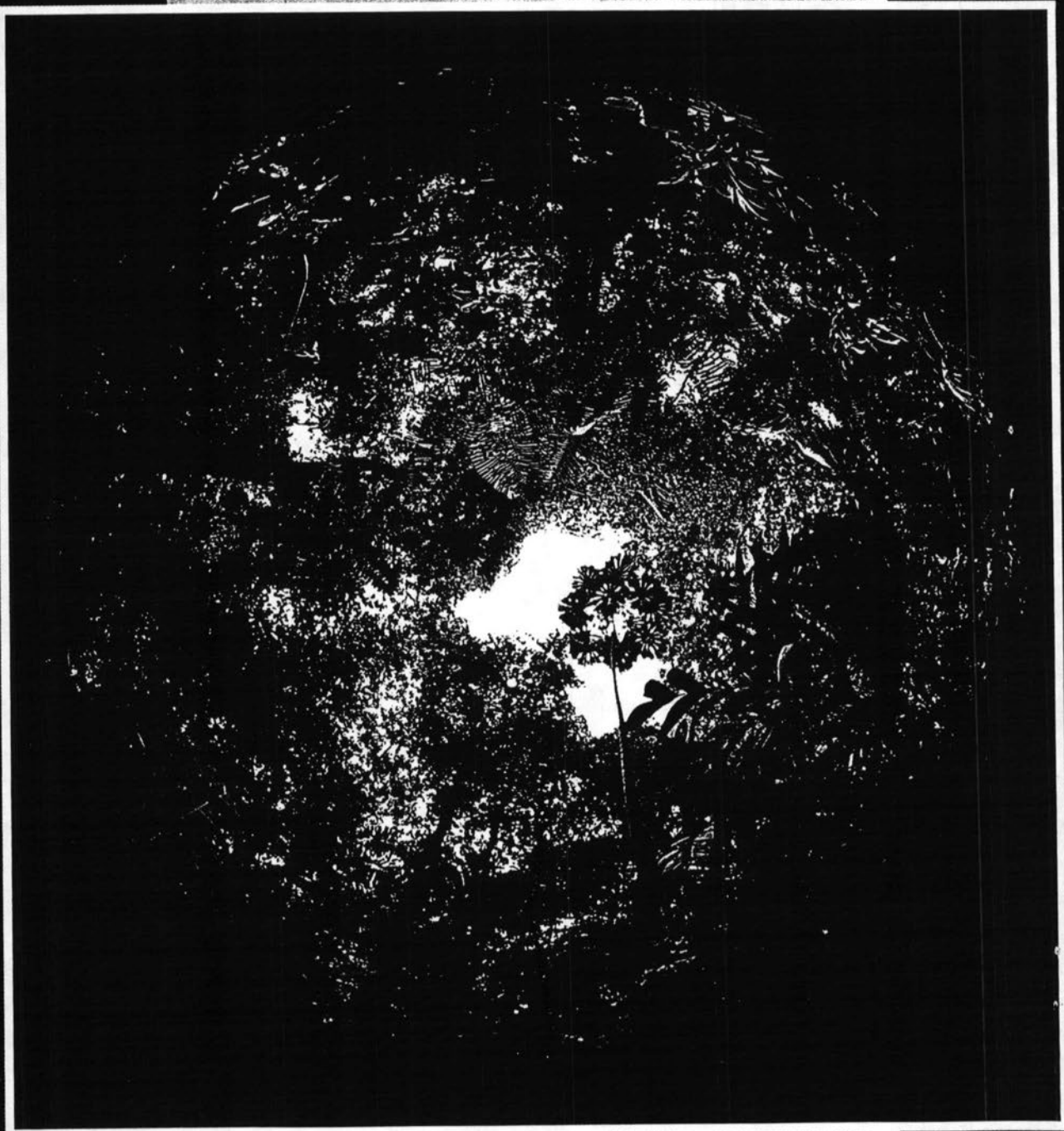
5/14/97

Edited by

LUCINDA A. MCDADE, KAMALJIT S. BAWA,
HENRY A. HESPENHEIDE, AND GARY S. HARTSHORN

LA SELVA

ECOLOGY AND NATURAL HISTORY
OF A NEOTROPICAL RAIN FOREST



Edited by

LUCINDA A. MCDADE, KAMALJIT S. BAWA,
HENRY A. HESPENHEIDE, AND GARY S. HARTSHORN

LA SELVA

For President Clinton and Mrs. Clinton -

You have an open invitation to visit
La Selva.

Bruce Young
Co-Director
La Selva

Charles Schulz
Associate Executive Director
Organization for Tropical Studies

Copied
Reed
COS
Mark Penn

Brend / ce Mauer

- should consider telling this one to School Board - unconquering -
- good follow up to Summit
- I could withdraw School Board chair or Meallat Convention or both - PR

THE PRESIDENT HAS SEEN
5114197

THE WHITE HOUSE
WASHINGTON

DATE: 5/14/97

NOTE FOR: Mr. Mark Penn

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

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:

Mr. Mark Penn
805 15th Street, NW
Washington, D.C. 20005

epidemic and drugs

Community service gains favor with school boards

By Tamara Henry
USA TODAY

5/14/97

THE PRESIDENT HAS SEEN

Only one state requires community service for high school graduates, but the idea has caught the fancy of school board members nationwide.

The National School Boards Association (NSBA) queried 6,000 of its members attending a convention recently in Anaheim, Calif., and announced that 71% favor the idea, 20% oppose it and 9% remain uncertain.

The survey results are reinforced by a new study from the U.S. Department of Education that says 93% of teenagers who were asked to volunteer actually did, compared with 24% of those who were not asked.

The department's study by the National Center for Education Statistics examined data from the 1996 National Household Education Survey, Youth Civic Involvement, in which 8,000 students in grades six through 12 were asked about their participation in community service activities. At the time of the interview, 49% of the students reported being involved in community service during the 1995-96 school year. Twenty-six percent said they participate regularly. The most important factor in student participation appeared to be whether schools arranged or offered community service.

The NSBA survey was released about the same time that President Clinton held a volunteerism summit in Philadelphia. NSBA's Anne Bryant says she was "quite surprised by the high number" of those at the school board convention in favor of a community service requirement because "there's a lot of discussion around, 'Is volunteer and requirement an oxymoron?'"

Bryant adds the results "reinforce that the NSBA and school board members in general believe in volunteerism." She says they understand it can add another facet to the academic side of education as well as teach discipline, consistency and responsibility.

"I think that those are values that schools can teach and want to teach," Bryant says.

Maryland is the only state to require community service to graduate from high school. The Education Commission of the States (ECS) says Minnesota, Delaware, Vermont, Pennsylvania and New York encourage such actions. Arkansas students get one credit after 75 hours of service. Connecticut offers funds to districts that develop and test programs. Wisconsin has a law that gives school boards the authority to make such a requirement, the ECS says.

The survey also found:

► 49% favor school boards contracting with private business to provide parts of the instructional program; 37% oppose.

► 76% oppose school boards contracting with private business to provide management of the entire school system; 13% favor.

► 69% say it's a low priority that students have charter schools as one of their choices of education opportunities; 24% says it's a high priority.

► 53% favor offering some classes in a single-sex environment in the school district; 32% oppose.

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Shallow science

Students lacking complete grasp

By Tamara Henry
USA TODAY

WASHINGTON — By the end of high school, most U.S. students have some grasp of basic scientific facts and principles, but few can actually apply the information to design experiments or clearly explain their reasoning, a government study shows.

The Nation's Report Card, administered by the National Assessment of Educational Progress (NAEP), provides an in-depth look at what U.S. students know in grades four, eight and 12.

Science is one of several subjects assessed periodically; the latest test was revised to require students to perform at least one hands-on experiment, as well as answer essential questions.

"America has the best science in the world," says Education Secretary Richard Riley, "yet the lack of knowledge about science among some of our students is troubling. This tough, new test is going to notch up what our young people know about science, and it is long overdue."

In experiment after experiment, educators said, high school seniors could follow instructions to perform a task, but only about one-quarter wrote instructions clear enough to enable someone else to successfully follow them. In most instances, students left out pertinent details or key information.

The study shows that of the volunteering 40 states, the District of Columbia, Guam and Department of Defense schools:

► 19 had eighth-grade scores that were higher than the national average of 148. Maine, North Dakota, Montana, Wisconsin and Minnesota led the list.

► 11 placed around the national average. Missouri's average was 151, Washington state, 150, Virginia and Rhode Island, 149.

► 14 fell below. Arkansas had 144, Tennessee, 143, Florida, Georgia and Delaware, 142 each.

► Private school students generally outperformed those in public schools. The one exception: the top 10% of 12th-graders, among whom performance in both private and public schools was the same.

WESTERN UNION | TELEGRAM

L ISSUE DATE: 04/28/97 MsgCtrlNo: 999 042 9523
8188402299 FRS TDXN BURBANK CA 22 04-28 0650P EST

PRESIDENT BILL CLINTON,

1600 PENNSYLVANIA AVE
WHITE HOUSE DC 20500

THE PRESIDENT HAS SEEN

5/14/97

GREAT JOKES AT THE CORRESPONDENCE DINNER. IF YOU EVER WANT TO GUEST
HOST THE TONIGHT SHOW, LET ME KNOW. VERY FUNNY STUFF.

JAY LENO

1850 EST
Msg Seq No. : 30472

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Emanuel
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Lewis
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*Radu / Dan B / Paul
Fg-*

FAX

Date: May 12, 1997

Time: 1:24:57 PM

3 Pages

To: Melanne Verveer

From: haveaniceday

Fax: 2024566244

Voice:

Fax:

Voice:

Comments:

Melanne: Thanks for getting this to the First Lady. Dear Hillary: I sent the attached to the President recently; the decision on the FERC chair may be made this week. I know and like Bill Massey; I simply think the other candidate, Jim Hoecker, would make a better chair, is more in tune with the President's philosophy, would be better received, and deserves it more from a campaign patronage perspective. Thanks for your consideration. BILL BURTON

FYI -
from Bill Burton

cc: WASH (McLarty Fy!)
 \$ Mustosign my
 Br

April 17, 1997

VIA TELECOPY PER THE HONORABLE BRUCE LINDSEY

The President of the United States
 The White House
 Washington D.C. 20500

THE PRESIDENT HAS SEEN

5114197

Subject: Your designation of a new FERC chairman

My dear Mr. President,

You will soon decide who will be the new chairman of the Federal Energy Regulatory Commission, an agency which you have more than a passing familiarity with due to Grand Gulf (I suspect that you're the only president – or candidate, for that matter – who ever argued a case before the FERC). Your FERC (you appointed four of the five members, and made the fifth, Betsy Moler, chair) has performed exceedingly well over the past four years. The immediate future, post-Betsy (who you moved to DOE recently) is critical because, among other things, the FERC is at the center of the electric industry restructuring, which is a hot-button issue all over the country.

Most FERC watchers hope you promote one of the two remaining Democratic commissioners to chairman; they're qualified, and you send a message that the high-quality direction of the FERC will continue. The two Democrats are Bill Massey and Jim Hoecker. I strongly believe you should name Hoecker (pronounced *hecker*), mainly on the merits: (1) first former FERC staffer on the commission; (2) Ph.D & J.D. (on the board of Northland College; former history prof); (3) environmental and labor background and support; (4) extensive writing and studying in management (particularly crucial since the crux of the chairman's job is management of the 1400-person agency).

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 Nash
 McLarty
 Cos

After visiting with Bruce Lindsey about this, I suspect your instincts will be to promote Massey to chair: you know Massey, he's from Arkansas, and certainly he's qualified. He also served on Bumpers' staff, and the senator is predictably supportive of Bill's candidacy. Sen. Bumpers likes Hoecker, too, and would support him (and remember, your last chair came off of Bumpers's committee staff, and her husband works for Bumpers, so it's not like we haven't taken his views into account). But from purely a patronage perspective, I think the strongest case can be made for Hoecker. As you know, I lived and breathed your energy policy during the 1992 campaign (check with Diane Blair, Gene Sperling, or Sylvia Mathews, who I used to speak with almost daily on this and related issues!). You had no stronger, earlier, or harder working energy person supporting you than Jim Hoecker. To be fair, I have no idea what Massey did or didn't do in '92 (or '96), but I know that from an energy perspective (see attached), no one matched Hoecker's output:

He met you and Hillary in December 1991 at a fund-raiser, and met me during a call I made for D.C.-area volunteers in January 1992. He worked 20 hours a week, I estimate, on garnering D.C. bar and industry support, pulling together policy papers, and giving speeches

2

May 12, 1997

✓ (he made about 25 appearances for you, many out of town at his expense, from Aug-Nov 1992). In October 1992, he basically became a full-time volunteer staffer, making speeches and pulling together a fund-raiser for you (speakers there included me, Katie McGinty and Rob Shapiro). He was the top regulatory guy on the Energy Transition Cluster and worked on the O'Leary confirmation team. Mr. President, Jim is an active Democrat in Virginia, Wisconsin, and has even participated in Arkansas (he joined the celebration in Little Rock on Election Night 1992).

✓ I have not written you on personnel appointments in the past; but I think this is a critical position, and I think (1) Jim is the best substantively for the job and (2) no one on the energy side gave more than he did to ensure your election.

Respectfully yours,

Bill Burton

P.S.: I sympathize with your leg plight; I broke my leg in a mountain bike accident the summer of 1991. Those crutches are no fun!

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Reed
Kagan
COS

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
5/14/97

May 13, 1997

'97 MAY 13 PM5:41

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: DASCHLE AND FEINSTEIN AMENDMENTS

I fully agree - no one can
seriously say D. won't
stop far from abortion w/
let human beings
lets do it now

As you know, the Senate is taking up the Partial Birth Abortion Act (HR 1122) this afternoon. We expect Senator Daschle and Senator Feinstein to offer substitute amendments during the course of the debate. We recommend that you send a letter to Congress indicating that you would accept either of these substitute proposals. John Hilley and Rahm strongly agree, believing that a letter of this kind will help prevent a veto override on this issue. The proposed letter is attached; if you agree to send it, we will put it into final form for your signature.

B.C

Background

Both the Feinstein and the Daschle amendments prohibit post-viability abortions generally. They thus differ in two crucial ways from HR 1122: (1) they apply to all procedures, including but not limited to the "partial birth" procedure, and (2) they apply only to abortions performed after the fetus has become viable.

Both amendments impose civil, rather than criminal, penalties. Feinstein's would fine the physician up to \$10,000 for a violation. Daschle's would result in a fine of up to \$100,000, or suspension or revocation of the doctor's medical license (and in the case of a second or subsequent offense, \$250,000 or revocation of the license).

Most critically, both amendments contain a health exception, though of different kinds. The Feinstein legislation would exempt an abortion if, "in the medical judgment of the attending physician, the abortion is necessary to . . . avert serious adverse health consequences to the woman." This language is essentially identical to the language you have used in calling for a health exception to the Partial Birth Act. The Daschle language is more stringent. It exempts an abortion when the physician "certifies that continuation of the pregnancy would . . . risk grievous injury to [the mother's] physical health." "Grievous injury" is then defined as "a severely debilitating disease or impairment specifically caused by the pregnancy, or an inability to provide necessary treatment for a life-threatening condition."

The five women you spoke with before your last year's veto would fall within even the Daschle exception, assuming the truth of their accounts. Each said that her doctor advised her that an abortion was necessary to prevent a risk of grave physical harm -- for example, of serious

damage to her reproductive system. Daschle himself believes that his bill protects such women, and is willing to refer to these women when he offers his amendment. You should be aware, however, of a slight chance that one of the choice groups will persuade one or more of these women to oppose the Daschle bill on the ground that it would not protect women in her situation.

The American College of Obstetricians and Gynecologists today endorsed the Daschle amendment, stating that it "provides a meaningful ban [on post-viability abortions] while assuring women's health is protected." (ACOG took no position on the Feinstein amendment, which the group rightly views as a less serious proposal.) The AMA has refused to take a position on any of the pending legislative proposals, but yesterday issued a study (1) expressing skepticism about the need to use the "partial birth" procedure, but stating that doctors must retain discretion to use medical judgment in selecting procedures, and (2) stating that post-viability abortions are almost never necessary to save a woman's life or prevent serious harm to her health, given the alternative at this stage of delivering the fetus.

The choice groups (somewhat reluctantly) support the Feinstein language, but oppose the Daschle proposal. They argue that the stringency of Daschle's health exception -- including its limitation to cases of physical harm -- undermines the comprehensive protections announced in Roe regarding the health of the woman. The Office of Legal Counsel of the Justice Department similarly believes that both the Daschle and the Feinstein amendments, properly read, violate Roe because they countenance tradeoffs involving women's health. (OLC thinks, however, that a court might be able to interpret the Feinstein amendment so narrowly as to avoid this problem.)

John Hilley believes that a letter from you supporting the Daschle amendment is of crucial importance in sustaining a veto. He worries that if the Daschle amendment goes down to a decisive defeat, many Senators who previously supported you will switch and vote for HR 1122. He thinks a letter of endorsement from you will strengthen the prospects for the Daschle amendment.

Recommendation

We recommend that you endorse the Daschle amendment in order to sustain your credibility on HR 1122 and prevent Congress from overriding your veto. You have spent many months calling on Congress to pass a bill that contains a sufficiently protective, but also appropriately confined, health exception -- as you said in a letter to the Cardinals, not a health exception that "could be stretched to cover most anything," but a health exception that "takes effect only where a woman faces real, serious adverse health consequences." Especially given ACOG's endorsement of the Daschle amendment, it will be difficult for you to make the case that Daschle's language does not adequately safeguard women's health. In these circumstances, declining to support the amendment will weaken your position and increase the chance that Congress will override your veto.

DRAFT

Dear Senators Daschle and Feinstein:

I am writing to express support for your amendments prohibiting late-term abortions. If Congress were to substitute either of these amendments for the current H.R. 1122, I would sign the legislation.

As you know, I have long opposed late-term abortions, and I continue to do so except where necessary to save the life of a woman or prevent serious harm to her health. When I was Governor of Arkansas, I signed into law a bill that barred third-trimester abortions, with an appropriate exception for life or health. And last year, I made clear that I would sign such a bill at the federal level.

Your amendments, though differing in detail, both meet the standards I have set for such legislation. The amendments contain exceptions that will adequately protect the lives and health of the small group of women in tragic circumstances who need an abortion at a late stage of pregnancy to avert death or great injury. At the same time, the amendments prohibit any late-term abortions performed for elective reasons. This balance is an appropriate one, which I -- and, I believe, most Americans -- would gladly make the nation's law.

Sincerely,

In Florida, welfare reform standing test of time

Recipients in a pilot program, faced with a time limit on benefits, are finding themselves in the workplace — not out in the cold

By Richard Wolf
USA TODAY

PENSACOLA, Fla. — Every day that Denise Riley works, saves and hustles to feed her family without a welfare check, she makes history.

The 39-year-old single mother of two is a reluctant pioneer. A pilot program in Escambia County, Fla., where she lives, has become the first in the nation to kick clients off welfare because time limits for receiving benefits have been reached.

But despite fears that time limits on welfare would cast poor mothers with children further into poverty, Florida hasn't found that to be the case. State officials, an independent evaluator and welfare recipients themselves say the ticking clock usually leads to jobs, not injustice.

"It's kind of like every month we go check the Richter scale to see if the calamity has happened yet," says Don Winstead, Florida's welfare reform administrator, who feared that families could be harmed.

"So far, it doesn't appear that it has."

It won't be long before the rest of the country finds out how time limits work. Seventeen states imposed time limits on welfare from 1993 to 1996. And the heart of the federal welfare reform law signed by President Clinton last year is a five-year lifetime limit on federal aid.

By 2002, there could be Denise Rileys in all 50 states.

That makes Riley, one of 93 Pensacola residents whose welfare benefits have run out, a national guinea pig. Her fate and that of her two daughters, one who has a 2-year-old son and is on welfare, are being monitored by government officials, anti-poverty activists and social scientists eager to see whether welfare reform helps or harms.

So far, the widely feared time limits are proving to be just the motivation needed to move many Pensacola residents from welfare to work.

► The welfare caseload has been cut 36% in three years, even though 2,739 welfare clients are in a control group not subject to the program's services or time limits.

► More than 1,400 of the 2,894 welfare recipients subject to time limits have gotten full-time jobs. More than

700 others are working part time. Average earnings are \$3.21 an hour. Only 728 remain on welfare.

► The 93 recipients whose benefits have expired represent only 3% of the 2,894 faced with the program's time limit.

its. And only 44 of them left without a job or a known source of income.

The Escambia program, which began in 1994, allows two years of benefits over a five-year period, or three years out of six for those with long-term welfare dependency, less education or limited work experience. Time clocks began expiring in 1996.

Officials are finding that most recipients stay on welfare until their time is nearly up, then find jobs.

► Kila Miles, 27, who has four children, was given a three-year time limit in late 1994. In February, with 10 months left, she landed a \$5-an-hour job at A Wee Wise Owl child care center. Now she's an assistant manager who makes \$6 an hour and is seeking a certificate in child development at night.

Without the limits, Miles says, "I probably would have been at fast-food (jobs) for life."

► Sherry Huckaby, 32, and her 9-year-old daughter have been on and off welfare for seven years. With one month left on her 24-month clock, she landed a \$7.50-an-hour job as a machine operator apprentice at Mercury Machining Co. and is seeking an associate's degree in manufacturing technology. As time ran out, she says, "I did get very nervous. It pushed me into getting something."

► Sharon Johnson, 38, used all 36 months of her time on welfare before becoming a custodian at the National Museum of Naval Aviation in February. Her welfare check for herself and her two daughters was \$303 a month. The job pays \$396 every two weeks. "As it got closer, I was getting kind of nervous," she says. "I didn't know if I was going to get a good-paying job."

The time limits don't work for everyone. Some, like Riley, run out the clock and have to fend for themselves. State officials say those who have been cut from welfare without work refused to cooperate with the program. Their cases don't evoke much sympathy. Panels of citizens that review them have yet to stop the clock for someone who refused to comply with the program's work rules.

"A lot of family members are really kicking in and helping out," says Charlie Nichols, an elementary school assistant principal and panel member. "A lot of these people are very resourceful. At no point in time will children be in jeopardy."

Riley spent two years battling state officials, claiming, but not proving, that she had health problems and needed disability benefits. Her \$180 a month in welfare benefits expired last summer. Now she earns \$5.82 an hour at a part-time food service job on a Navy base that she took after a stint at Burger King. She pads her wages by cutting hair and babysitting. Under the program, she's still eligible for some food stamps and Medicaid health insurance.

"It's hard, but you can survive if you budget right," Riley says outside her public housing project. How did she make the tough transition from welfare to work? "I had God," she says, "and I knew how to hustle."

But more than faith is at work in

this sultry Gulf Coast city of 58,000 at the western tip of Florida's panhandle, where most of Escambia County's welfare recipients live. Judging from people like Riley, most adults cut from welfare find work, rely on relatives, trim expenses and somehow muddle through.

Theresa Sledge is among those who have lost welfare. She and her husband, Doyle, who has been in and out of jobs, ran through 24 months of her \$241 monthly benefit. With two children and a third on the way, they live in a trailer, trying to fix a 1977 Camaro so Doyle can get a job.

"I feel like it's my own fault," says Sledge, 22. "If I had been more assertive with myself, I would have gone back to secretarial school."

People like Riley and Sledge are the types around whom the national welfare-reform debate swirls. Will they pull themselves up by their bootstraps, find jobs and break their cycle of dependency? Or will they sink further into poverty, hunger and homelessness, leading to family breakups and foster care for kids?

That's why officials here are watching closely to determine what happens to them.

A report this month from the Manpower Demonstration Research Corporation, hired to evaluate the program, gave it high marks but said it's unclear whether Pensacola's welfare clients will be better off in the long run. "It will be critical to examine whether people are able to keep their jobs and avoid returning to welfare," the report says.

And Escambia County's early success may not be duplicated as other states' time limits run out. In most, neither the government financing nor the opportunities for education and training will be as generous as they are here. As a result, welfare recipients may not fare as well.

Because of that, Pensacola program manager Mamun Rashied opposes his program's time limits. "I think there are some people who are going to need ongoing assistance," he says. "If only 10% of our clients end up in the criminal justice system, we're going to lose money."

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USA TODAY

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Contract with America receives new political life

By William M. Welch
USA TODAY

WASHINGTON — Remember the Contract with America? Republicans rode it to win control of the House 2½ years ago but chose to forget about it during last fall's elections.

They're talking about it again now in the blush of their budget-balancing and tax-cutting deal with President Clinton.

That agreement, they say, will deliver on the key premises of the contract — big tax cuts and a balanced federal budget.

"We get lower taxes, we get capital gains tax (reduction), we get the death-tax relief and the child-tax credit," says House Majority Leader Dick Armey, R-Texas.

"By the time you put that together with all of the tax changes we passed in the last Congress, we pretty well have got everything that was in the Contract with America."

Armey was one of the main authors of the contract. While still in the minority, most GOP House members and candidates signed it on the steps of the Capitol before the 1994 elections that swept Republicans to control of the House for the first time in 40 years. Their pledge: To push for enactment of the contract's 10 planks, and at the very least bring each one up for a vote in Congress within 100 days of taking office in 1995.

Republicans suffered some losses in last year's election but kept House control after a campaign in which Democrats derided the contract as extremist and many GOP candidates tried to avoid its mention.

Democrats who fought the GOP cuts in the last Congress are trying to draw distinctions in this year's package and knock down the Contract with America's revival.

Clinton's congressional lobbyist, John Rille, who helped steer Democrats in their budget talks with Republicans, says the deal "is a repudiation of the contract" because it does not cut programs the GOP targeted two years ago.

This agreement invests in education and in the environment and in the health care of our children, and it does not seek to destroy them as the contract would have done," Rille says.

Senate Minority Leader Tom Daschle, D-S.D., says the deal is not a final chapter to the contract but the last step of the Democrats' 1993 deficit-reduction bill, which passed with no GOP support.

Clinton vetoed the GOP's promised tax cuts in the last Congress. The budget deal would deliver key elements that the GOP-led Congress tried and failed to get then:

► A middle-class tax cut, led by a \$300-per-child annual tax credit for most families. That is expected to be part of the tax bill resulting from this year's deal, although the details aren't set.

► A cut in the tax on capital gains, which are the profits from the sale of assets such as stocks and real estate. Republicans want to reduce the current maximum rate of 28% to less than 20%. They may get it.

The agreement also delivers on another longtime GOP tax goal: an as-yet unspecified increase in the exclusion of \$600,000 from estate taxes.

Last year Congress passed lesser tax goals of the GOP, including an increase in the earnings limit for Social Security beneficiaries, a \$3,000 tax credit for people who adopt a child and a tax break for people with long-term illnesses.

The GOP hasn't gotten everything in the contract — most notably constitutional amendments requiring a balanced federal budget and limiting congressional terms. Both failed to pass last year and again this year. A third key item, giving the president a line-item veto, was passed but struck down by the courts. The Supreme Court is being asked to decide the issue.



Armey: Says contract being fulfilled

The 10 planks of the Contract with America

► A balanced budget amendment and line-item veto, to foster "fiscal responsibility."

► An anti-crime package that would include a more "effective death penalty" for some federal crimes.

► Welfare reform, including curbing benefits to minor mothers.

► A "family reinvestment act," including tax incentives for adoption.

► An "American dream restoration act" that would include tax credits of \$500 per child annually for most families.

► A ban on U.S. troops being put under United Nations command in peace-keeping missions.

► Changes in Social Security, including an increase in the earnings limit.

► A cut in the capital gains tax rate.

► "Common sense" legal reforms, including limits on punitive damages.

► Term limits.

Clock ticking for families across the nation

Wisconsin had a two-year time limit in two counties that came due in January. At that time, no clients had used up all 24 months of their welfare allotment. Now the pilot program is being folded into a state effort, and the clock will begin anew. Iowa has cut more than 4,000 people from its welfare rolls without a time limit. Like smaller numbers of clients in other states, they were kicked off temporarily for not complying with caseworkers. The penalty lasts at least six months, at which point benefits can be reinstated.

By Richard Wolf

hit a two-year time limit in October. ► Connecticut clients will reach a 21-month time limit in November. ► Illinois could begin eliminating benefits in January for 16,000 clients with children no younger than 13. ► Several Nebraska counties also will hit a two-year limit in January. In addition, welfare clients in several states already have faced the loss of aid in different ways. ► Vermont recipients have begun to reach a 30-month time limit on benefits that forces them to go to work. ► But clients don't lose cash assistance unless they refuse community service jobs.

must be working or in job training or vocational education programs. But it won't take that long to test the effect of time limits in places other than Pennsylvania. At least 17 states imposed them as part of welfare reform experiments before the federal law was passed last year. Clocks are now running out in five states: ► Five counties in Virginia will reach a two-year time limit in July. About 500 welfare recipients will lose aid if they have been on welfare for two years. Every three months, more counties will hit the limit. ► Delaware welfare clients who fail to work for benefits will begin to

Time limits on welfare benefits that have begun to take effect in Pennsylvania, Fla., soon will be felt across the country.

The federal welfare reform law prohibits states from using federal money to keep a family on welfare beyond a five-year lifetime limit. However, in each state, 20% of welfare clients can be made exempt.

At least 18 states plan shorter lifetime limits for welfare recipients. Others will stick with the five-year limit.

At least 16 states plan shorter limits than the two years allowed by federal law before welfare recipients

MONDAY, MAY 12, 1997
USA TODAY

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Power struggle draws lobbyists

Competition is coming to the nation's last monopoly, electricity. Momentum is building in states and Congress to allow consumers to shop for electricity the way they do long-distance service. The stakes are huge, electricity is a \$200 billion-a-year industry, and so is the lobbying going on before the big switch to competition is made.

USA TODAY reporter Andrea Stone looks at both sides.

WASHINGTON — It may be the ultimate battle for power.

States and Congress are preparing to break up the electric utility industry, the nation's last big monopoly. Before long, consumers may be shopping for electricity the way they do long-distance phone service, and electric companies may be lowering their rates to compete.

It sounds like last year's deregulation of telecommunications, which expanded competition for long-distance service. But electricity is even bigger. American homes and businesses pay more than \$200 billion a year to private utilities, more than they spend on phone service or cars.

The issue picked up momentum last week when California regulators voted to open the nation's largest market to competition on Jan. 1 — five years earlier than expected.

With so much at stake across the country, companies will "spend staggering amounts of money in lobbying to get the kind of structure that's going to benefit them," says Kent Cooper of the Center for Responsive Politics, which tracks political contributions. Some estimates put the lobbying tab at \$50 million this year.

"In Washington's lobbying community, it's one of the most sought-after gigs," says Joe Vassopoli, a lobbyist for Wisconsin Electric Power, which is looking forward to competing for business in Illinois.

Studies variously indicate competition would shave 15% to 43% off the average family's electric bill. That appeals to Congress, which is considering ordering states to deregulate by a certain deadline. But even without federal legislation that would open competition nationwide, virtually every state is considering deregulation within its borders.

The debate is convoluted at best. Practically non-partisan, although free-market Republicans have taken the lead, it is divided mainly along regional lines. In New Hampshire, for example, where the average household pays \$74 a month for electricity, people want rapid change. In Idaho, where the average bill is \$59 because of cheaper hydroelectric power from federal agencies, there is less enthusiasm.

Investor-owned utilities fear the effect on the bottom line if states stop setting rates that guarantee them a return. But a few, generally those unburdened by heavy debt, welcome a chance to compete.

To sort out a topic considered complex even by Washington's bureaucratic standards, lawmakers, lobbyists and other players huddle almost daily in Washington's restaurants and hotels.

At a recent symposium, House Commerce Committee Chairman Tom Bliley of Virginia addressed a roomful of pro-deregulation industry executives over Caesar salad and chicken. He promised congressional action.

Bliley's 1996 campaign received \$44,075 from political action committees (PACs) organized by employees of utilities to contribute to election campaigns. He says he "couldn't count" how many lobbyists have vis-

Utility deregulation: A breakdown

Congress and the states are beginning to deregulate the electric utility industry, the nation's last remaining monopoly. A look at today's system, and what deregulation would mean:

NOW:

The three functions of the electric industry are regulated by states. Every local utility, now a monopoly, owns all three functions.

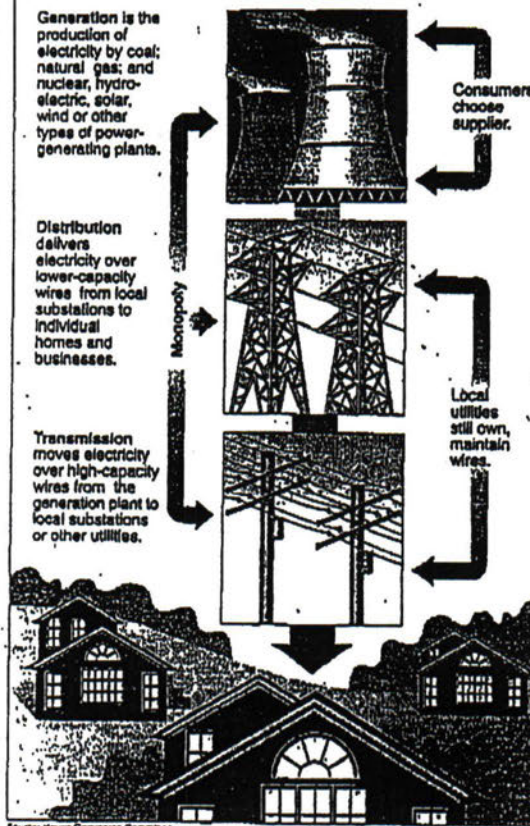
Generation is the production of electricity by coal, natural gas, and nuclear, hydro, electric, solar, wind or other types of power-generating plants.

Distribution delivers electricity over lower-capacity wires from local substations to individual homes and businesses.

Transmission moves electricity over high-capacity wires from the generation plant to local substations or other utilities.

UNDER DEREGULATION:

Generation would be open to competition.



ited him about an issue that Sen. Dale Bumpers, D-Ark., calls "as interesting as watching grass grow."

What the topic lacks in spark, it makes up for in scratch. By the time the industry is deregulated, sometime after 2000, tens of millions of dollars will have been spent on lobbying, public relations, advertising and, of course, political contributions.

Money is flowing from investor-owned utilities

Potentially, investor-owned utilities are the biggest losers, because under current regulation they are allowed to charge rates that guarantee a return above their costs. They could lose billions of dollars if they had to lower their rates to compete. So they are the biggest spenders on lobbying to preserve the status quo.

The Edison Electric Institute (EEI), a trade group that represents 176 such utilities, last year assessed members \$3.8 million for lobbying and will do the same this year.

Utility PACs also gave federal candidates \$4.8 million in 1996, \$3 million of it to the GOP. In addition, they gave \$4.1 million to national committees: \$2.8 million to Republicans, \$1.3 million to Democrats.

Dozens of alliances have sprung up. Some are grass-roots organizations. Others are bankrolled by utilities. EEI gave \$100,000 to start Indianapolis-based Electric Consumers Alliance. The group includes senior citizens, farmers and others who suspect most savings would go to big industrial customers.

The Electric Utility Shareholders Alliance, based in Jefferson City, Mo., receives money from unions, rural co-ops and utilities. Lobbyist

Jack Bonner won't say how much.

Some companies see a chance to compete

Companies in a minority faction of EEI think they would be winners in a competitive market. Generally these firms aren't saddled with paying off expensive nuclear plant construction.

Eight of them formed the Partnership for Customer Choice, which will spend \$300,000 lobbying this year. The Alliance for Competitive Electricity, a group of 12 utilities, expects to spend about that much.

Government utilities fear losing advantage

The American Public Power Association, which represents 1,730 government-owned utilities, spent \$500,000 on lobbying last year. Since 1995, when it helped defeat a Republican proposal to let private companies take over federally run utilities, it has increased its lobbying staff from three to seven.

The National Rural Electric Cooperative Association, the trade group for 1,000 consumer-owned utilities, is running ads in Capitol Hill publications. The group, which opposes federal action because it fears losing government subsidies — and, in turn, low rates — is led by former Democratic House member Glenn English of Oklahoma.

Some firms getting ready to enter the business

Enron, a Houston-based natural gas supplier that wants to market electricity, is spending \$25 million on ads to build a national identity. Enron spent \$530,000 to lobby in 1996. During the last election, it gave \$686,900 to political parties. Most of it, \$344,500, went to Republicans.

Atlanta-based Southern Co., which operates five electric utilities in the Southeast, has hired former GOP chairman Haley Barbour to lobby. The company and its subsidiary, Alabama Power, gave \$320,000 to political parties in the 1996 election, \$235,000 of it to the GOP.

Advocates of competition recently announced another group, Americans for Affordable Electricity, that will spend up to \$6 million a year touting the advantages of deregulation. The pro-competition forces talk of the computers school districts would buy with the money they'd save on their electric bills, and the lower rates groups like the American Association of Retired Persons would negotiate by leveraging their membership millions. They foresee a day when marketers would package electric, gas, phone and Internet services all on one bill.

Others say the benefits are being oversold. Such conflict and confusion guarantee at least one thing: Deregulation is already a full employment act for lobbyists.

Says Bonner, a 14-year veteran lobbyist, "There's more firepower on this issue than on anything I have ever seen."

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The New York Times

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Home | News | World | U.S. | Business | Sports | Arts | Opinion | Search | Forums | Help

May 12, 1997

Battling Teen Pregnancy

According to recent Federal surveys, sexual activity among American teen-agers is down -- the first decline in nearly three decades -- and use of contraceptives is up. That is promising news as the nation with the highest teen pregnancy rate in the industrialized world tries for a 33 percent reduction in teen pregnancies by the year 2005. But no national effort can be successful without a focus on community-based solutions.

Federal efforts to promote abstinence programs would be fine if the Government support did not carry with it a prohibition on the discussion of contraceptives. Abstinence programs can reduce teen pregnancies, but other educational activities are necessary as well.

America's mixed messages about sex too often portray it as a desirable activity with few or no consequences. But nationwide, there are 112 pregnancies for every 1,000 young women aged 15 to 19, resulting in 61 births, 36 abortions and 15 miscarriages. The rate of births and abortions among teens has been declining, however, in the last few years. The latest survey by the Department of Health and Human Services suggests that the downward trend may continue. In 1995, 50 percent of young women 15 to 19 engaged in sexual activity, down from 55 percent in 1990. Among boys, the 1995 figure was 55 percent, down from 60 percent in 1988, the last year with a comparable survey.

The National Campaign to Prevent Teen Pregnancy, an independent nonprofit effort launched in 1996, aims to reduce the number of pregnancies per 1,000 young women to 75 by 2005. Operating largely with private funds, the campaign, headed by former Gov. Thomas Kean of New Jersey and the economist Isabel Sawhill, hopes to avoid debates over abortion and contraception that have hindered several government attempts to address the issue.

A provision of the welfare reform law offers \$250 million to states, under a matching formula, for programs that teach only sexual abstinence. Many states are reluctant even to apply for the money, fearing that they would be unable to field questions on condoms or other contraceptives. In addition, a recent study of abstinence-only programs in public schools in California, the state with the highest teen pregnancy rate in the country, found many offered misleading and harmful information.

Preaching abstinence can work, particularly with younger teens, but a variety of

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approaches are needed to persuade young people to delay sexual activity and to avoid pregnancy. Communities need to try everything from school-based clinics and after-school programs to mentoring and peer counseling. The latest Health and Human Services survey suggests that the best national approach is to encourage as many community-based solutions as possible.

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May 12, 1997

Blame Britain, Not Truman



By TOM BOWER

LONDON -- The sighs of relief in Switzerland are unmistakable. True, last week's American Government report on the failure of the Swiss to honor their legal and moral obligations to Holocaust survivors and the Allies was damning. But the document pointedly criticizes President Truman and his State Department for not compelling Switzerland to return assets that Nazi Germany looted during the war. Now the current Swiss Government has a convenient scapegoat: The United States cannot hold itself up as a moral paragon in the current debate.

Self-flagellation is an honored habit in Washington. But the real force behind letting Switzerland off the hook was not the Truman Administration, but Britain's Labor Government.

British officials in 1944 derided the the United States Treasury's tough proposals for recovering the looted gold and other property securely stored in Switzerland. After 1945, British officials undermined and then sabotaged American attempts to humble the Swiss.

Britain's motives were clear. It wanted to encourage trade in Europe to rebuild its shattered economy and sought loans on easy terms from Switzerland. There was also another motive. The Labor Government wanted to discourage migration of Holocaust survivors to Palestine, then a British territory. Without money from the Swiss, many Jews could not finance the move. American officials in the State Department supported the British policy.

State Department officials also shared British distrust of those in the Treasury Department and the White House who wanted to pressure Switzerland to release the Nazi loot and the bank deposits of Jews. The British called these American officials "crusaders," and pointedly noted that most of them were Jewish.

Theoretically, it would have been simple to compel the Swiss to abide by their pledge to the Allies in March 1945 to return the gold and surrender German property. Switzerland's survival depended on Allied goodwill to allow food, fuel and raw materials to be transported across liberated Europe. Swiss banks and industries, mostly blacklisted by the Allies for collaborating with the Nazis, faced ruin if the embargo was not lifted.

But when Seymour Rubin, an American negotiator, arrived in London in August 1945 to discuss Allied policy toward the neutral nations, he discovered that the British intended to placate the Swiss. Indeed, that very month, London eased its wartime freeze on Swiss assets in Britain. Seven months later, during talks in Washington about settling Allied claims, the British delegate told Mr. Rubin that it had been decided "at the highest level" to remove all restrictions on Switzerland by June 1946.

The result of those negotiations was Switzerland's "final" offer of \$58 million in compensation, though the Swiss at the time knowingly held at least \$200 million in gold the Nazis had looted. The United States accepted that offer because the American negotiators understood that they were stymied by Britain's ultimatum to remove the sanctions from Switzerland on its own. America would appear ineffectual, the State Department knew, if Britain began unilaterally trading with Switzerland.

As a result of Britain's "victory," Switzerland effectively ignored its agreement to transfer the looted assets to the Allies to help pay for Europe's reconstruction. The assistance for Holocaust survivors Switzerland had promised was, with British encouragement, cynically withheld in a successful ploy to protect German and Swiss fortunes.

After the Nazi defeat, Switzerland could have redressed its wartime immorality. Instead, it resorted to deception and delay. The United States report substantiates that judgment. But at a time when all countries' actions are being scrutinized, Britain, too, must do its own accounting.

Tom Bower is the author, most recently, of "Nazi Gold."

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

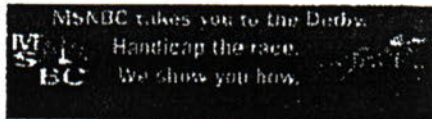
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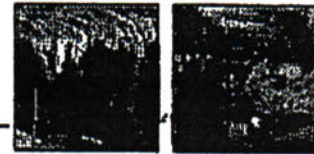
The New York Times

May 12, 1997

From Welfare to a Job Via Community Service

Forum

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By PETER T. KILBORN

DAYTON, Ohio -- Diana Goodrich, 33, has had a hard time finding a steady job since a decade ago, when the nursing home where she worked closed. She had been getting along on temporary jobs and food stamps until she came up against a provision in the new federal welfare law restricting adults without children at home to just three months of food stamps every three years.

But the law also offers people like Ms. Goodrich a way out: She could keep the benefits if she did "community service." So she became a part-time sorter of second-hand clothes at a Salvation Army warehouse here.

"They told me that to get my food stamps, 'You've got to work free for the country,'" she said. Her stint as a sorter is leading to a regular job and a real paycheck at \$5.15 an hour.

"She's been working out very well," said Maj. Larry See, administrator of the warehouse. "I think we will end up hiring her."

Federal officials have high hopes for using community service to steer welfare recipients with few skills and little work experience into jobs, the main objective of the welfare legislation that President Clinton signed into law in August. Advocates of this approach say that at the very least, community service imparts a sense of what it is like to hold a job.

At least 100,000 welfare recipients are already doing these jobs because some states, including Ohio, established community service programs well before the new welfare law was passed. As more recipients come up against the law's deadline to go to work, millions more could be taking community service jobs.

Under the new law, single people who are not rearing children, like Ms. Goodrich, lose their one welfare benefit, food stamps, if they are not working. And parents who are rearing children lose their principal benefit, their monthly

check, if they are not working within two years.

Working or not, parents also face a five-year limit to their welfare checks, so by then they will need real jobs, for which community service will not qualify.

✓ But the community service approach is controversial, and as states start experimenting with it they are looking to state and local governments with experience in such programs. Among them are Hawaii, Montana and Ohio, and in particular, Montgomery County, Ohio, of which Dayton is the hub.

Starting with a pilot program a decade ago, Montgomery County has moved thousands of welfare recipients into community service jobs; 1,150 of the county's 9,000 recipients now hold them. Views among officials and employers about these jobs without real paychecks are decidedly mixed.

It is not hard to find workers like Ms. Goodrich who profited from a community service assignment, or to find employers like the Salvation Army who consider it a useful way to try out a new worker before making a commitment. But critics say that making welfare recipients work without pay is counterproductive.

One sobering view is that of the man who has supervised the program here for six years. "I have no interest in it," said Stephen Rice, director of the Montgomery County Department of Human Services.

Rice maintains that community service rarely prepares welfare recipients for, or leads them to, the paying jobs they will have to get after five years. "Our goal is getting people into paid employment so they can get out of poverty," he said, adding that community service is useful only when the worker is given schooling and vocational training.

Many people who deal with labor force issues share the ambivalence found in Montgomery County. Gary Burtless, a labor economist at the Brookings Institution in Washington, said of people like Ms. Goodrich, "As a citizen, I agree with the general public that it is better that this woman be doing something."

But he added, "It's going to be labor of a very particular type -- the least capable and the least flexible -- because the most flexible will find jobs in the private sector."

In New York and some other major cities, union officials say the community service approach gives public employers, particularly, an incentive to replace union workers with people on welfare. But here in Dayton, there has been little resistance by unions because the community service jobs are generally new and part time, and have been performed in the past by volunteers.

In many cases, the number of hours that community service workers are expected to put in is determined by dividing the \$4.75 hourly minimum wage into the amount of their monthly welfare check. So a mother who receives a monthly check of \$300, for example, would work 63 hours a month -- far less

than the \$800 she would earn in a full-time paid job at the minimum wage.

Montgomery County has rock-bottom unemployment, a condition conducive for even the least-skilled workers to find real jobs. See of the Salvation Army said that he had four minimum-wage openings in clothes-sorting and thrift shop services, and that after three months the workers would receive health benefits and life insurance.

But in communities where real jobs are not so plentiful, or where many jobs could evaporate the next time the economy takes a downturn, public officials worry that community service workers who are the least qualified even in good times will come up against the five-year limit, lose their benefits and be ill-prepared to compete for real jobs with other unemployed workers.

Like Ms. Goodrich, Tawnya Lambert, a 28-year-old single mother of four, is using community service as a bridge to real work. She is a community college student and a community service cook at St. Paul United Methodist Church in Dayton, which employs about 15 such workers.

"I got pregnant with my first child when I was 18," Ms. Lambert said. "I worked at an ice cream cone factory until the month before I had him. I was going to a medical clinic where someone said, 'You should apply for welfare.' I got all the benefits because I had quit work. It was an easy way to have money -- you didn't have to do anything."

After she had her second child, Ms. Lambert said she started helping out at the church, which provides services that include day care and meals for children like hers. Four years ago, the welfare office told her she would have to work, she said, adding, "It made me think, 'I can get a job and make more money.'"

Joan Johnson, the church administrator, called Ms. Lambert "a very talented person," but added, "I'm scared for these people." Ms. Johnson said that with community service and so many young children, Ms. Lambert could not carry the full load in college that would lead to a degree and a well-paid job before she reached the five-year time limit.

The church has been able to hire a few former community service workers, like William Slade, 45, who became a full-time custodian at \$5.25 an hour after his predecessor quit.

Still, Ms. Johnson said, many welfare recipients the county sends her never show up, cannot cope or may never be able to hold a regular job.

"Many cannot work," Ms. Johnson said. "We're a church -- we help people. But there are people with fried brains. I don't want them flipping my hamburgers."

Other charitable organizations here and in other states have refused to hire community service workers, saying they work at dead-end jobs.

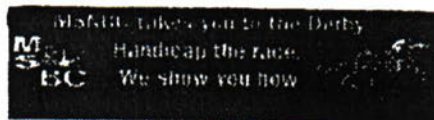
For example, Catholic Charities USA in Alexandria, Va., which represents a

network of 1,400 private social service agencies, has been reluctant to take in welfare recipients because it also wants government aid to train them for real work.

"It's kind of a moral dilemma," said Sharon Daly, head of social policy for Catholic Charities. "People should be paid, and paid enough to meet their needs. But our attitude has changed because the law has changed, and our clients don't have any choices."

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Study Finds Public Science Is Pillar Of Industry

By WILLIAM J. BROAD

A NEW study has found strong evidence that publicly financed scientific research plays a surprisingly important role in the breakthroughs of industrial innovation in the United States, suggesting that impending cuts in the Federal science budget might eventually hurt the economy.

The study, prepared for the National Science Foundation by a private research group, found that 73 percent of the main science papers cited by American industrial patents in two recent years were based on domestic and foreign research financed by government or nonprofit agencies. Private companies paid for the rest.

Such publicly financed science, the study concluded, has turned into a "fundamental pillar" of industrial advance.

Advocates of Federal spending on scientific research are seizing upon the study to bolster their position. The science foundation finances much basic research, and its officials acknowledged that they had questioned the wisdom of cuts in the science budget. But they said the patent study was part of continuing research on science trends that began long before the current push to trim the deficit.

Democrats and Republicans are generally united in earmarking Government financing for science for sizable cuts as part of a plan to reduce the Federal deficit and balance the budget by 2002. This year, the Federal research and development budget

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Continued From Page C1

is about \$65 billion. Budget analysts say the Clinton Administration wants to shrink it 14 percent in the next five years, and Republicans want to reduce it by about 20 percent.

The study, to be published in Research Policy, a bimonthly journal based at the University of Sussex in England, a leading forum for this kind of analysis, is starting to circulate in the United States in manuscript form. Science policy groups say no previous study has addressed the intellectual foundations of American industry in such depth and with such rigor.

"It's a watershed," said Dr. Martin A. Apple, executive director of the Council of Scientific Society Presidents, a policy group in Washington that represents 65 science organizations and lobbies for more money for science. "It's a wake-up call for Federal investment policies."

Charles F. Larson, executive director of the Industrial Research Institute, a nonprofit group in Washington that represents large companies, said the report would be widely influential. "It's going to make people realize something they should have known all along — that public investment in academic science through Government-funded programs pays dividends to society," he said. "It pays off handsomely."

On the other hand, budget cutters seem unlikely to find the report so persuasive as to set aside the ax.

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They argue that much fat can be sliced from the Federal science budget without damaging high-quality work at universities.

Basic science, the kind that pursues fundamental knowledge for its own sake with no clear vision of how it might be practically applied, has long been considered a prime source of military and economic power. Yet the exact relationship between science and innovation has been murky since the start of the Industrial Revolution.

In recent years, as private industry in the United States has grown big and sophisticated enough to surpass the Government in overall spending on research, some conservatives have suggested that public support of basic research is passé. Publicly financed research gave birth to high-technology industry, they say, but it is no longer so important.

The new study sharply contradicts that view. It examined one of the most vivid expressions of industrial creativity: patents, the main way that companies and inventors reap commercial rewards from their bright ideas. Once granted, patents give the holder a monopoly to produce, sell or profit from an invention for a period of years.

Patentable ideas include new kinds of machines, methods, processes and material compositions, including drugs and computer chips. The Supreme Court ruled in 1980 that patents could also be granted for genetically engineered forms of life.

The new study, the most thorough examination to date of the scientific foundation of American patents, strongly suggests that public science lies at the heart of most commercial innovation. The study is the culmination of 17 years of patent investigations by CHI Research Inc., a consulting firm in Haddon Heights, N.J., that analyzes contemporary science for industrial and government clients around the world.

Its customer for the most recent round of patent work is the National Science Foundation, a Federal agency. The foundation's budget is up about 1.5 percent this year, to \$3.27 billion from \$3.22 billion, an increase that almost matches inflation.

CHI Research, starting in 1980, while working for the National Science Foundation and other clients, began examining the role played by research in American patents. The main clues came from the scientific reports that patents cite on their front pages as evidence of their intellectual foundations.

For instance, patent No. 4,565,785, assigned to Harvard University in 1986, lists 52 scientific reports in

journals that include Science and Nature. The patent shows how bacteria can be turned into tiny factories for the production of insulin, human growth hormone, interferon and other pharmacologically active agents.

An early CHI Research study examined patents issued from 1975 to 1986 and found that patented inventions were increasingly drawing on pure science, as measured by the growing number of citations of articles in scientific journals.

The new study, by Dr. Francis Narin, Kimberly S. Hamilton and Dominic Olivastro, sharpened this analytic tool by investigating the sources of the scientific reports. It tracked down and analyzed the institutional ties of the authors, which patent citations ignore.

The CHI Research team examined the science references on the front pages of American patents in two recent periods — 1987 and 1988, as well as 1993 and 1994 — looking at all the 397,660 patents issued.

It found 242,000 identifiable science references and zeroed in on those published in the preceding 11 years, which turned out to be 80 percent of them. Searches of computer databases allowed the linking of 109,000 of these references to known journals and authors' addresses. After eliminating redundant citations to the same paper, as well as articles with no known American author, the study had a core collection of 45,000 papers. Armies of aides then fanned out to libraries to look up the papers and examine their closing lines, which often say who financed the research. That detective work revealed an extensive reliance on publicly financed science. For instance, biomedical papers cited the National Cancer Institute for financial support 7,970 times, the American Cancer Society 2,131 times and the March of Dimes 293 times. Physics papers cited the National Science Foundation 1,072 times, the Navy 708

Scientists cite dangers of cutting research budget.

times, the National Aeronautics and Space Administration 255 times and the Sloan Foundation 22 times. Some research projects were financed by multiple public agencies.

The overall role of public support was impossible to tally because some papers made no mention of their source of funds. That was especially true for reports from industrial laboratories, where the source of funds was often implied but not stated.

Further narrowing its focus, the study set aside patents given to schools and governments and zeroed in on those awarded to industry. For 2,841 patents issued in 1993 and 1994,

it examined the peak year of literature references, 1988, and found 5 citations to science papers.

Of these, it found that 73.3 percent had been written at public institutions — universities, government labs and other public agencies, in the United States and abroad. American institutions represented 43.9 percent of that figure and foreign ones accounted for 29.4 percent.

Overall, only 20.4 percent of science citations in American industrial patents referred to papers from American industry, and 6.3 percent referred to reports from foreign industry. Even International Business Machines — famous for its research prowess and numerous patents — was found to cite its own work only 1 percent of the time.

"Regardless of how the data is arranged," the study said, "it is clear that public science plays an overwhelming role in the science base of U.S. industry."

The study found that industrial dependence on all science was rising. It compared the number of science citations, both public and private, in the two study periods and found that they had almost tripled.

The rise, the study concluded, "truly remarkable, and indicative of a rapidly increasing dependence on patented technology upon contemporary science."

Expert reaction to the study so far is favorable. David C. Mowery, business professor at the University of California at Berkeley who studies technology policy, said the CHI search team "has gone further than anybody else" in probing the inspiration behind patents.

Wesley M. Cohen, an economist at Carnegie Mellon University in Pittsburgh who studies American industry, said some experts might question whether the rise in citations is simply based on changing habits: source documentation, for instance, as the advent of electronic databases eased the tracking of journal articles, or actually indicated an increasing reliance.

But, he added, his own research involving nearly 1,500 interviews with industrial lab managers suggested the rise was real. "The effect of academic research may be more pervasive across industry than previously thought," he said.

Mr. Larson of the Industrial Research Institute said, "Industry depends considerably on academic science for new knowledge."

Dr. Narin, the lead author of the patent study, said he hoped his work would help dull the budget ax. "Let's at the things that are coming out of the research pipeline," he said. "We'd be fools to close it down."

The New York Times

TUESDAY, MAY 13, 1997

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BY ABIGAIL TRAFFORD

AIDS, Ethics And Economics

The setting is Africa and Asia. The research subjects are pregnant women infected with the AIDS virus. The purpose of the studies, sponsored by the U.S. government, is to see if a short regimen with the anti-AIDS drug AZT can reduce the chances that an infected mother will transmit the lethal virus to her baby. Half the women will get the course of AZT; the other half will get no drug treatment.

Remember Tuskegee! cries a Washington watchdog organization, referring to the shameful government experiment begun in the 1930s in

which poor rural African American men with syphilis were not given available treatments for their disease. Once again, the critics charge, research subjects in government studies are being denied effective treatment. How can one group of women not be given any drug treatment—when there is a proven treatment to protect the fetuses of pregnant women infected with HIV, the virus that causes AIDS? Once again, the critics charge, the research subjects are poor; once again, they are people of color.

"In essence, the U.S.-funded researchers are conducting experiments abroad that would never pass ethical muster in the U.S.," write Peter Lurie and Sidney M. Wolfe of Public Citizen Health Research Group and several other physicians in a letter to Donna E. Shalala, the secretary of the Department of Health and Human Services.

But is this really Tuskegee Redux?

The concern over AIDS studies in Africa and Asia is less an ethical dilemma than an economic one. The proven regimen with AZT used in the United States to reduce the chances of the virus passing from mother to child is not available in the developing world. It is too complicated to provide on a large-scale basis and too costly. It requires that a woman take AZT tablets for one-third of her pregnancy and receive intravenous AZT during delivery; in addition, the infant is given the drug for six weeks after delivery.

Scientists conducting the AIDS studies point out that the women are not being denied care, because the AZT regimen is not available in these countries. The whole point of the research is to find a simpler drug therapy that has some chance of being used in developing countries, where the problem of pediatric AIDS is most severe.

"There's no denial [of care]," says physician Phillip Nieburg of the U.S. Centers of Disease Control and Prevention (CDC). "If the women were denied a drug that's available to the general population, that would clearly be unethical."

In human research, scientists usually compare a new treatment against standard therapies. "You take the standard of care—whatever it is—and

compare it with a new intervention. Unfortunately, in the developing world there is nothing in the standard of care," says Nieburg.

The principles of medical research are the same regardless of global boundaries. These principles have to do with respect and protection of people who enroll in medical studies, their informed consent and knowledge of the purpose of the study, the likelihood of benefit, and a just and uniform standard in the way the study is carried out.

COMMENTARY

Research in developing countries with vulnerable populations and relatively high rates of disease call

for even more stringent precautions to guard against exploitation. A key principle, according to international ethical guidelines drawn up under the auspices of the World Health Organization in 1993, is that the research address the health needs and priorities of the community participating in the study.

Certainly pediatric AIDS is a health problem of crisis proportions in developing countries. Infant death rates, which had been declining in Africa, are on the rise. By the year 2010, for example, infant mortality rates in Zambia are expected to be 60 percent higher as a result of AIDS; in Malawi, 40 percent higher. Finding a cost-effective strategy to block mother-to-infant transmission of the virus is a priority in these countries.

In two studies sponsored by the CDC, for example, one in the Ivory Coast, the other in Thailand, half the women will be given a short course of AZT and half will receive no drug treatment. It's not clear that a reduced regimen of AZT will be effective. Scientists are also concerned about side effects from the drug, particularly anemia, which is already a chronic problem for many women in developing countries.

Comparing the new regimen to no treatment is the most efficient way to determine the therapy's benefit, Nieburg says. For developing countries to invest in an anti-AIDS therapy, they have to be sure the benefit is worth the cost. Instead of a therapy that costs about \$1,000 to administer to each woman, they are looking for a strategy that costs maybe \$50. As Nieburg says: "These very poor countries have to make very tough choices about scarce health resources."

As the superpower in medical research, the U.S. government has to be like Caesar's wife and stand above even the perception that ethical standards have been bent. But in developing countries where an estimated 1,000 HIV-infected babies are born each day, the overriding goal is to find a cost-effective therapy. For now, it seems that the studies underway in Africa and Asia are the quickest way to achieve that goal.

The Washington Post

TUESDAY, MAY 13, 1997

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Blacks need Clinton assurance on schools

By DeWayne Wickham

Bill Clinton wants to talk about race relations. The president is going to give several addresses in coming days about this nation's most intractable problem. The speeches, one of which is expected this weekend at Morgan State University, are meant to ready the nation for a presidential initiative to do something about it.

Just what Clinton intends to say — and do — about our racial troubles is unclear. But in a White House meeting with a group of black columnists shortly after the Million Man March, he left himself little wiggle room around an aggressive response to our racial divide.

"The last thing I want to do is to study a problem that we already know about and to give any of us, including the president, an excuse for inaction," Clinton said. "I don't want an excuse for inaction; I like to do things, and I like to see things move."

So what should the president say to the graduating class of the historically black Maryland school — the alma mater of NAACP President Kweisi Mfume, writer Zora Neale Hurston and Parren Mitchell, the state's first black member of Congress?

To begin with, he should say he will do what is necessary to ensure that the backlash against affirmative action doesn't put college out of reach for future generations of black students.

He should tell graduates that it's unfair to require historically black higher education institutions to have the same admission standards as white schools — as long as majority-black public school districts lack the funding and resources of those dominated by whites. Until such improvements are put in place, an affirmative effort must be made to open college doors to a broad cross section of African-Americans.

Clinton should tell Morgan's graduates that he will not allow states, under pressure from the federal government, to dismantle segregated higher education systems at the expense of black colleges and universities.

The attempts by some states to merge black schools into white institutions — and out of existence — are a cynical response to this legitimate demand, he should tell the school's graduates.

And at some point, Clinton ought to assure them he'll fight Congress for the funding needed to reduce the growing backlog of employment discrimination cases in the Equal Employment Opportunity Commission. Without such a commitment, some members of Morgan's class of '97 may see their dreams of a decent job turn into a long nightmare.

The word leaking out of the White House is that Clinton plans to create a commission, or convene a presidential conference, to grapple with the problems our racial division creates. It's said that Clinton wants this effort to be part of his political legacy.

"I've spent a lot more time with African-Americans than most politicians have — most white politicians," the president said during his 1995 meeting with the black columnists.

Now it's time for him to show that he's learned something.

The president says he supports equal opportunity but not equal results. Affirmative action opponents, on the other hand, demand equal results as proof of equal opportunity. In theory, it can be argued that both positions make sense. In practice, each has been used selectively to favor whites over African-Americans.

Clinton can't bring us together if he doesn't understand what it is that tears us apart. Whatever his plans for bridging the racial divide, he must begin by convincing African-Americans that he is an honest broker.

That won't be easy.

What he says to Morgan's graduating class will signal the direction he wants to take in this effort to heal our wounds. If, while extolling the accomplishments of the school's students, Clinton doesn't talk about the challenges to — and the survival of — black higher education, he will deal his cause a self-inflicted wound.

That the president wants to do something about that which divides us is commendable. It's been a long time since an occupant of the Oval Office has treated this issue as more than an annoyance.

But good intentions are no substitute for good results.

DeWayne Wickham writes weekly for USA TODAY.

Bias charges

The EEOC received about 78,000 claims of bias in the workplace in fiscal year 1996¹. Racial bias claims, though down in recent years, still represent the largest percentage. Categories and percentages² of complaints:

Race	33.8%
Sex	30.6%
Disability	23.1%
Age	20.1%
Retaliation	18.5%
National origin	8.6%
Religion	2.0%
Equal Pay Act	1.2%

1— Oct. 1, 1995-Sept. 30, 1996

2— Individuals often file multiple-category charges.

Source: U.S. Equal Employment Opportunity Commission (EEOC)

By Marcia Stalmer, USA TODAY

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 TUESDAY, MAY 13, 1997

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The New York Times Magazine / APRIL 13, 1997

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THE STANDARDS BEARER

Mamphela Ramphele, once a leading South African anti-apartheid activist and a lover of Steven Biko, has taken the fight to the University of Cape Town, where the new enemy is mediocrity. BY SUZANNE DALEY

On her visit to South Africa last month, Hillary Rodham Clinton took a moment to compliment her beaming host at the University of Cape Town, Dr. Mamphela Ramphele, the school's vice chancellor. Clinton told an overflowing audience that Ramphele was a role model not just for them but also "for young people throughout the world." The room erupted into applause. It was a triumphant moment for Ramphele — and one wholly unforeseen in the fall of 1995, when, as a candidate for the university's highest office, she faced an auditorium packed with angry, jeering students.

To an outsider, Ramphele (pronounced ram-FAY-lay) might have seemed a shoo-in for the job. Trained as a doctor and an anthropologist, she had been deputy vice chancellor for five years. And her credentials as an anti-apartheid activist were impeccable. She was one of the founders, with Steven Biko, of South Africa's Black Consciousness movement in the 1960's, which held that blacks must be the leaders in their own liberation movement. But the University of Cape Town, perhaps this country's top university, is a campus in transition, struggling to redefine itself in the new South Africa. For decades, it catered to white students. Now the student body is 45 percent black, and the new arrivals do not necessarily see their outspoken — some would say arrogant — leader as their champion. For one thing, by black South African standards, Ramphele comes from a relatively well-off family. Though they lived in a village without running water, her parents were schoolteachers, which makes some students regard her with suspicion.

Moreover, whatever the legitimate grievances of South Africa's black population, Ramphele is on the rampage against a new "culture of entitlement." No one, she says, should get a job he can't handle or a house he can't pay for simply because he is black. "I find it interesting that we are comfortable with sporting victories," she says. "We only have the best people representing us when it comes to those things. But not when it comes to matters intellectual."

This view puts her at odds not only with her more "Africanist" colleagues but also with mainstream



'She is to some extent unpredictable,' President Mandela says of Ramphela. 'She can tear you into pieces when you want her advice. She never hesitates to deliver some of the most painful truths when she thinks you've gone astray.'

members of the African National Congress, the country's ruling party, and with many of South Africa's leading businesses, which are falling over themselves to hire and promote the limited number of well-educated blacks, often as window dressing. Institutions and professionals who insist on achievement, she says, are labeled "elitist."

So the atmosphere during the university's selection process was tense. On that day in September 1995, a black student who stepped up to the microphone called her application for the job "insidious and insincere." With the room hooting its appreciation, he challenged her to convince him that she was not simply looking for a prestigious, high-paying job.

Dr. Ramphela leaned her elbows on the podium, rested her chin on her fist and with narrowed eyes and a slight smile waited for the audience to settle down. In the new South Africa, she pointed out, she could be having an easier time and making a lot more money somewhere else. "The gravy train may be running across this country," she said firmly. "But it is not running at U.C.T. If I was seeking a ride, this is not the place for it."

For the next hour, she stood her ground under a barrage from the mostly black student audience, who accused her, often emotionally, of doing too little for them. The school's whites, she said, had to acknowledge the difficulties blacks faced. But she would not condemn all whites as if they had been members of the security police. Nor could standards ever be allowed to drop to accommodate anyone.

In the end, she won strong and sustained applause. What was perhaps less obvious was that she had also won over much of the white faculty, which had had its own doubts about her.

"The students really hammered her and a lot of people might have just said what they wanted to hear," Ian Scott, the director of academic development, said recently. "But she didn't do that. She quite clearly espoused the notion of excellence. She did not back off that point."

A few weeks later, Ramphela squeaked by, winning just enough votes in the university senate to make her the first black and the first woman to head the school.

Most of South Africa's prominent anti-apartheid activists have settled into high-powered jobs in the Government or in the corporate world. But Mamphela Ramphela has gone her own way, choosing to contribute to the new era by trying to upend — and yet preserve — a former bastion of white privilege. This month she is in the United States raising money for the university and, while she is at it, promoting the U.S. publication of her memoir, "Across Boundaries." Ramphela has made fund-raising visits here before, and she is good at it. The money has

helped her educate the students she hopes will be among the next generation of black leaders.

Ramphela may be one of the heroes of the fight against apartheid, but she is no icon of the ruling African National Congress. In fact, she has never joined any political party. Instead, she freely offers tongue-lashings. Speaking at Ramphela's inaugural ceremony, President Nelson Mandela said she was like a daughter to him, but then, smiling, commented that she did not always act like one. "She is to some extent unpredictable," he said. "She can tear you into pieces when you want her advice. She never hesitates to deliver some of the most painful truths when she thinks you've gone astray."

Even when Mandela was an imprisoned martyr of the liberation movement, Ramphela dared to take him on. The two had barely begun a friendship when, on one visit, she zeroed in on a contradiction in his thinking: on the one hand he was espousing democracy and on the other supporting an important role for tribal chiefs. The chiefs' power is hereditary, she argued, and male dominance is deeply ingrained in tribal authority structures. Visibly annoyed, Mandela ended the visit abruptly.

IN RAMPHELE'S IMMACULATELY TIDY OFFICE at U.C.T., her fire-engine-red fingernails scissor the air as she speaks. She has a raspy voice and a cackle of a laugh. She has long since traded the African-style dresses from her activist days for power suits. Her eyes appraise the world coolly through wire-rim glasses.

Nowadays, when most South African universities are victim to student riots, staff strikes and vicious infighting over leadership, Cape Town has been an island of calm. Which is not to say that the campus is truly integrated. Many of the black students speak English as a second language, and many more of the whites don't speak South Africa's indigenous languages at all. Instead of the school's traditional choir, there are now two choirs — black and white, reflecting the music each prefers. Still, the atmosphere, though wary, is essentially benign. Ask anyone in the country why and most will say simply, Mamphela Ramphela.

She is unequivocal about her mission. "Contrary to popular myth, poor people did not struggle in order to have equal access to mediocrity," she says. "Higher education will be the key to a successful democracy. Without it, South Africa will go the way of the rest of the African continent — a wasteland."

Since taking over the university, Ramphela has made two changes that perfectly illustrate her pragmatism. She raised the status of the administrator in charge of finances, because, she says, in a time of tight budgets, the position cannot be undervalued. And in a subtler but perhaps more penetrating reform, she is determined to have all

policies written down. Promotion policies, for instance, had always been passed on informally, by word of mouth; a professor, seeing a promising student, would take him on as a protégé. "The old-boy networks had a way of transmitting these things," Ramphela says. "But the outsiders — the women and the blacks — didn't know where to get this information."

She is seen at the university as a talented, if imperious, administrator, but her views are not always applauded. In 1995, for example, she wrote an essay in *The Weekly Mail and Guardian*, a prominent South African newspaper, arguing that it was impractical to look back to leaders like Steve Biko for answers to today's problems. Itumeleng Mosala, the former president of the Azanian People's Organization, a small political party that sees itself as carrying the torch of the Black Consciousness movement, responded with a vicious attack. Ramphela, he said, was guilty of a continual anti-black diatribe, "a systematic and constant rubbishing of the black community as a way of climbing the ladder of white privilege." Mosala said he recalled only two outstanding things about her in the 1970's — that she smoked during meetings and slept with Steve Biko.

It was a calculated insult, and a reminder that however prominent she becomes, Mamphela Ramphela's name will always be linked with Biko's. They met and became lovers while attending medical school at the University of Natal in the late 1960's. Both would end up married to other people, but they remained lovers just the same — in a "semi-platonic friendship which frequently degenerated into passion," she writes in her memoir.

Around that time black resistance movements were so devastated by arrests and exiled leaders that by default, white liberals and white-led student groups became the principal critics of apartheid. But by 1969, a backlash had begun to form. Led by Steve Biko, black students broke away from white organizations to form their own. For the next eight years, Biko, Ramphela and their fellow students honed and developed their ideas, drawing on the writings of Eldridge Cleaver, Malcolm X and Langston Hughes, much like their counterparts in the West. But after the Soweto uprisings of 1976, when students rioted in protest of a Government decision to have classes taught in Afrikaans, the security forces clamped down. Many leaders were killed, imprisoned or banished. Ramphela was exiled for six years to an impoverished "resettlement area" for blacks far in the north.

It was there that Ramphela, pregnant with Biko's child, heard that he had died in police custody. Their son was born in January 1978; she named him Hlumelo, a Xhosa word meaning "the shoot growing from a dead tree trunk." By all accounts she is a dedicated parent, both to him and to Malusi, her 14-year-old son by a sec-



ond husband. (Both marriages were brief.) But she guards their privacy like her own and volunteers nothing about them.

A student at U.C.T., Hlumelo Biko is said to be shy and having a difficult time dealing with recent revelations about his father's murder. In January, five of the police officers who interrogated Biko in prison admitted before the Truth and Reconciliation Commission, set up to investigate the crimes of the apartheid era, that they had beaten and tortured him to death. They have agreed to testify in hearings that are still months away.

It is hard for Ramphele, too, to hear the truth, but she does not give in to bitterness. Even in exile, isolated and heartbroken, she remained committed to her ideals. By the time her ban-

ning order was lifted in 1983, she had raised enough money to build health clinics, a day-care center and an adult literacy program.

While the death of Steve Biko remains her worst moment, Ramphele says that she has only suffered depression once — at a time when the rest of the country was rejoicing. That was in 1990, when Mandela was released after 27 years in prison. The speech he made the day he emerged from jail, she says, fell far short of the visionary address she expected. Instead, it was a woodenly phrased reassurance to the African National Congress party leaders that he was a loyal member.

"His speech was so horrible," Ramphele says. "And the subsequent wrangles between the A.N.C. and the National Party, the spiraling vio-

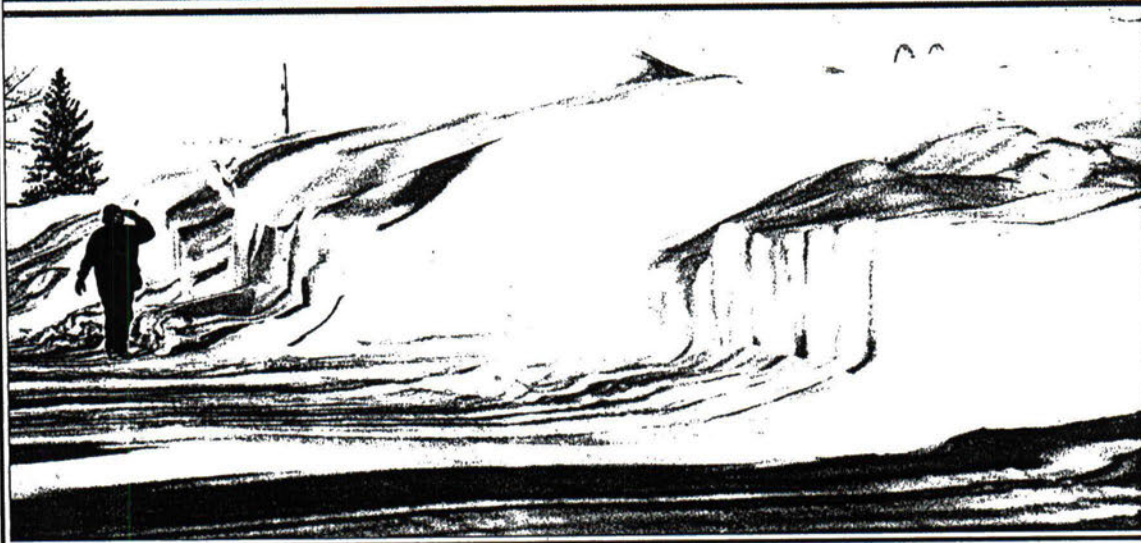
lence in Natal, the splits and countersplits and the twists — the infighting between external A.N.C., internal A.N.C. — it just drove me nuts."

While admitting it is impolitic, she gives a quick, brutal appraisal of Mandela's Government today. Yet she also offers words of praise and, for all her criticisms, seems a bit wistful about not being in a post like minister of education, a job she would be more than qualified for. To get it, though, she would have to join the A.N.C. — and she doubts she will ever join a party. She sees herself as an agent for change.

"I would be very unhappy if I were a member of a party and I had to toe the line even if that went against my values," Ramphele says. "I wouldn't survive that." ■

5-14-97

STOR WEATH



62 • ROLLING STONE, MARCH 20, 1997

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**Heat waves, floods, storms
of the century every year:
As extreme weather grips
the globe, scientists are
finally close to proving that
global warming is to blame**

BY TOM HORTON

per million parts of air. The Mauna Loa experiments demonstrated that carbon-dioxide concentrations had risen 12 percent, to 315 ppm. The greenhouse effect – the theory that carbon dioxide mixing in the atmosphere with water vapor and such other gases as methane and nitrous oxide acts like a greenhouse, trapping heat from the sun as it reflects off the earth's surface – had emerged as a threat.

Now those concentrations have grown to some 360 ppm, and the rate at which atmospheric carbon dioxide increases has doubled since 1958, a trend that seems bound to continue as the world population and the consumption of fossil fuels rise. Other greenhouse gases are also at unprecedented levels.

No one disputes that during the next century, atmospheric levels of carbon dioxide seem certain to at

least double, if not triple. How much this will cause temperature to rise – and what effect that might have – is the subject of fierce debate. Those who assume that the warming is real, among them Vice President Al Gore, believe that the effects of global warming will be unpredictable and multifarious, leading to droughts and scalding temperatures in some parts of the world, bigger blizzards, floods and monsoons in others. Some theorists expect that these changes will be all but irreversible. If we were, for example, to cease all carbon-producing activities right now – all coal, gas, oil and wood burning – carbon-dioxide levels a century from now would decline only 10 percent.

The complexity of global-warming theory has made it an attractive target for backlash. Some of the dissenters accept that the atmosphere is, in fact, warm-

ing, but they question whether these changes will have demonstrable climatic effects. Others dismiss the theory altogether. This backlash includes scientists patently pushing the agendas of the coal, gas and oil industries, as well as scientists who are raising valid questions – like MIT's respected climatologist Richard Lindzen. Many scientists just wish that the media and the politicians would leave the debate alone for a while, but that's not likely. The 104th Congress slashed \$400 million of the \$1.4 billion that the U.S. annually spends on climate-change programs (about half the world's total). "The way the warming debate too often gets presented, the yeses and the nos are what get quoted," says Edward Sarachik, an oceanographer and climate expert from the University of Washington. "The I don't knows get left out, and at this point they may be the most important."

The latest pronouncement on the subject, the closest thing to scientific consensus, is the 1995 report of the

U.N.'s International Panel on Climate Change. The panel's mission is to advise governments on what is needed to stabilize greenhouse gases – like carbon dioxide – in the atmosphere. The upshot of the IPCC report is that we need to begin to cut the world's use of fossil fuels by more than half. "And no one knows how to do that," says Bert Bolin, the panel's chairman.

Written by 300 scientists and reviewed by many times more, the IPCC document contains some 2,000 pages and is studded with more than 10,000 references. Its prose, not surprisingly, is less than electric. In a nutshell, it concludes that the world's atmosphere is now warming at a rate that is "unlikely to be entirely natural." And for the first time since the panel began its assessments five years ago, it said that human activities are playing "a discernible role."

Between now and the year 2100, with the timing dependent on population growth and energy consumption, the IPCC said that it expects global warming will become pronounced and that the warming's widespread adverse impact on society will be clearly visible. But the panel also concluded that up till now, "there are inadequate data to determine whether consistent global changes in climate or weather extremes have occurred."

"It is one of the most serious problems facing mankind – also one of the least sexy for us," says Jerry Mahlman, director of the federal Geophysical Fluid Dynamics Lab at Princeton, a major center of global-warming research. "But it'll be plenty interesting to our children and grandchildren if we don't act."

IT MIGHT SEEM LOGICAL THAT A SOCIETY SENDING men to the moon – and providing Tang for their breakfast – could figure out whether global warming is behind any of the crazy weather of recent years. But the idea that predicting the weather would be as simple as a moon landing died nearly 40 years ago when Edward Lorenz, an MIT meteorologist, posed a fateful question: "Does the flap of a butterfly's wings in Brazil set off a tornado in Texas?"

Like many great scientific breakthroughs, Lorenz's insight came about indirectly. In 1961, he created what he called a "toy" weather system on an MIT computer. Using a program that was advanced for its day, Lorenz could simultaneously run 12 different equations to simulate various relationships of temperature, pressure and other components of weather.

While preparing to run a series of conditions through a computer, he accidentally, minutely, changed a few of his settings. Incredibly, this "butterfly flap" of a change in initial conditions was enough to cause huge perturbations in the way his simulated weather developed.

The best weather computers today can run millions of equations at the same time, and weather forecasting has gotten remarkably better. But the hard fact remains: Because minute changes in initial conditions quickly translate into huge differences, no weather prediction is now, nor will likely ever be, accurate beyond a week. But global warming isn't simply about weather, anyway; it is about climate, and there is an important difference.



Flooding in Manteca, Calif., at the Islander Mobile Home Park



Above: A mudslide on Bainbridge Island, Wash., pushed this home into Puget Sound, in January. Left: A snowdrift in West Fargo, N.D.

"This whole year has been berserk as far as the weather has been concerned."

-THE "NEW YORK TIMES," JULY 31, 1996

THE OIL INDUSTRY WILL TELL YOU NOTHING'S wrong, but the insurance companies know risk when they see it; risk is their stock in trade. Before 1988, no U.S. insurance company had ever paid out more than \$1 billion for a weather-related disaster. Since then, there have been 17 multibillion dollar payouts. If it wasn't a snowstorm, it was a drought; if not record heat, then plummeting, crop-destroying temperatures. In the summer of 1995, a heat wave in Chicago killed 550 people. In the winter that followed, snowfall records were shattered up and down the East Coast. Last summer, while most of the country enjoyed a respite from meteorological extremes, what became known as the Drought of the Century gripped Texas and Oklahoma, evoking memories of the Dust Bowl. This winter, over New Year's, five Western states declared flood emergencies in some 80 counties. California's scenic Highway 1 broke apart in four places. Boulders the size of RVs crashed into the Sierra Nevada Highway. Damage in Yosemite was so great that some areas of the park may not reopen this summer. In January, snowfall was recorded for the first time ever in Tucson, Ariz.

This pattern of volatile weather is something new. After dec-

ades of extraordinary quiet, the years since 1985 have seen a succession of monster hurricanes - Andrew, Hugo, Gilbert and Gloria - and 1995 was among the most active hurricane seasons in 121 years of record keeping. A great blizzard-hurricane in March 1993, dubbed the Storm of the Century, raked the Western Hemisphere from Cuba to Canada, dropping up to 4 feet of snow along its route in places that normally measure storms in inches. Record rains that same year flooded some 15 million acres of the Midwest, killing 48 people and causing an estimated \$12 billion in damage to crops and residences.

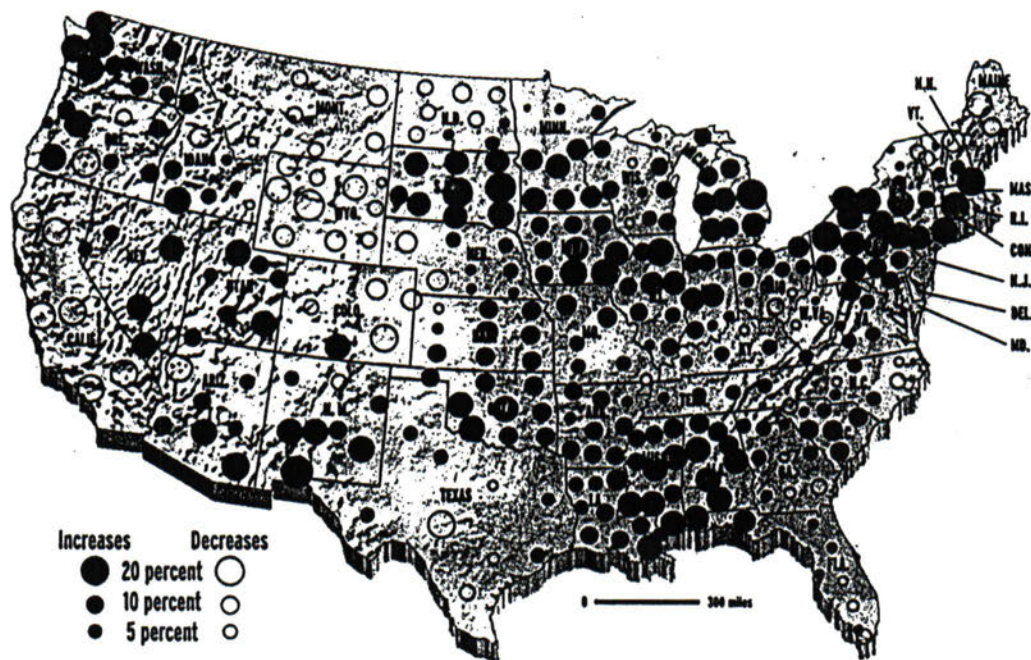
What is going on here? Who or what is disrupting the weather? Two things should especially concern us: The global atmosphere seems to be warming. Although scientists don't claim that global warming is causing the wild weather of the past decade, increasing numbers of them do say that this is just what we would expect from an altered climate. At the same time, modern society has become more vulnerable to climatic vulnerability. "Disasters are mutating - not so much the physical events but how vulnerable society is," says William H. Hooke, chairman of a federal task force on natural disasters.

In other words: Be careful in blaming natural disasters solely on climate change. But beware: If such climate change is occurring, it need not be extreme to have extreme consequences. The 1995 heat wave that caused Chicago's record number of deaths, for instance, was nowhere near as bad as earlier heat waves that had killed far fewer. But 50 years ago, city dwellers didn't depend so completely on air-conditioning: They sometimes slept outside. In the summer of 1995, when the temperature climbed it was deadly because people sealed themselves up in their apartments.

Similarly, millions of Americans have moved to hurricane-prone coastal areas - wooed, perhaps, into a false sense of security during the four-decade lull in hurricane activity, which now seems to have ended. Years of fire-suppression policies have built up so much excess fuel in our national forests that when blazes get out of control, they are far more destructive than when they occurred with natural frequency. Last year, a little more than 6 million acres in the U.S. were scorched by forest fires - three times the destruction caused by fires in 1987. Other forests have been radically clear-cut, and that has created another kind of problem: mudslides. In Oregon last

fall, for instance, a couple and two friends were killed when a mudslide ripped through a steep, clear-cut slope above their house.

No one can yet say that global warming is directly responsible for such tragedies. What we do know about the climate is that our relentless appetite for fossil fuels is changing the atmosphere, causing it to trap more of the sun's heat. The hottest years during the past century, in descending order, were 1995, 1990, 1991, 1988, 1981, 1987, 1983, 1980 and 1989, according to the U.N.'s World Meteorological Organization. No century since the 1400s has been as warm as the 20th century. Based on analyses of air trapped in glacial ice, ancient pollens buried in aquatic sediments and the growth rings of trees, climatologists believe that many regions of the globe haven't been this warm for thousands of years.



PRECIPITATION TRENDS DURING THE PAST 100 YEARS

The Drought of the Century hit Texas last summer, 80 U.S. counties fought floods this winter, and for the first time ever, it snowed in Tucson.

[1] Welcome to the Greenhouse A short history of a theory

IN 1896, SVANTE ARRHENIUS, A SWEDISH PHYSICIST, noted that Europe's half-century-old Industrial Revolution was "evaporating our coal mines into the air," loading the atmosphere with carbon dioxide. For a long time, no one thought this would be a problem. It was assumed that the earth's oceans, which cover more than three-quarters of the planet's surface and contain far higher concentrations of carbon dioxide than the atmosphere, would absorb any excess gases.

That belief held until the late 1950s, when scientists began taking precise, continuous measures of atmospheric carbon dioxide from Mount Mauna Loa, in Hawaii. From air bubbles in glacial ice, they know that the level of carbon dioxide in Arrhenius' time, and long before then, was a fairly constant 280 parts

TOM HORTON wrote about the Exxon oil spill in Alaska, in RS 567/568. Additional reporting by DOÑA BROWN.

Weather is snowstorms and rain. Climate is summer and winter, ice ages and interglacials, the complex interplay of the oceans with the air – and even with the land. Climate is sometimes called “average weather.” As Mahlman says, “Climate is what you expect; weather is what you get.”

Mahlman compares the relationship between climate and weather to a pinball machine. Like weather, he explains, the pinball machine's steel ball, no matter how much care is taken to launch it the same way every time, will always follow a slightly different path down the machine's playing surface. No matter how small

and plant life (remember, plants process carbon dioxide as animals process oxygen). As the planet's air becomes richer in carbon dioxide and nitrous oxides, plants will respond to the added “fertilizer” by absorbing ever more of it, so the theory goes, and bail us out of the global-warming crisis.

Sherwood Idso, a research physicist with the Department of Agriculture, holds a nearly evangelical faith in this theory. Idso is a favorite of the coal and oil industries and the star of *The Greening of Planet Earth*, a 1991 video produced and distributed by the Western Fuels Association, a \$400 million cooperative that supplies

“One of the most serious problems facing us is also the least sexy,” says one geophysicist, “but it’ll be plenty interesting to our children if we don’t act.”

these differences are at the beginning of play, they will magnify as the ball bounces from bumper to bumper;

“But you and I, and anyone who’s ever played one, know how you can win every time,” he continues. “You goose that machine by slowly, very slowly raising it up, being careful not to make the tilt alarm go off. You alter the slope of the playing surface, reduce gravity, slow the ball down.”

The weather is still random and unpredictable, he says, “but once you have changed the climate, the effect is definitely predictable.” So if we pump enough greenhouse gases into the atmosphere, he says, the result assuredly will be an altered climate.

[2] Bring on the Noise **A case against global warming**

DURING THE AMERICAN DUST BOWL YEARS OF THE '30s, when the Great Plains dried, farming conditions in Russia were optimal. The 1988 summer that seared North America was cooler than normal in substantial portions of Asia. And while 1995 was indeed the hottest year globally in more than a century – and the driest in the United Kingdom in more than 300 years

– it was only the 20th-hottest one on record for the U.S.

Mahlman says that these anomalies are simply naturally occurring random variations or, as he calls them, noise. This noise sometimes drowns out the “signal” of human impacts on the atmosphere. And in the huge system that is world climate, there is no lack of noise – some of it human, some of it the result of human activities. Volcanoes, for example, can shoot enough sulfate particles and dust into the atmosphere

to artificially cool the whole planet for months, even years. The 1991 eruption of Mount Pinatubo, in the Philippines, single-handedly offset any warming trend, worldwide, for two years.

Noise in the global climate can also come from our poor understanding of the planet's feedback mechanisms. Of the nearly 7 billion tons of carbon dioxide that human activities emit each year, only about half stays in the atmosphere. There is widespread agreement that a lot of the rest is being absorbed by vegetation. Some climatologists have been arguing that all this excess carbon dioxide is a great boon to forests

and some 20 million tons of coal annually to its member utilities. In 1995, Idso ended a lecture on rising levels of carbon dioxide this way:

“I hope you understand why the subtitle of my presentation today is not just the Legacy of the Industrial Revolution but the Incredible Legacy of the Industrial Revolution. For we appear to be experiencing the initial stages of what could truly be called a rebirth of the biosphere, the beginnings of a biological rejuvenation that is without precedent in all of human history.”

MIT professor Lindzen is an even more vocal critic of global-warming theory. Taking issue with the International Panel on Climate Change's report, which many point to as proof of the theory, Lindzen calls it nonsense. The IPCC concluded, he says, that the average global temperature has risen no more than a single degree during this entire century. “If the more extreme [warming] projections are true, we should be seeing more of an increase,” he says.

But Mahlman and James Hansen, head of NASA's Goddard Institute for Space Studies, in New York, point out that the notion of a global average temperature can be misleading. “About nine degrees Fahrenheit is all that separates average temperature today from average temperature during the last ice age, when New York was under ice,” Hansen says. The IPCC, he points out, conservatively projects a 1-foot rise in global sea levels during the next 50 years – just from the thermal expansion of the oceans that will result from the modest warming to date. (The melting of polar ice caps could add a few inches to that.) This would make coastal regions such as Bangladesh and South Florida uninhabitable. And because of the oceans' capacity to hold vast amounts of heat – just the first 10 feet beneath the oceans' surface holds as much heat as the entire atmosphere – thermal expansion will keep the oceans expanding for more than 1,000 years after greenhouse gases are reduced.

[3] The Angry Baby **of the Atmosphere** **Is El Niño getting fiercer?**

IN 1992, A LITTLE-NOTICED TRIUMPH OF CLIMATOLOGY occurred in Brazil's hardscrabble northeast, a region routinely stricken by drought and, subsequently, mass migrations of the suffering poor. It was horribly dry that year. The last time it had been so bad, in 1987, grain harvests were a disastrous 100,000 tons – down from the normal 650,000. But in 1992 the harvests fell to 530,000 tons. Advance knowledge of weather conditions

based on events that began to unfold thousands of miles away and months earlier allowed farmers to plan ahead and manage around the drought. In '94, with good advance forecasts, the northeast of Brazil again was able to fully exploit a wet growing season and harvest a crop nearly twice the norm.

Similar long-range forecasts are already being used in Peru, Australia, India and Ethiopia. These forecasts all relate to a growing understanding of a phenomenon known popularly as El Niño, an irregular warming of the tropic Pacific. The name refers to the infant Christ and was bestowed by Peruvian fishermen, who noted that some years, around Christmas-

time, warmer waters would mysteriously invade the Pacific off their coast.

El Niño, scientists now realize, is what they call a "coupled ocean-atmosphere instability." Massive amounts of heated tropical water slosh from one side of the vast Pacific basin to the other, altering atmospheric patterns and weather across the globe. El Niño affects everything from the corn crop in Zimbabwe to mudslides in California to the rainfall in Kentucky to the health of rain forest in Panama.

El Niño typically begins with a slackening of the trade winds that blow across the equatorial Pacific from South America toward the Philippines. As the winds relax, the ocean, which has been heaped up slightly higher on its Asian side by the winds' constant pressure, sloshes eastward, shifting massive quantities of warm, tropical water back to places like Peru. Water temperature can rise at such times by several degrees, across millions of square miles.

This heat energy is, in turn, redistributed through the atmosphere. The scale is enough to create an imbalance in surface air pressure between places as distant as Tahiti and Darwin, Australia, which are about 5,300 miles apart. A "dialogue" begins, in which the oscillation (or sloshing) set up in the atmosphere further weakens the trade winds, which further tilts the oceans. Scientists refer to this coupling as ENSO (El Niño southern oscillation). Sometimes, before it is over, the dialogue between ocean and atmosphere seems more like an argument, leaving regions across the planet trashed in its wake.

Every ENSO - there have been nine in the past 40 years - has its own personality. The strongest one of this century arrived in mid-1982, and remnants of it lasted until 1994. Within five months, this supercharged El Niño began to

cause trouble. By October 1982, it had tilted the Pacific sea level across the whole basin, causing coastal flooding in Ecuador and dropping the sea level in the western Pacific enough to expose and destroy parts of coral reefs on many atolls. On the Galápagos Islands, nesting

seabirds abandoned their young to search for food. Seal and sea-lion colonies along the South American coast were decimated. Fish, from tropical species to Pacific Northwest salmon, disappeared from their normal habitats altogether.

On land, El Niño's sea-air conversation played havoc with tropical-rainfall patterns, which, in turn, altered the course of jet streams and mon-

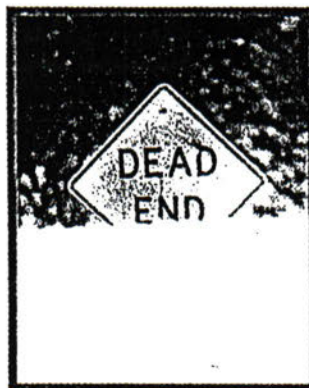
soons. In the tropic Atlantic, El Niño stopped the hurricane season in its tracks, but it took its toll on Pacific shores. Typhoons rolled over Hawaii and Tahiti, both noted for their year-round mild weather. The monsoon that usually falls in Indonesia and Australia instead dropped its rains over the oceans, leading to droughts and then forest fires in the dried-out landscapes. In South America, meanwhile, 100-inch rainfalls turned deserts into lush grassland.

In the U.S. during the winter of 1982-83, storms struck Southern California; floods covered the Gulf states. In the northern portions of the country, ski resorts bemoaned the unusually mild and snowless winter. The U.S. National Oceanic and Atmospheric Administration estimated that this brutal El Niño caused \$8 billion in damages worldwide.

Partly as a result of the unanticipated 1982-83 debacle, the U.S. launched a major effort to forecast future El Niños. Today, 70 deep-ocean-moored weather buoys spaced between Indonesia and Peru spit out a wealth of measurements. Enough of the data are transmitted directly via satellites so that anyone with access to the World Wide Web can check in on the status of El Niño conditions in real time (www.pmel.noaa.gov/toga-tao).

What does it all mean? "We won't be able to tell you about an individual storm," says Ants Leetmaa, chief scientist at the National Weather Service, "but a cold winter, a dry summer - we think we're good enough to do six months ahead for North America."

J. Michael Hall, director of the National Oceanic and Atmospheric Administration's Office of Global Programs, champions a world center for long-range climate prediction. Congress, however, has been reluctant to fund a program that would directly benefit South American and Latin American



In January, a 6-foot snowstorm covered East Grand Forks, Minn.

countries more than it would the U.S.

"There's a lot in it for us," says Ed Sarachik, who headed a National Academy of Sciences advisory panel on El Niño prediction. "If you realize that weather and climate are the source of lots of global instability, and Brazil owes U.S. banks billions, anything that helps them repay, helps us. Worldwide, I can't think of another way to help ourselves and buy that much goodwill for \$20 million."

- and probably across larger areas of the Central American tropics - unless the old moisture patterns return.

Rick Condit, a Smithsonian researcher, says that sudden and dramatic shifts like this in vegetation have happened before. It makes him think that in the past 2,000 years, "the tropics may be less stable, more balanced on an edge of change than we have thought."

And the balance may be shifting

El Niños coming as frequently as they have in the last 20 years are about one in 2,000 - or, put another way, one might expect to see it happen every 20 centuries. And an El Niño as lengthy as the last one might occur once every 1,500 to 3,000 years. As a scientist trained to make judgments based on statistics, not hunches, Trenberth can conclude that something is up with El Niño. But he can't conclusively say global warming

The overall increase is consistent with the world as a whole, says Thomas Karl, senior scientist at the National Oceanic and Atmospheric Administration's National Climatic Data Center, in Asheville, N.C.

We're seeing more precipitation, too. Since 1970, the average number of days with precipitation is up - about six more days a year than there used to be. More significantly, there has been a steady in-

THE JUNGLE, MILLIONS of years old, is lush on the Panamanian island of Barro Colorado. Some of its kapok trees, wide enough for a road to pass through, were here when the conquistadors arrived around 1530. Each limb, decked with vines, orchids and other epiphytes, is an ecosystem unto itself. For 70 years, this hilly jungle has been the most studied and documented tropical forest on earth. On one plot of 140 acres or so, every tree and bush - 250,000 in all - has been tagged and tracked for years.

The 1982 El Niño caused a drought here that was so severe, the biologists say, it killed big trees and dried up the seasonal rainfall. Some 22 different tree species in the plot have been in decline since then, and many will disappear from Barro Colorado's forests altogether

again. There are hints that something may be altering the great alterer of climate. Kevin Trenberth, a New Zealand native and an expert on El Niños, thinks that around 1976, something unusual began happening to El Niños. "And in the '90s, it got very unusual," he says. So much so, he hypothesized, that it might not be simply natural variation. Analyzing the El Niños of the past 120 years, he found an increase in their occurrence in the past two decades and by far the longest El Niño of all - 66 months - lasting from 1989-95.

Trenberth calculates that the odds of

is to blame.

"It is not impossible that it is all natural variability," Trenberth says, "but a better interpretation is that a change in the global climate is responsible. It's the sort of thing we'd expect to see in global warming."

During the course of the 20th century, average daily temperatures in the U.S. have risen one-half to three-quarters of a degree. As with so much of weather and climate, it has not been an uninterrupted climb. Temperatures warmed in the 1930s, cooled from the 1950s to the 1970s, and, since then, have risen most rapidly.

crease in extremely heavy (greater than two inches a day) rain-, snow- and hail-storms across much of the country. There is about a 10 percent chance that this could be normal variability. But, says Karl, "it's unlikely that this increase can be easily explained by natural climate variability."

The center compiles a Climate Extremes Index, which averages several indicators, such as percentages of the country with above- and below-normal temperatures, above- and below-normal rain and snow, and severe drought and flooding. The index suggests that the

The sudden and dramatic shifts in the vegetation that have recently occurred in the tropics, says one El Niño expert, "are what we'd expect to see in global warming."

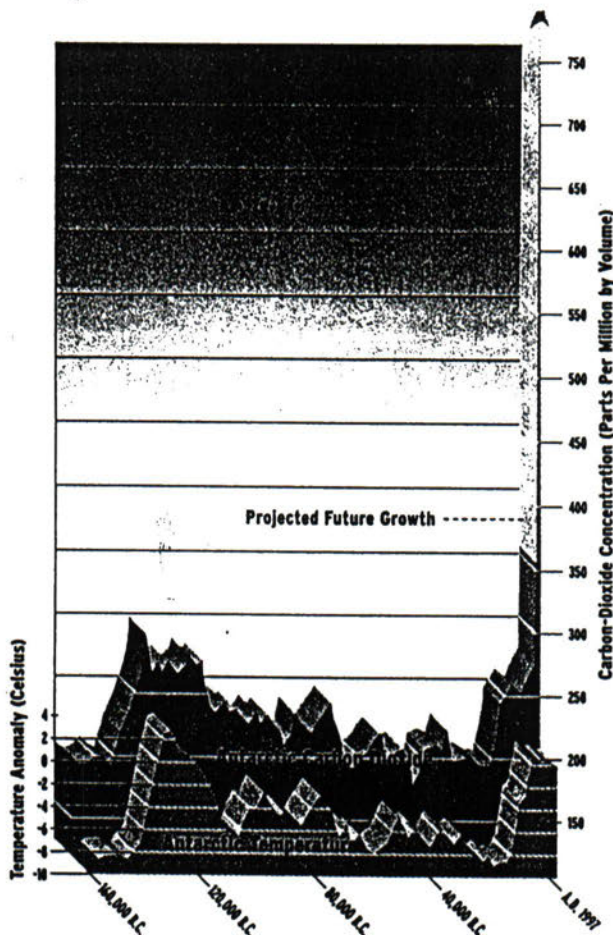
occurrence of drought and flooding has increased during the past 20 years, which may be linked to the changes in El Niño, to natural variability or to both, scientists at the center conclude. Karl believes that there's only a 5 percent to 10 percent chance that natural variability has caused the surge in extreme weather.

Increasingly, climatologists like Karl are analyzing patterns - how temperature is changing, as well as how much - to detect a distinct fingerprint of mankind-induced warming. Such evidence was one reason the International Panel on Climate Change's report concluded, for the first time, that humans are indeed having an effect on climate change. And patterns of change, Karl points out, can have as great an effect as the magnitude of change. "Look at mosquitoes," he says. "If the summer is hotter, but you're still getting cold winters, the mosquitoes will be killed off. But if you get warmer winters - that is, less seasonal variability - then you'll have a greater mosquito problem."

[4] A Way Out? Lessons of the ozone layer

THE WORLD HAS NEVER FACED A PROBLEM quite like global warming. On the basis of not fully proven scientific theories, we are being urged to cut in half our consumption of fossil fuels - and told that if we do not do so soon, we risk irreversible consequences. If there is any useful precedent for the decisions we may soon be forced to make, it can be found in the story of two University of California chemists, Sherwood Rowland and Mario Molina, who in 1974 proposed that something odd and portentous was happening to the earth's atmosphere.

Rowland and Molina theorized that chlorofluorocarbons - inert, supposedly benign gases, no more harmful than, say, carbon dioxide - were accumulating in the earth's atmosphere and reacting violently with the ozone layer. CFCs were a \$9 billion industry, used in everything from auto-seat foam to air-conditioners to propellants for the then-fast-growing aerosol industry. Molina and Rowland were suggesting that just a single CFC atom could destroy tens of thousands of ozone molecules. The ozone layer acts like a shield, protecting the earth from most harmful ultraviolet radiation. The message was grim: By just spraying your armpit with deodorant, you were taking a bite out of the heav-



This chart, Vice President Al Gore's favorite, offers perhaps the most persuasive proof of global-warming theory. During the past 170,000 years, global temperature has roughly risen and fallen in tandem with the amount of carbon dioxide found encased in ice cores in Antarctica. Recently, carbon dioxide has increased to the highest levels ever measured - and temperatures have followed.

questioned a multibillion dollar industry, Rowland came under fire. DuPont, the world's largest maker of chlorofluorocarbons, attacked Rowland and Molina's science. One CEO told an industry trade magazine that their notions, so disruptive to capitalism, only made sense if the pair were KGB agents.

Until 1985, there was much back and forth on the issue of ozone depletion but little action. While the

Within 50 years, a million more people annually could die from malaria than do now, according to the International Panel on Climate Change's global-warming scenarios.

ens. They recommended immediate action to drastically reduce CFC output. Even though the two chemists estimated that it might be the middle of the 21st century before ozone depletion reached problem levels, by then it would be too late for action.

Rowland was hardly an eco-Cassandra. A few years earlier, when environmentalists were raising fears about mercury levels in fish, he had almost single-handedly defused the resulting scare by taking samples from tuna and swordfish caught decades earlier and preserved in a museum. He found that mercury levels had not, in fact, risen. But now that he'd

world scientific community agreed with Rowland and Molina, there were a few prominent dissenters, among them Patrick Michaels and Fred Singer, both, at the time, climatologists at the University of Virginia. (Today both are leading opponents of global-warming theory.) In 1975, DuPont announced plans to step up production of CFCs, and a product manager spoke of his faith in "the biosphere acting to preserve life." In 1979, even though the National Academy of Sciences said that ozone depletion was getting worse, the issue was effectively dead in the water through President Ronald Reagan's first term.

His EPA director, Anne Gorsuch Burford, dismissed reports of ozone depletion as a "scare issue."

Then, right around the beginning of Reagan's second term, British researchers documented a literal hole in the ozone layer above Antarctica - a smoking gun for ozone-depletion believers. Not only were Rowland and Molina vindicated, but it turned out that the hole was several times larger than the worst case that the computer models of the atmosphere had predicted.

The story had many more twists and turns, but it ended happily - sort of. In 1987 the U.N. persuaded 157 countries to sign the Montreal Protocol, a series of agreements in which many of the world's leading industrial and developing nations agreed in principle to begin phasing out ozone-destroying agents. A year later, DuPont dropped a bombshell, announcing that it was going to voluntarily discontinue production of Freon, a chlorofluorocarbon.

By 1995, the first confirmation came that one variety of chlorofluorocarbons regulated by the Montreal Protocol had stabilized in the stratosphere; others were beginning to stabilize. Rowland and Molina were awarded the 1995 Nobel Prize in chemistry - for, as part of the citation read, "saving the world from potential catastrophe."

But it will be decades, maybe a century, before the ozone layer substantially repairs itself. The hole above Antarctica is bigger than ever, covering an area about the size of Europe, and scientists reported last fall that large areas of the world, including parts of the U.S., are getting biologically harmful doses of ultraviolet radiation.

Rowland says that the struggle over ozone depletion "certainly has lessons" for the global-warming issue. But he points out that there are major differences and that global warming is a much more difficult issue. On a practical level, global-warming theory has many more opponents than the ozone-depletion theory ever did: There are far fewer makers of chlorofluorocarbons than there are coal, gas and oil producers. Also, substitutes were quickly found for chlorofluorocarbons at a relatively small cost to the public and industry.

The other difference is, there's an actual hole in the ozone. As of yet, global warming has no smoking gun.

[5] The Cholera Factor

Global warming and the rise of infectious diseases

PAUL EPSTEIN, A HARVARD PUBLIC-HEALTH researcher who worked

on the International Panel on Climate Change report, believes that he knows where global warming's smoking gun will be found. "It was the health aspects [skin cancer from increased ultraviolet radiation] that finally caught the public's attention with ozone," he says. "Perhaps health will turn out to be the grabber with climate change."

Mosquito-borne diseases like malaria and dengue fever are demonstrably sensitive to climate, Epstein says. In recent years these afflictions have literally been "climbing mountains," moving into elevations and latitudes where frosts and cool temperatures [Cont. on p8]

WEATHER

[Cont. from 70] checked their spread. Mosquitoes that carry yellow and dengue fever have been found a thousand meters higher than their normal range in parts of South America. In a corresponding finding, glaciologists have observed rapid retreats of mountain ice in areas near the equator, from the Andes to Mount Kenya.

Based on malaria outbreaks in areas of Rwanda in 1987 following record high temperatures and rainfall, Epstein concluded the following in a recent paper: "A relatively small increase in winter minimum temperature would likely facilitate the spread of malaria into large urban highland populations." In the International Panel on Climate Change's global-warming scenarios, as many as a million more people could die each year from malaria, in both the tropics and temperate zones, by the middle of the next century.

Cholera, which has reappeared in many parts of the world, may have indirect links to global warming. Outbreaks of the disease have been linked to plankton blooms that thrive in waters warmed by El Niño. If, as some scientists believe, global warming will

bring with it more El Niños, it follows that we can expect to see a marked rise in cholera. Epstein says that although most of these diseases are associated with the Third World, changing weather cycles also put the U.S. at risk. He points to the hantavirus that killed about 60 people, in 1993. A lengthy drought had reduced the numbers of owls, coyotes and snakes - as well as their prey, the rodents that transmitted the virus. When the rains came in 1993, the rodents bounced back 10 times faster than their enemies. In the ensuing population boom, the virus spread.

IN 1985, FOSSIL-FUEL BURNING PRODUCED 5.3 billion tons worth of carbon emissions. By 1993, that number had jumped to 6.1 billion tons. By century's end, it will top 7.3 billion tons. On an individual basis, few countries can touch America for tons of carbon produced a year - about five tons per capita per year.

Under an international treaty signed in Geneva in 1996, more than a hundred nations, including the U.S., have committed to voluntarily taking modest measures to stabilize greenhouse emissions at 1990 levels by the year 2000 (this won't stabilize them in the atmosphere, since most of the gases are long-lived and keep increasing).

But of the 35 industrialized countries that contribute the bulk of carbon-diox-

ide emissions, only half may realize even this preliminary goal. The U.S. is one of the worst failures to date. Even the weak Climate Change Action Plan launched by President Bill Clinton, in 1993, has been under severe attack by Congress. In contrast, an industrial power like Germany is already more than meeting the goal through a strong commitment to renewable energy and energy efficiency (also helped by the decline in industrial output in the former East Germany).

Robert T. Watson, a former White House director for environment at Science and Technology Policy, calls for a "no regrets" response to global warming. Generally this means doing things that environmentalists have been advocating for years but Americans have been resisting: driving cars that get better mileage, using energy-efficient light bulbs, relying more on mass transit. But even an aggressive no-regrets approach, Watson concedes, will do little more than level off emissions for a couple of decades, after which they will again begin rising as the population grows and underdeveloped countries like India and China burn more fossil fuel. To actually prevent carbon dioxide in the atmosphere from surpassing current levels, the International Panel on Climate Change estimates, a staggering 60 percent cut in global carbon emissions

would be needed in coming decades.

This is daunting, but Christopher Flavin, an energy and environment researcher with Worldwatch Institute, which is based in Washington, D.C., writes in a recent publication, *Climate of Hope*, that there is reason for optimism. Use of solar and wind energy is growing rapidly, and technological advancements will soon make automobiles two to three times more efficient and reduce carbon-dioxide output from coal-burning power plants by 25 percent. "The debate," Flavin concludes, "is rapidly moving from whether [large cuts] are doable to how affordable they are."

(6) WINNERS, LOSERS AND THE END OF NATURE: A NEW BUTTERFLY EFFECT

THERE WILL LIKELY BE BOTH WINNERS and losers in any global-warming scenario. The International Panel on Climate Change says that rising sea levels will expose additional tens of millions of people to storm damage and flooding but that the increases in rainfall may benefit the world's grain belts. Deserts may expand, while parts of some continents, say, western North America, would experience ever more altered patterns of rainfall and snowfall - a potentially huge problem in the dry West, where snow melt [Cont. on 99]

WEATHER

[Cont. from 98] provides both irrigation and drinking water.

In the geologic past, forests have adapted to larger climate swings than anything that is anticipated in the next century, but they have not faced the rate of climate change that is now expected to occur. There is a concern that many forests will not be able to adapt fast enough to survive temperature changes.

At a recent conference in Bermuda, 15 large insurance and reinsurance companies ponied up annual dues of \$100,000 to form a not-for-profit corporation to further understanding of global warming and climate change. "There's just been an awakening in the industry to all the climate research and data that exists," says James O'Brien, a meteorologist at Florida State University who consults with the insurance industry. "Insurance companies are hiring graduate meteorologists and climatologists, and funding the kinds of studies that only the federal government once did."

In the same way that insurers are facing the prospect of radically rescaling their businesses, humans may have to adapt themselves to a vastly different climate. For starters, even as international meetings are convened to set limits on carbon-dioxide production, the simple fact is that the world will be pumping more carbon-dioxide into the air in the foreseeable future. As a nation, we are in denial. The energy crisis of the late '70s is a distant memory. In fact, U.S. oil consumption is the highest it has been since 1979.

Within 10 years, and maybe a lot sooner, it is likely that scientists will have proved or disproved global-warming theory. Europe, it should be noted, is already convinced that global warming is real. History shows that solutions to other global crises - DDT, PCBs, ozone depletion - began to fall into place once scientific evidence had reached a critical mass.

Vice President Gore envisions a sort of global Marshall Plan, with tenets such as a stabilizing world population, an economics whose accounting includes nature and international commitments to sustainable development. But, given the fact that President Clinton devoted only one line of his State of the Union address to the issue, it's doubtful that we'll see strong action any time soon.

While that awaits, conserve electricity and buy a fuel-efficient car. Your impact will, of course, be insignificant, but think of it in terms of another kind of butterfly effect: Millions upon millions of small gestures, adding up around the globe, could stir winds of great change. ●

THE PRESIDENT HAS SEEN
5/11/97

GORDON MATTHEWS EVANGELISTIC MINISTRIES

PREACHING THE GOSPEL
TEACHING THE WORD
CONTENDING FOR THE FAITH



P.O. Box 210, Bridgetown
Barbados, West Indies
Tel. 423-4974 or 4982
Res. 423-6120

THE HOUR OF POWER
TV Programme
BIBLE COURSES
CRUSADES
CHRISTIAN LITERATURE

Rev. Dr. Gordon Matthews
J.P., S.C.V., D.D.
Director
Fax 423-4982

10 May 1997

President Clinton & Mrs. Clinton
Heron Bay House
ST. JAMES

Dear Brother & Sister Clinton,

I have addressed you as brother and sister because there are times in life when formality is put aside so that the warmth of the heart and the sincerity of the message can be manifested.

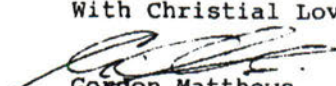
The majority of Barbadians were appalled when certain American journalists sought to embarrass you on foreign soil by introducing Whitewater when they could have asked questions about the outcome of the Summit.

I want you, my dear brother and sister, to know that all self-respecting Barbadians share your pain and are outraged that the said journalists should seek to wash their dirty linen on foreign soil.

The questions were in bad taste and demonstrated a total lack of common decency. Always remember that when ~~that~~ when the going gets rough from the pressures of office, there is always a place here for you to rest, think and recharge your batteries, among warm and understanding hearts.

I leave with you Gal. 6:9: "Be not weary in well doing: for in due season you shall reap, if you faint not."

With Christial Love,


Gordon Matthews

BY FAX TO THE EMBASSY 429-5246.

cc. The Advocate, USA Newspapers.

Do Nice reply

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Be

5/11/97

will send to
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Del

GORDON MATTHEWS EVANGELISTIC MINISTRIES

PREACHING THE GOSPEL
TEACHING THE WORD
CONTENDING FOR THE FAITH



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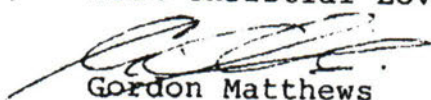
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With Christial Love,



Gordon Matthews

BY FAX TO THE EMBASSY 429-5246.

cc. The Advocate, USA Newspapers.

NEWS RELEASE

DURING THE PRESS CONFERENCE AT ILLARO COURT, I WAS APPALLED AT THE CONDUCT OF CERTAIN AMERICAN JOURNALISTS SEEKING TO EMBARRASS MR. CLINTON BY ASKING HIM PERSONAL QUESTIONS CONCERNING THE WHITE HOUSE SPECIAL INVESTIGATOR.

IT WAS COMPLETELY OUT OF PLACE AND IT ONCE MORE PROVES TO ME THAT A GREAT MAJORITY OF AMERICANS HAVE BIG HOUSES, BIG CARS AND MONEY BUT LACK HONOUR, INTEGRITY AND COMMON DECENCY.

THEIR QUESTIONS SHOULD HAVE BEEN CONFINED TO THE SUMMIT IN ORDER TO ENLIGHTEN AMERICANS AT HOME AND NOT INDULGE IN WASHING THEIR DIRTY LINEN ON FOREIGN SOIL.

GORDON MATTHEWS

10 MAY 1997



Grant Stockdale
5520 Nebraska Avenue NW
Washington, DC 20015
Tel 202/966-9610 Fax 202/363-6929

Staff set?
Miss Hope
Mother my prod.
Child - one year
behind CC @ Sidwell

'97 MAY 14
April 22, 1997 4:23 PM

The Honorable Bill Clinton
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Clinton,

RE: Keeping Middle Class Families in Washington, DC

Thank you for acting on my suggestion—Virginia and Maryland college in-state tuition for DC residents—when we spoke at the Father's Brunch at Sidwell Friends recently.

Frank Raines' office called me, and I had a good talk with his DC education assistant, Ken Apsell.

As I told Ken, I want to amend my suggestion—to include in-state tuition and in-state admissions status not just to Virginia and Maryland universities, but to *all federal land-grant colleges and universities*.

Ken pointed out that this would require legislation, never a happy prospect when the subject is the District of Columbia.

But the idea makes obvious sense, and I am asking for your help.

As the only US citizens living in a federal jurisdiction and not a state, DC residents are uniquely dependent on the federal government. In-state-tuition and -admission status at federal land-grant schools fits our unique status as citizens of the country's only federal jurisdiction. We are, for good or ill, the country's only "federal citizens."

It needs to be emphasized that DC residents are the *only citizens of the United States* who do not have the benefit of an accredited, state-supported university. It needs to be understood that this puts an affordable college education well out of the reach of DC citizens, black and white, middle-class and poor.

We ask only what all other American citizens can expect as residents of any of the 50 states—that we "federal citizens" be allowed to participate in a college education affordable by middle-class families elsewhere.

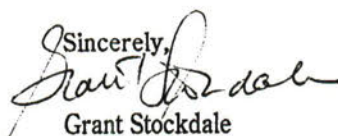
I am aware that this could become an endless debate, and I am urging you not to let it to become one.

This is about working, middle-class families, and whether we can afford to continue to live here. We can live with potholes and the lack of most services, but the cost of college is our final, defining issue. The choice forced on us is stark and unfair: bankrupt our families to finance out-of-state college tuitions, or leave DC.

If DC residents are allowed to attend any federal land-grant school with in-state status, DC would go from a city with endless negatives to a city with one tremendous positive: educational opportunity. This one change would be an enormous attractor to middle-class families, and could easily redefine the city's future.

Clearly, the cost to any one state would also be minimal.

I hope you will view this proposal favorably, and that you will actively support it.

Sincerely,

Grant Stockdale

He writes DC p making c him at
Sidwell Father Brunch on Keeping
Middle Class Families in DC by
using Federal Land Grant for
colleges and Univ.
If DC residents are allowed to attend
Federal Land Grant School with inState
status DC would go from city with
endless neg to tremendous positive
education opportunities

To Jim Dockard
for reply ASAP - coord
w Frank Raines re: DC
Should have answer
ready for POTUS by end
of next week Phil

ESTHER AVIVA
448- 58th Street
Oakland, California 94609

*Staff Sec
op*

'97 MAY 14 PM 12:39

May 9, 1997

President Clinton
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500-2000

Dear President Clinton:

I am a citizen concerned about the provisions in the "workfare" programs allowing employers to disregard the usual protections for workers when they hire welfare recipients. There is absolutely no reason why any American should be denied the protections inherent in minimum wage and workplace safety laws.

Very truly yours,

Esther Aviva

Esther Aviva

5-14-97

To Doriskind for

Reply

yes

no



ENTERPRISE CORPORATION of the DELTA

ARKANSAS
LOUISIANA
MISSISSIPPI

May 7, 1997

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500-2000

Board of Directors

Michael Bemis
Chairman

W. E. Ayres
William Brandon
Hodding Carter
L.C. Dorsey
Kimberly Lee
Don Munro
William Percy
George Walker
Robert Walker
Michael Wilson
William Winter

Ex-officio
Edwin Lupberger
S. Robson Walton

William J. Bynum
President/CEO

Dear Mr. President:

I am writing to invite you to participate in a Labor Day ceremony to announce the kickoff of ECD Investments, LLC (ECDI), a \$15 million business development initiative in the Delta. This program has been made possible largely through support from your administration's CDFI Fund. By August 31 we expect to close \$3-5 million in CDFI-supported bank investments in ECDI. I have also extended invitations to Treasury Secretary Robert Rubin and Community Development Financial Institutions Fund Administrator Kirsten Moy.

ECDI is a subsidiary of the Enterprise Corporation of the Delta (ECD), a community development financial institution (CDFI) that promotes asset development in the Delta regions of Arkansas, Louisiana and Mississippi. ECD fulfills its mission by providing assistance to Delta firms and entrepreneurs and by forging strategic partnerships with key actors from the private, public and not-for-profit sectors. ECD's board of directors includes Edwin Lupberger, Rob Walton, William Winter and other distinguished leaders from the region.

In a relatively short time ECD has achieved impressive results. To date, ECD's programs have committed more than \$11 million in financing, leveraged an additional \$19 million in other financing and supported the creation/retention of approximately 1400 jobs. The beneficiaries of this work have been entrepreneurs, firms, families and communities in the nation's poorest region.

ECD recognizes that in order to achieve significant scale and impact, it must be effective at securing support beyond traditional means. To accomplish this ECD Investments, LLC was formed in February of this year. ECDI seeks to raise \$15 million through its initial private placement from banks, insurance companies, pension funds and other institutional investors. ECDI is managed by your friend and Little Rock native, Elgin Clemons.

Armed with a strong combination of support from banks, corporations, foundations and the public sector, ECD is uniquely positioned to strengthen businesses and create quality

jobs in the Delta. The vision put forth by the Lower Mississippi Delta Commission and your meeting on the barge with Governors Mabus and Roemer has been institutionalized in the regional, market driven strategies of the Enterprise Corporation of the Delta.

We are making plans to announce the kickoff of ECDI on Labor Day, in recognition of our focus on creating quality jobs for Delta residents. The Bank Enterprise Award (BEA) program administered by the Community Development Financial Institutions Fund has armed ECDI with a valuable tool for leveraging bank support. Eight banks submitted BEA applications to support anticipated investments in ECDI. In addition, ECD recently closed a much needed \$2 million CDFI grant.

The ceremony will be held at one of the following ECD-assisted businesses, to be determined as it suits your convenience:

- Jackson Wood Products in Marks, Mississippi - Jackson Wood Products is the only veneer mill in the South producing cut-to-size, prime grade veneer for high-end products, such as furniture. Employing approximately fifty employees, the company operates in a state of the art facility.
- Westminster Village of the Mid South in Blytheville, Arkansas - Formerly Eaker Air Force Base. ECD financing enabled the conversion of this facility to an affordable retirement community.
- Fluoroelastomer Recycling in Valley Park, Mississippi - FRS is a rubber recycling company, catering to a niche market that uses a specific rubber material called fluoroelastomers.
- Computers, Inc. in Clarksdale, Mississippi - Computers, Inc. is owned by a female graduate of ECD's entrepreneurial training program. The company sells and services micro computers, printers, and LAN networks. The company serves 15 counties of the Delta region of Mississippi, parts of Eastern Arkansas, and has customers in Tennessee, North Carolina, and Texas.
- Tanis Research & Development in Winnsboro, Louisiana - Tanis manufactures the American Skier, reputedly the best inboard open bow ski boat in the business.

I have enclosed a tentative outline of the kickoff event and background information on ECD and ECDI. I hope that you, Secretary Rubin and Ms. Moy can see your way clear to participate in this event.

Best wishes in the great job that you are doing and thank you for your support of the CDFI industry.

Sincerely,



William J. Bynum

Enclosures

**Enterprise Corporation of the Delta
Labor Day Kickoff Ceremony for ECD Investments, LLC**

Monday, September 1, 1997- 11 a.m.

Site - To Be Determined

Invited Speakers

- President Clinton
- Treasury Secretary Rubin
- CDFI Director Kirsten Moy
- Investors in ECD Investments, LLC

Tentative Agenda

- Summary of the Occasion
- Comments from Clinton Administration official(s)
- Announcement of ECD Investments, LLC
- Comments from Bank representative(s)
- Comments from non-bank Investor(s)

Location

An ECD-assisted Delta business. Possibilities include:

- Jackson Wood Products in Marks, Mississippi - Jackson Wood Products is the only veneer mill in the South producing cut-to-size, prime grade veneer for high-end products, such as furniture. Employing approximately fifty employees, the company operates in a state of the art facility.
- Westminster Village of the Mid South in Blytheville, Arkansas - Formerly Eaker Air Force Base, ECD financing enabled the conversion of this facility to an affordable retirement community
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- Tanis Research & Development in Winnsboro, Louisiana - Tanis manufactures the American Skier, reputedly the best inboard open bow ski boat in the business.

Guests

- Regional business, community development, economic development officials
- ECD-assisted businesses



ARKANSAS
LOUISIANA
MISSISSIPPI



ECD INVESTMENTS, LLC

Arkansas, Louisiana
& Mississippi

BACKGROUND

THE ENTERPRISE CORPORATION OF THE DELTA (ECD) BEGAN OPERATIONS IN 1994 AS A PRIVATE, NOT-FOR-PROFIT BUSINESS DEVELOPMENT ORGANIZATION.

ECD'S MISSION IS TO PROMOTE ASSET DEVELOPMENT IN THE DELTA REGIONS OF ARKANSAS, LOUISIANA, AND MISSISSIPPI, THEREBY IMPROVING THE QUALITY OF LIFE FOR DELTA RESIDENTS

ECD FULFILLS ITS MISSION BY:

- PROVIDING MARKET-DRIVEN ASSISTANCE TO EXISTING AND PROSPECTIVE DELTA FIRMS AND ENTREPRENEURS, AND
- BY FORGING STRATEGIC PARTNERSHIPS WITH KEY ACTORS FROM THE PRIVATE, PUBLIC AND NOT-FOR-PROFIT SECTORS

DESIRED OUTCOMES

- MORE AND BETTER JOBS
 - INCREASED WAGES AND BENEFITS
 - INCREASED TRAINING AND ADVANCEMENT OPPORTUNITIES
- STRONGER MANAGERS
- STRONGER, MORE COMPETITIVE FIRMS
- INCREASED BUSINESS OWNERSHIP BY MINORITIES AND WOMEN
- INCREASED USE OF TRADITIONAL BUSINESS DEVELOPMENT RESOURCES



PROGRAM ACTIVITIES		
DEVELOPMENT FINANCE		BUSINESS DEVELOPMENT SERVICES
• Term Loans, Lines of Credit, Subordinated Debt, Equity, Guarantees, etc. • Participations with Other Lenders • Working Capital, Equipment, Real Estate • Package & Identify Financing		• Entrepreneur Training • Financial Management • Market Development • Business Planning • Legal • Engineering
DIRECT SERVICE PROVIDER	BROKER	ENTREPRENEUR/DEVELOPER
• Business Financing • General Business Assistance	• FastTrac • Tri-State Economic Development Agreement • Mississippi Technology Extension Partnership • International Executive Service Corps • Workforce Alliance • Entergy, Wal-Mart Assistance	• High Impact Projects • Joint Ventures • Start & Recruit Growth-Oriented Businesses



ARKANSAS
LOUISIANA
MISSISSIPPI



ECD INVESTMENTS, LLC

Arkansas, Louisiana
& Mississippi

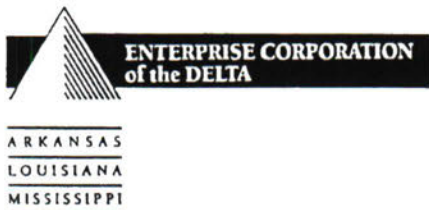
IMPACT SUMMARY				
Businesses Assisted	252			
ECD Financing Commitments	\$11,012,665			
Non ECD Financing Leveraged	\$19,385,800			
Direct Jobs Created/Retained	1437			
Annual Sales Impact	\$124,701,119			
Loan Losses	\$0			
30+ Day Delinquency Rate	0.7%			
FastTrac	Date	Graduates	Females	Minorities
Delta State University				
Cleveland	Apr-96	12	6	2
	Nov-96	27	16	20
	Apr-96	28	10	16
Greenville	May-96	5	1	1
	Apr-96	12	5	12
Clarksdale	Jul-96	42	23	41
	Nov-96	7	4	7
Mississippi County Comm. College	Jun-96	8	3	2
	Sep-96	6	3	4
Northeast Louisiana University	Apr-96	12	4	1
	Nov-96	29	9	10
University of Arkansas at Pine Bluff	Jun-96	6	3	6
	Dec-96	7	1	7
FastTrac Totals		201	88	129

(Summary figures are through 4/97. Summary figures do not include jobs & sales from FastTrac unless company receives assistance from ECD's Development Finance or Business Development Services programs)



KEY POINTS ABOUT ECD INVESTMENTS, LLC

- ECD Investments, LLC (ECDI) was formed as a limited liability company on February 27, 1997 by the Enterprise Corporation of the Delta in the State of Mississippi and will register to transact business in Arkansas and Louisiana.
- ECDI was created to provide a commercially feasible vehicle through which banks and other institutional investors can participate with ECD in business development activities in the Delta Region.
- ECDI is offering 600 units, representing the initial Class A interests in ECDI at an offering price of \$25,000 per unit. ECD will own all of ECDI's Class B interests.
- Class A Members of ECDI will be paid a fixed annual return of 3% subject to the availability of earnings in excess of the Company's cost of funds.
- The capital contributions of the Class A Members will be used to fund the lending and other business development activities of ECDI, as well as to cover operating expenses.
- ECDI will be operated and managed by a Management Committee. The Management Committee will consist of seven (7) individual Managing Directors. Four (4) of the Managing Directors will be appointed by ECD. The remaining three (3) Managing Directors will be appointed by a majority vote of the Class A Members.
- Class A Members may request a redemption of all or a part of their Units seven years following the closing date of their investment. The Management Committee shall determine the availability of funds for such redemptions.



BOARD OF DIRECTORS

W. E. Ayres is former Chairman of the Board of Simmons First National Bank and Simmons First National Corporation. With the bank since 1957, he was elected Chairman in 1987 and remained in that position until his retirement in 1995. He is a member of the boards of Simmons First National Bank and the Simmons First National Corporation. He also serves as Secretary and a director of the Jefferson County Industrial Foundation. He is former President of the Pine Bluff Chamber of Commerce and Chairman and Treasurer of the Pine Bluff-Jefferson County Port Authority.

William H. Brandon is President of Southern Development Bancorporation. He is also Chair and Chief Executive Officer of First National Bank of Phillips County. He served as President of the American Bankers Association, 1992 to 1993. He is Chairman of the Fannie Mae National Advisory Council. Former member of the Board of Directors, Memphis Branch, Federal Reserve Bank of St. Louis and of the Governor's Advisory Committee on Economic Development.

Hodding Carter III holds the Knight chair in public policy journalism at the University of Maryland. He is also president of MainStreet, a television production company in Washington DC. From 1959 to 1977 Carter worked as a reporter, editorial writer, managing editor and finally editor and associate publisher of the Democrat Times in Greenville, Mississippi. From 1977 to July 1980, he served as Assistant Secretary of State for Public Affairs and State Department Spokesman. Current board memberships include Princeton University, the Japan Society, the Population Resource Center, the Action Council for Peace in the Balkans, the Pew Center for Civic Journalism, the Center for Foreign Journalists, the George C. Marshall Foundation and the Twentieth Century Fund. He is also a member of the Council on Foreign Relations and serves on the board of several Dreyfus funds as well as of Trinity Press.

Dr. L. C. Dorsey is an Associate Professor with the School of Social Work at Jackson State University. Prior to this position, she served as Executive Director of the Delta Health Center Inc. in Mound Bayou, Mississippi from 1988 to 1994. Previously, she served as the Research Assistant Professor of the Research Institute of Pharmaceutical Sciences of the School of Pharmacy Rural Health research program at the University of Mississippi. She has served in the fields of health and social welfare for more than twenty years. Dr. Dorsey is a member of the National Association of

Community Health Centers and the Mississippi Conference of Social Welfare.

Kimberly Lee is Executive Vice President of Independent Review Services of the First Commerce Corporation in New Orleans. She is also Chief Financial Auditor for the corporation. Prior to joining First Commerce Corporation in 1992, she was a National Bank Examiner with the Office of Comptroller of the Currency for ten years.

Edwin Lupberger has served as Chairman of the Board and CEO of the Entergy Corporation in New Orleans, Louisiana since 1985 where he oversees one of the nation's major electric utility systems. In 1996 Mr. Lupberger served as chairman of the U. S. Chamber of Commerce. He also serves on the boards of the Committee for Economic Development in New York, the U. S. Chamber of Commerce and First Commerce Bank in New Orleans.*

Donald Munro has been owner and Chairman of Munro & Company in Hot Springs, Arkansas since 1972. Mr. Munro is a member of the Board of Directors of Arkansas Blue Cross and Blue Shield, the Arkansas Arts Center, the Garland County Community College Foundation, Ouachita Area Council - Boy Scouts of America, Arkansas Community Foundation, Southern Development Bancorporation, Governor's Commission on Adult Literacy, Arkansas Business Council, Arkansas Nature Conservancy, and the Arkansas Institute.

William Percy is General Manager of Trail Lake Enterprises, a cotton farm/cotton gin operation and President and CEO of Greenville Compress Company, a cotton warehouse. Percy serves on several boards including Union Planters Bank of Northwest Mississippi, StapleCotton and ChemFirst.

George F. Walker is Co-Chairman of Delta Wire Corporation. He is chairman of the Delta Council Economic Development Committee and the Mississippi State Board of Community and Junior Colleges Task Force on Workforce Training. He serves on several boards including the following: Johnson Steel and Wire Corporation, Consortium for Manufacturing Competitiveness, Coahoma Community College Foundation, Coahoma County Industrial Foundation, and the Mississippi Public Education Forum.



BOARD OF DIRECTORS

Robert M. Walker is a visiting Professor of History at Tougaloo College and a lecturer in Government at Jackson State University, both in Jackson, Mississippi. Walker was elected to serve as a member of the Warren County Board of Supervisors in 1984 and 1987. He holds the distinction of being the first African-American to be elected mayor of the city of Vicksburg, holding this position from 1989-93.

Among the boards he serves on are the Mississippi Library Commission, Mississippi Humanities Council, Vicksburg-Jackson Foreign Trade Zone, and the Warren County Children's Shelter.

C. Hiram Walters is Vice President for Customer Services with Entergy Corporation. Since joining Entergy in 1958 he has served in various capacities in Arkansas, Louisiana and Mississippi. Mr. Walters is responsible for Entergy's economic development activities.

S. Robson Walton has been chairman of Wal-Mart Stores, Inc., since 1992. He also served as Secretary and General Counsel of Wal-Mart Stores, Inc., (founded by his father, Samuel Walton), from 1969 to 1982. Mr. Walton was promoted to Senior Vice President and was elected to the Board of Directors in 1978. In 1982, he was promoted to vice chairman. He is also a partner with Conner and Winters, a law firm in Tulsa, Oklahoma.*

Michael E. Wilson is the mayor of Wilson, Arkansas. He also serves as the Chairman and CEO of Lee Wilson & Company, President of Kennemore-Wilson Insurance Agency and President of Delta Valley and Southern Railway. He serves on several boards including American State Bank, the National Council on Economic Education, the Citadel Development Foundation and the Memphis Museum System.

William F. Winter is a senior partner with the law firm of Watkins, Ludlam, and Stennis in Jackson, Mississippi. Public positions previously held include State Representative, State Treasurer, Lieutenant Governor and Governor of Mississippi from 1980 to 1984. Public positions presently held include Chairman of the Advisory Commission on Intergovernmental Relations and President of the Board of the Mississippi Department of Archives and History. He is also currently serving as Chairman of the Kettering Foundation, Chairman of the National Commission on the State and Local Public Service, and Chairman of the National Civic League.

*(*ex officio members)*



PROGRAM MANAGEMENT

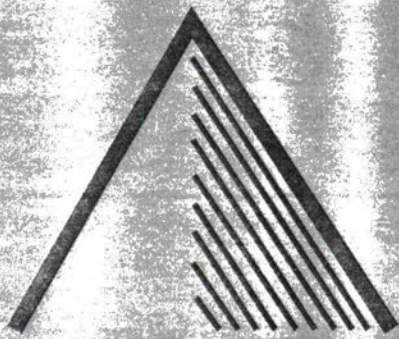
William J. Bynum, ECD Chief Executive Officer & President — Bill's experience includes tenure with some of the country's leading models for development finance and rural development. As Director for Program Development with the NC Rural Economic Development Center he established the NC Microenterprise Loan Program, NC Capital Access Program, and other business finance and community development programs. Previously Bill was Associate Director of the Center for Community Self-Help, where he co-founded the country's first statewide, private-sector development bank. His board service includes: Southern Development Bancorporation, Corporation for Enterprise Development, National Association of Community Development Loan Funds and the Calvert Social Investment Fund Advisory Council.

Richard Campbell, Chief Financial Officer & Director of Operations — Richard's duties include oversight of ECD's fiscal and loan servicing operations. An Oxford University graduate and CPA, Richard's experience includes several years in non-profit accounting and computer and information systems.

Elgin R. Clemons, General Counsel & President, ECD Investments, LLC — Elgin is responsible for all ECD legal affairs and manages the day to day operations of ECD Investments, LLC (ECDI). A graduate of Princeton University and NYU School of Law, Elgin was previously with Shearman & Sterling, an international law firm headquartered in New York. There he practiced in the firm's corporate finance, commercial litigation and international trade departments.

A. Michael Juniker, Senior Business Development Officer — Mike is ECD's technical assistance liaison and coordinates activities with FastTrac, International Executive Service Corps, and the Mississippi Technology Extension Partnership. Before joining ECD Mike spent thirteen years managing business and community assistance programs for the state of Mississippi, preceded by nine years in the private sector.

Robert L. Webb, Director of Development Finance — Bob manages ECD's commercial finance programs. He is responsible for loan development, underwriting, closing and product development. Bob's thirty-six years in the financial industry include senior roles at Fleet Bank, Chase Manhattan Corporation and Travelers Corporation.



DEVELOPING THE DELTA

VOLUME 2 NUMBER 1

A Publication of the ENTERPRISE CORPORATION of the DELTA

Closed Air Base Reopens With New Mission

Arkansas Retirement Community Takes Off With Help from Enterprise Corporation of the Delta

BLYTHERVILLE, Ark. — One of the largest rental retirement communities in the mid-South has landed on a site that was once the home of B-52 bombers.

"It's a case of swords being turned into plowshares," said George Barber, president and CEO of Presbyterian Development Corporation, which developed the retirement community of Westminster Village.

With 828 units for people 55 and older, Westminster spreads out over a 225-acre tract that was once part of Eaker Air Force Base in Blytheville.

Westminster Village, which opened Dec. 1, had 39 signed leases as of March 31. "That is well ahead of what we expected to have at this point," Barber said.

"The reason this is working is because when the U.S. Air Force decided to close the base, it developed a process to return it to the community, cost-free. Because of that, we're able to offer retirement housing to people who wouldn't otherwise be able to afford it."

Still, the process required a lot of work and coordination. Most of all, it required a major boost from the Enterprise Corporation of the Delta.

"ECD is another reason this is working," Barber said. "They were the first ones to make a commitment to this project. On the strength of that commitment, we were able to work with other institutions and move ahead."

Presbyterian Development Corporation is not a typical ECD client. It was formed in 1995 by the presbyteries of Memphis and St. Andrew of the Presbyterian Church (U.S.A.) to pursue a ministry at the former air base, which had closed in December 1992. Although PDC has plans to eventually build a college and a conference center there, producing an affordable retirement community was its first goal. "I basically fell in love with the idea and thought it would be fun to pursue this full-time," Barber said. "And I have had a ball doing it."

ECD President Bill Bynum was also excited by the idea. "It had a lot of direct, positive impact on the community. It will eventually bring 1,200 additional residents to a community of about 20,000," he said. "That means new incomes coming in, and from people who don't require a



RESIDENTS OF WESTMINSTER VILLAGE RELAX IN A COMFORTABLE COMMUNITY SETTING.

great deal of infrastructure, especially in terms of educational facilities. It made a lot of sense."

Barber found ECD through Alice Walton, daughter of Wal-Mart founder Sam Walton. As he searched for financial backing, she suggested he call Bynum.

"The deal was too large for us to do by ourselves," Bynum said. "We were hopeful that the financial institutions in the community would want to participate in a project of this caliber. So we tried to put together a deal where they would be able to participate but stay within their regulatory guidelines regarding the safety and soundness of their loans."

ECD was able to provide the initial guarantee, covering \$450,000 of the debt. Barber, said Bynum, did an amazing job in leveraging ECD's commitment to bring in community participation and get additional guarantees from other organizations. The final loan was for \$600,000.

-continued page 4

GEST

Retired Auto Executive Finds Second Career in the Arkansas Delta

PINE BLUFF, Ark. — Tom Russell had advanced from auto worker to auto executive during a 30-year career, and had almost decided to quit work and take it easy. But then, the Ford Motor Company manager had a better idea.

"It's been my life-long ambition to own a business," said Russell, who retired from Ford a year ago. "I always had my eye open."

Eventually, his eye fell on a Pine Bluff, Ark., business, Moseley Industrial Wood Products, Inc., which manufactures plywood shipping pallets used in the food and beverage industry. To take over that business, Russell also needed to see eye-to-eye with a lending institution. He found what he needed in a business development organization called the Enterprise Corporation of the Delta.

On Oct. 29, Russell took over the company, thanks in great part to a \$400,000 working capital line of credit from ECD. "Without ECD, the deal wouldn't have happened. Greg Wineland and ECD have done an outstanding job."

Wineland, a senior business development officer for ECD, sees a great deal of growth potential for the company. "Mr. Russell presented us with a business plan that was very well thought-out. You could tell that a lot of time and effort had gone into it.

There had been a lot of due diligence by Tom Russell before he secured the business."

KANSAS CITY, Mo. — Dr. Micheal Thompson, a FastTrac instructor at Delta State University in Cleveland, Miss., was recently honored here as the Outstanding Program Instructor by the Entrepreneurial Education Foundation of Denver, Colo.

Thompson serves as faculty associate in the Center of Community & Economic Development at Delta State. He was one of only two FastTrac instructors nationwide to receive the award by the foundation, which oversees Premier FastTrac, the originator of the FastTrac program now in place in more than 30 states.

The Enterprise Corporation of the Delta is the primary sponsor of FastTrac programs in the Delta region of Arkansas, Louisiana and Mississippi. fastTrac provides innovative educational training to current and future entrepreneurs and managers.

Delta Entrepreneur's Rise to the Top Results in National Honor



MARKS, Miss. — When former dietician Susan Cox started selling her own line of gourmet cakes, she expected a quick taste of success in Mississippi. But in little more than a year, she's diving into a moveable feast.

"I thought it would take off very quickly," said Cox, owner of Sussie's of Mississippi Inc., headquartered in Marks. "I knew what the liqueur cake business had done in other areas. — But I never dreamed we would be moving as fast as we have."

Her progress has already captured the notice of one of the largest and best-established businesses in the world: Wal-Mart Stores, Inc. In December, the Wal-Mart Foundation bestowed on her the Sam Walton Business Leader Award.

"It was a thrill of a lifetime," Cox said. "You know how you have artists who receive Grammys, or the Oscar; that's how I feel. My grandfather was an admirer of Sam Walton. For years I was raised hearing stories about Sam. For them to give me this award is a tremendous honor."

The late Sam Walton built his business on three principles: dedication to customer service, respect for employees and community involvement. Wal-Mart established the Sam Walton Business Leader Award to recognize local business people who best exemplify the those principles.

Cox was selected to receive the Wal-Mart award by the Clarksdale/Coahoma County Chamber of Commerce, which received a \$500 grant in the her name. She was one of more than 720 business people in Wal-Mart communities around the country chosen for the honor.

The Enterprise Corporation of the Delta has been providing business, legal and product advice to Sussie's. ECD, Cox said, "has been very helpful in guiding me toward international markets. They've been very helpful to me about getting the documents I need in the marketplace to deal with large companies."

Closed Air Base Reopens (continued from page 1)

"This is the first time we have done a project like this," Bynum said. "Typically, we go with manufacturing, or manufacturing-related businesses. But this is without a doubt economic development."

Other organizations saw it that way, too. A consortium of eight banks and 16 donors and guarantors also supported the project. The result of that backing is a picture-perfect retirement center that meets a growing need created by the "graying of America," Barber said. "People are healthier and are living longer, more active lives."

Within 100 miles of Blytheville, there are more than 97,000 people between the ages of 70 and 79, and 47 percent of those have incomes of \$10,000 to \$35,000, he said. According to projections, this population will grow to more than 101,000 by the year 2000.

In Blytheville, they are now met with a retirement village offering two parks, a YMCA, bowling center, golf course, chapel, bank and pool. Nearby is Big Lake, a site known for its hunting and fishing.

With 24 different floor plans, the duplex housing ranges from 1,027 to 1,566 square feet and features extra outside storage space, garbage disposals, individually controlled heating and air condition-

ECD Impact Summary

(Through March 1997)

Businesses Assisted	210
ECD Financing Commitments	\$10,733,665
Non-ECD Financing Leveraged	\$18,515,000
Total Financing Provided	\$29,248,665
Total Jobs Created/Retained	3535
Annual Sales Impact	\$117,202,160
FastTrac Graduates	161

ing, washer and dryer hookups, gas ranges, refrigerators and more. The units, primarily 3- and 4- bedroom, are set inside an area of curving neighborhood streets, mature trees, parks and playgrounds.

The village setting also offers easy access to Memphis, St. Louis, and Jonesboro, Ark. And most of all, Barber says, peace of mind. "We provide a community that relieves its residents of the stresses of daily living at a cost they can afford," he said. "We have maintenance inside and out, 24-hour security, scheduled transportation, a social activities program and religious services. We do the yard work, change the light bulbs, take care of the plumbing, etcetera."

With 39 of 54 renovated units now filled, and another 84 units about to open, Barber, too, feels a sense of security, knowing that the idea called Westminster Village is working.

"We will always appreciate ECD. for that," he said. "They believed in us first. On the surface, their help appears to be financial only, but it goes a whole lot deeper than that."



ENTERPRISE CORPORATION of the DELTA
308 East Pearl Street, 4th Floor
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The mission of the Enterprise Corporation of the Delta is to improve the lives of Delta residents in Arkansas, Louisiana and Mississippi through the creation and expansion of high quality jobs and increased opportunities for business ownership. ECD fulfills its purpose by providing appropriate financial, operational, management and marketing assistance to Delta manufacturing firms and entrepreneurs, and by forging strategic partnerships with key actors from the region's private, public and non-profit sectors.

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