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THE PRESIDENT HAS SEEN

12-30-97



EB / Sylvia / Thurston
interesting letter
Some good suggestions
Need a sincere reply

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Bowles
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December 19, 1997

The Honorable William Jefferson Clinton
President of the United States of America
1600 Pennsylvania Avenue
Washington, D.C., 20500

Dear Mr. President:

Thank you for inviting me to confer with you as part of the "national dialogue" about race, which has been underway in our nation for several years - particularly in California - and in which you became a participant in a more formal way on June 14, 1997. It is nice to know that I may have something to "contribute" to this discussion, despite the fact that at least one individual believes to the contrary. Let me say at the outset that you have urged honesty in this dialogue, and I intend to honor that request. If my honesty is too pointed, please understand that I mean no disrespect to you or the office of President of the United States.

America, indeed, has a race problem. It is complex, multi-dimensional, unlike that of other eras, and often not amenable to government influence. Let me cite a few examples.

- ◆ Stephen is a young black man. He is well-educated and dedicated to his work - the first to arrive in the morning and among the last to leave at night. Those of us in the corporate world call him a "self-starter." Steve is very frustrated, however, as he sees others passing him by in their climb up the corporate ladder. When he asked his supervisor why his progress had been slower than that of others, the response was that he is "arrogant."

Steve has had to learn what many other black, women, and other "minority" executives have had to learn: there is often a double standard applied to them. Attributes that are admirable in others are negative in them. This accounts for some of the "anger" that is frequently cited as being present in the black middle class.

- ◆ Lupe is a gardener. Born in Mexico, he speaks very broken English, although he has been an American citizen for a long period. His skin is tanned and hardened from long hours of being in the sun. I have been to the shopping mall with Lupe and his family, and I can tell you that he does not receive treatment similar to that which I receive. Simple courtesies - "Thank you" and "May I help you?" - are as likely to be ignored in transactions with Lupe as given, solely because of his dark skin and broken English.

- ◆ Douglas is a white male. He is employed by the University of California at Berkeley. Douglas learned about a Management Fellowship program sponsored by the University, and he was interested in applying. He decided not to do so, however, because the program was designed to attract "women and underrepresented minorities" into the field of management. His conclusion was, "Why bother?" Douglas had a similar reaction when the New York Times brought a recruiter to the campus to recruit minority journalism students to the Times. To Douglas, the Fellowship Program and the Times' minority recruitment efforts are discrimination - pure and simple - and he is bitter and resentful about such efforts aimed at "building diversity."
- ◆ Janice Camarena Ingraham is a white mother of four. About two years ago, she was forced to leave a remedial English course at San Bernardino Community College because the class was restricted to African-Americans. She later enrolled in a similar class, as part of the "Puente" program, and learned that it was restricted to Latinos. Although her late husband was Mexican-American - and Janice had a daughter from that union - Janice was forced to deregister from a class that one of her daughters could attend but Janice and her other children could not.

All of the above are examples of problems associated with what we call "race" in America. Some of the problems lend themselves to government intervention, while the solution to others resides in the hearts and minds of the American people. "Race" is the raw nerve of America - it always has been and so shall it be for the foreseeable future. Nonetheless, I am sure you know that there are those who believe you are misguided in causing the nation to focus attention on the subject of race. They subscribe to the view that race relations are good and can only be harmed by our gnawing at the topic. Some advance the view that while race relations are not particularly healthy, nothing good can come from a national discussion about an issue as sensitive as race. I reject both views. One should not view the absence of open conflict as evidence of peace in the valley of race relations. Similarly, we should never fear, in a democracy, the consequences of vigorous debate about any topic.

Central to any discussion about race in America in this period of our history is the subject of race-based affirmative action. What is it? Has it become a term that is synonymous with "preferential treatment?" Can it be modified in a manner that would be acceptable to a sufficient number of the American people to ensure that it does not produce continuing conflicts and attacks from its opponents? Are the benefits derived from affirmative action worth the costs? What are the costs - social, economic and political?

I betray no secret when I tell you that there is grave disappointment throughout the nation about the work, thus far, of your Advisory Panel on Race. Organizationally, the Panel seems to be floundering, when not performing ineptly. Certain members have made unbelievably ridiculous statements which, at minimum, serve to erode public confidence in their objectivity. In all candor, the die was cast when you made the error of appointing to the Panel only those individuals holding a homogenous view about affirmative action and, seemingly, about the nature of America's race problem.

At this stage, I am convinced that there is no purpose to be served by further bemoaning the inadequacies of the Panel. Instead, I propose a couple of constructive, but essential, suggestions that might salvage public confidence and produce meaningful results.

- ◆ Remove affirmative action from the purview of the Panel and either assign the topic to the U.S. Commission on Civil Rights or some other appropriate entity, or let the matter be resolved in the court of public opinion and in the courts without recommendation from your administration. Considering the fact that there is such division in the nation on this subject and the fact that the position of your administration does not reflect the views of the majority of Americans on this topic, why burden the other work of the Panel with the accusation that its work is gravely lacking objectivity, a charge that will surely accompany its recommendations, if affirmative action remains a part of the Panel's agenda?
- ◆ The self-imposed, one-year deadline established for the Panel's work should be extended. While I believe it made eminent sense to have a beginning and an end to the activities of the Panel, I believe a one-year time-frame is unrealistic.

The removal of affirmative action from the Panel's portfolio does not mean that the issue should not be publicly discussed. Quite to the contrary. In fact, after listening to you on several occasions, I believe public dialogue is more important than ever, if nothing more than to correct some of the faulty impressions that are being created as a result of the misuse of terminology.

For example, at your press conference on December 16, 1997, the reporter for the Chicago Tribune asked you to explain why the polls confirm that the American people support "affirmative action" but oppose racial preferences. After a brief pause before answering, you replied by saying that this circumstance in public attitudes largely derives from "labels" and "slogans" designed to make affirmative action appear to be negative. You said that people don't want to give something to someone who is "unqualified." This mischaracterization of affirmative action is one I hear often, and those who make it are either disingenuous or badly misinformed about the nature of affirmative action.

My harshest criticism is reserved for those who engage in Orwellian double-speak on this subject. They do not well-serve the nation by sugar-coating the issue of race preferences with the nomenclature of "affirmative action." I do not seek to end all affirmative action, but I am resolute in my determination that preferential treatment for anyone on the basis of physical attributes is wrong and must be ended with dispatch. It is critical that you, as President, be honest with the nation about the distinction between affirmative action and race-based preferences. If you do that, we can then begin to fashion concepts and programs that would be acceptable to the majority of us.

The Piscataway case, as you very well know, did not involve making a choice between one person who was qualified and another who was not. That case involved an issue that has become commonplace in the affirmative action controversy: Is it appropriate to use race when choosing between two equally qualified individuals and giving one a preference solely on the basis of race?

In college settings, the issue is even more acute. Is it appropriate to give a preference based on race when one individual or group is qualified, but not as qualified as another?

While the overwhelming majority of Americans have already concluded that preferences are morally wrong, a public discussion is essential to reassure those who support affirmative action (preferences or not) that the elimination of preferences can be an opportunity to move forward in racial matters rather than backward.

The one thing that we must never, never forget is that affirmative action has all too often become a system of preferences - dual standards, different treatment, extra points, and contracts set-aside for only people of certain racial classifications. No matter how you slice it, when you give a preference to one person because of skin color, race, sex, ethnic background or national origin, you are discriminating against another, and discrimination for those reasons is viewed as morally wrong in our nation. I would commend to your attention page 603 of "My American Journey," written by Colin L. Powell, on the subject of race preferences.

At your Akron Town Hall meeting, you seemed to suggest that General Colin Powell would not be the success story that he is were it not for affirmative action. Apart from the misleading nature of the question that you framed and presented to Abigail Thernstrom, I am terribly disturbed by the implication that black people cannot succeed without affirmative action (either as you define it or as I would define it).

We must have faith that the American system of fairness, freedom of opportunity, and equal treatment under the law will produce any number of Colin Powells. If one lacks faith in the system, then the foundation of American democracy will not endure. As I look at American society, however - in the arts, sports, entertainment, politics, government, business - there is evidence large and small that my faith in our system is not misplaced.

Mr. President, I pose the following question to you: As the chief executive of our nation - who has experienced during his term of office, the Hopwood case, the Adarand case, the enactment of a ban against preferences by an institution of higher education (the University of California) that has historically been a leading proponent of "diversity," the decisive passage of a ballot initiative prohibiting race preferences in a state that is so liberal that it legalized the use of marijuana at the same time that it approved the prohibition against preferences, and the filing of an untold number of lawsuits alleging the use of "preferential treatment" - do you honestly believe that the practice of race preferences is a figment of our imagination, merely a matter of "labels" and "slogans?" Yes or no?

When President Lyndon Johnson delivered his "hobbled by chains" speech, he reflected the dominant view that black people were not prepared for the competitions of a market-oriented society. This view was a euphemistic acknowledgement that black people were academically, professionally, and vocationally unprepared - through no fault of our own. Those who were less charitable believed and said that we were inferior. That hobbled by chains mentality still exists.

Unconsciously, far too many people of goodwill still hold the stereotypical view that black people are weak, poor, defenseless, and incapable of competing on the strength of our own abilities. There are also those who foster this mentality to aid their efforts in exploiting issues of race for their own personal or organizational benefit.

Well, there is now a substantial black middle-class that is talented, well-educated and capable of effectively competing in every activity of American life. We suffer from the hobbled by chains mentality that was designed to help us. Many are hired to occupy quota roles - affirmative action officers, multicultural directors, community service specialists - and because of the roles they are expected to occupy, they remain pigeon-holed, marginalized in the institutions of which they are a part.

Once we eliminate that Lyndon Johnson legacy of being hobbled by chains and black people are viewed as equals, the inevitable result is that we will be treated as equals. With a pool of competitive blacks - albeit small in many settings - blacks will be hired increasingly to fill nontraditional roles. I applaud you for having done a significant amount of this in your Administration. As more black people are hired in a system that is devoid of race preferences, the presumption of inferiority will recede and become a thing of the past.

Mr. President, you have never had to answer the question that is often asked of me and other black people, other minorities, and women: Have you benefitted from affirmative action? No matter how much some of us accomplish, we are not allowed to enjoy the unquestioned public respect and self-fulfillment that should accompany our achievements. Those who are white and accomplish far less than some of us who are not so classified do not have to contend with the stigma of getting where they are because someone gave it to them. Even General Powell's enormous achievement is diminished by the thought that the opportunity was "given" to him and he would not be where he is without the generous gift of someone else.

If I cannot have this - respect and undiminished self-fulfillment - for myself, in my time, then let it be for my children and, at least, my grandchildren. Let the winds of equal treatment blow away the cloud that might hover over the next Colin Powell.

Surely, you must know that a system of preferences based on skin color, "race," sex, ethnicity, or national origin - no matter what the rationale - cannot be long sustained in our nation. The only legitimate question, then, is when and by what means must we end such a system.

Do we end it now while there is relative calm? Or, do we wait until the level of white resentment reaches epic proportions? When substantial numbers of Americans believe that the use of race, even for benign and noble purposes, is resulting in them "losing out" in jobs, college admissions, and other opportunities in our society, it is time to remove this poison from our body politic. As we cannot have a nation that is "half slave" and "half free," neither can we have a nation in which one segment of the population - women and minorities - believe they are entitled to special consideration, and another segment - white males - is left standing on the sidelines seething with anger.

As you view the demographics on the subject of race and preferences, it is unmistakable that younger people have a different outlook than their parents. Those between the ages of 18 - 25 can find no basis for justifying preferential treatment due to race or ethnicity. Thus, it is as clear as night following day that an American President will soon be compelled to confront the task of eliminating preferences. The longer we postpone that day of reckoning, the more we put our nation at risk when we are left with no options and no time.

Just as President Nixon could go to China, you can make the case to black Americans that the end of preferences is inevitable. You can reassure them and engage them to participate in effecting a smooth transition. A few days before the November 1996 elections, you made an appearance in Oakland, California, that was broadcast on C-SPAN. I will never forget hearing you tell that predominantly black audience, as you discussed Proposition 209, that "there comes a time to let go." I don't know what you meant by that statement, but it was significant to me that you stopped short of opposing 209 in that speech. Mr. President, at that moment, you came to the brink of leadership of a kind that will inevitably be necessary for an American President. I believe with all my heart that the moment is ripe for you to be that President. The problems resulting from preferences - lawsuits, resentment, bitterness, loss of good will - will not go away nor lessen. They are guaranteed to worsen.

So much for the issue of race-based affirmative action. Let me now focus briefly on a few other issues or topics and offer some observations.

- ◆ If there is nothing else to be learned from the California experience in eliminating race preferences, one should learn how much the K-12 school system is cheating disadvantaged students, especially blacks and Latinos. If the decline in the number of black students at UC, as a direct result of the elimination of race preferences, does not compel us to take drastic action to overhaul how we educate our children, then nothing will accomplish that objective.
- ◆ Just as public school reform is an imperative, so is the need to provide parents with the choice of sending their children to private schools. Throughout America, there are countless examples of privately funded school voucher programs supported by people like Virginia Gilder, Ted Forstmann, and Dusty Rhodes that are having profound results for lower income children. Such efforts need to be expanded. One proposal that I strongly favor is to provide families with a tax credit equal to the cost of a private education. This amount can be capped at the amount being provided by the applicable local school district. Regardless of how we do it, we should support efforts to provide families with the opportunity of getting their children out of these zones of intellectual depression and into challenging learning environments which can be supplied through private competition.
- ◆ Although the public only hears about the decline in the number of black and Latino students at Boalt Hall, the results in other UC programs are far more positive. The message should be broadcast loud and clear that black and Latino students are, indeed, capable of gaining admission on their own without the benefit of preferences. A few weeks ago, Clarence Page

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highlighted the fact that the gloom and doom being reported does not represent the reality. Incidentally, Page is a voice of reason and tremendous insight on a vast number of subjects, but particularly the issue of race. [Page is a man whose views I have grown to respect, not that I find myself in total agreement]. I would urge you to request that he step out of his journalist role and share his counsel on this subject as a citizen.

- ◆ There are an overwhelming number of people of enormous talent who oppose preferences and the culture which they have spawned. Governor Pete Wilson, former New York Mayor Ed Koch, California State Senator Quentin Kopp, and Congressman Tom Campbell, to name a few. They are willing to come forth as Americans who have grave concerns about the effect of this issue on our nation. This issue transcends ideology or partisanship. We want the same thing for others that we seek for ourselves as well as our children and grandchildren - equal treatment for all Americans. I would urge you to seek the continuing counsel of those who have to disagree with you on this issue. It might induce heartburn at first, but I believe you and the nation will be the better for having done so.
- ✓ ◆ I know you oppose what we have done in California - the Regents' action and Prop. 209. But, there is much that the nation can learn from our experience of the past two years. Enactment of Proposition 209 has meant more than reform of race-based preferences. Recognizing the need to achieve genuine equality of access to opportunity -- for children of all races -- as the just alternative to unfair preferences, Governor Wilson and the Legislature have significantly reduced classroom sizes, instituted standardized testing reforms, critically examined teaching standards, and are pursuing a host of other initiatives aimed at solving the problem on the front-end so that preferences won't be needed on the back-end.
- ✗ ◆ The University of California is now, perhaps, two or three years ahead of the rest of the nation in devising legally and politically acceptable techniques for achieving diversity "on the natural." That is, without preferences based on race and ethnicity considerations. As we witness legal challenges to race-based schemes at colleges and universities throughout the nation, the action which the Regents had the courage to take on July 20, 1995, is looking better and better all the time. As part of our new paradigm, we have redefined "merit" to include factors other than rigid test scores and grade point averages. We have expanded our efforts to improve the competitive admissibility of "underrepresented minorities." We are strengthening our relationship with alumni associations and private entities interested in correcting the problem of competitive admissibility.
- ◆ As we eliminate preference practices, it is crucial that we improve our ability to detect and validate acts of discrimination. In addition, we must enforce and toughen the penalties against discrimination. One thought which has been advanced by Shelby Steele, which I support, is that we criminalize racial discrimination. It is imperative that individuals be held personally accountable for their conduct.
- ◆ The procurement practices of many government agencies, particularly in the area of

professional services, are too subjective and arbitrary. This pattern often results in the award of contracts to firms that are part of an established network. I suggest that we pursue reforming these practices so that prequalification would be threshold for the submission of bids and, thereupon, contracts would be awarded on the basis of low bids. There is entirely too much subjectivity in the professional services procurement process of many government agencies.

- ◆ Reverend Billy Graham once said that the solution to America's race problem is "to make a friend" of someone of another race. You should use the bully pulpit to encourage Americans to attend church services of other races (simply attending any church might not be a bad idea either), have lunch or dinner with other races, or go jogging at lunch time. All of these little things help to broaden our racial experiences. My critics often say that I move "comfortably in a white world." My response is that I do not view this America as a "white world." But, to the extent that I move comfortably in the mainstream environment it is because I have had far more positive racial experiences than negative. It seems to me that this is the key, in the long run, to our making this glorious experiment that we call American democracy a success.
- ◆ One of the obstacles that is standing in the way of improved race relations is the blatant manner in which "the race card" is often played by some. For example, San Francisco Mayor Willie Brown, as he often does, invoked race into the Latrell Sprewell/P.J. Carlesimo incident, despite the fact that there was absolutely no basis for doing so. Senators Feinstein and Leahy did the same thing in the Senate Judiciary Committee involving the confirmation of Mr. Bill Lann Lee. Not only does this practice inflame people, but it diminishes those circumstances when race is, indeed, a factor, and ought to be invoked.

On June 11, 1963, President Kennedy said, "Race has no place in American life or law." I believe this view still reflects the attitudes and aspirations of most Americans. Unwittingly, however, much of the emphasis that is placed on race by policies and practices such as affirmative action heighten the effect of race rather than reduce its consequence in American life and law. We must resume the journey reflected in President Kennedy's vision for our nation and get beyond race. In my opinion, the day is not far off when the American people will demand that their government stop classifying us by race and ethnicity and national origin. True leadership is to prepare us for that day.

✓ Your desire to move America forward by facing the dilemma and dimensions of race offers you the opportunity to make a mark on history in the same way Abraham Lincoln and John F. Kennedy did. Your sincere interest is evident in your recitation of the number of languages spoken in some of our metropolitan areas, the ease with which you and the First Lady interact with Americans of all backgrounds, and your willingness to confront this subject. Unless you alter course, however, history will record your involvement in the race dialogue as a lost opportunity.

Finally, let me make one further specific proposal. I believe it would be of great benefit to the nation if you and I had a public dialogue solely about the issue of affirmative action or preferences. There are any number of venues which could be arranged to air such a discussion. The Jim Lehrer News

Finally, let me make one further specific proposal. I believe it would be of great benefit to the nation if you and I had a public dialogue solely about the issue of affirmative action or preferences. There are any number of venues which could be arranged to air such a discussion. The Jim Lehrer News Hour, the Larry King show, and the Crier Report on Fox News Channel come to mind. I know that there might be an instinctive resistance to allowing the President of the United States to debate an ordinary citizen, but we are not going to inform the discussion about affirmative action by "yes or no" exchanges.

I, as an American citizen, am grateful to you for seeking to move our nation forward in resolving an issue that is crucial to our national aspirations. Although you and I are as far apart as any two people can be on the subject of race preferences (affirmative action), I know that we are in concurrence with regard to our hopes and dreams for the future of our nation and all of its people. For me, this issue transcends political affiliation or ideology. If I may be of service to you and the nation in the advancement of the dialogue about race, please don't hesitate to let me know.

Respectfully,


Ward Connerly

Abstract

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This book examines the social and intellectual origins and consequences of the great racial struggle of the 1950s and 1960s. The title comes from a speech in which Martin Luther King identified the task of his generation: "to hew a stone of hope from a mountain of despair."

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A Stone of Hope from a Mountain of Despair:
The Civil Rights Movement in American Cultural History

By David L. Chappell

Introduction

As we approach the millennium, leading voices in American political culture--left, right, and center--all invoke the myth of the civil rights movement. The boycotts, marches, and sit-ins of the 1950s and 1960s have become frequent touchstones for popular music and film. Scholars give the movement great attention, too, though most of what they write either serves tired polemical purposes or (in the case of historians) simply describes what happened in great detail. In the news and in cultural arenas, there are strong voices of dissatisfaction with the movement's legacy--some saying the movement went too far, some saying it got squashed before it had a real chance, and some saying it lost sight of its original ideals as it assumed institutional and legal power. The historical literature on the civil rights movement is vast, but most of it does not answer these voices of dissatisfaction. Nor does it explore the deep symbolic and even subconscious significance the movement has for most Americans--who, for all their conflicting dissatisfactions, seem united in their desire to claim the movement as something whose true spirit they still believe in.

The main theme of this book is that what we currently know,

or think we know, about the civil rights movement gives too much emphasis to liberalism and not enough to religion.

By thinking of civil rights as one more aspect of American liberalism, writers and readers get caught up in indirect attacks upon and defenses of that embattled ideology. They miss a crucial part of the story: the way that liberals, like all Americans, were caught off guard by the movement in the 1950s. Though liberals were accustomed to power for over twenty years before the movement began, they suddenly found themselves on the back of the historical bus, so to speak, with respect to civil rights. At the same moment, civil rights became a central issue not only in domestic politics but also in the international competition for allies among decolonizing nations. Yet liberals took no great initiatives in civil rights. They reacted to southern black protesters they only dimly understood, formed an alliance of overlapping interest with some of them, and ultimately claimed (partially deserved) credit for the protesters' achievements. But the ultimate sources of the civil rights movement lie mostly outside of liberalism.

Religion gets some attention in scholarly and media treatments of the movement, but not nearly in the depth and complexity it deserves. No one has noticed, for example, the conflict (documented in **Chapter 1** and **Chapter 3**) that the movement, grounded in evangelical Christian dogma, had to have with modern liberalism--which leading liberals in the 1940s and 1950s still defined as a faith in human reason and "progress" through education and economic growth. Postwar liberals embraced

one of the great statements of that faith, Gunnar Myrdal's American Dilemma (1944), as their program for coping with racial discrimination. At roughly the same time, liberals claimed to embrace the pessimistic "realism" about human nature associated with the theologian Reinhold Niebuhr, but Niebuhr affected liberals' foreign policy more than their understanding of social problems at home. On racial discrimination and other key matters, liberals continued to believe in gradual progress as a more or less automatic function of economic growth and education. In fact, liberals became more devoted to growth as a domestic cure-all after World War II than they were in the New Deal days, when many of them tried to restructure economic institutions. The true Niebuhrians on domestic issues were the southern black civil rights leaders, whose Prophet-like rejection of the normal course of history as sinful and corrupting led them to rise away from liberal gradualism and voluntarism. The civil rights leaders adopted immediatist, coercive strategies in the mid-1950s.

Liberals could never fully embrace Niebuhr's emphasis on dark, irrational forces, which Niebuhr said were as much a part of doing good as of doing evil. But even in their most confident days in the 1930s, liberals sensed that something was missing from their faith in the future. Committed secularists like John Dewey (godfather of the independent liberals of the 1930s) began to stretch their basic beliefs to accommodate the creeping realization that the public needed more than employment, health care, social security, and education. Even achieving those goals

would require more solidarity and more willingness to sacrifice than liberals could muster among the public. The public needed a cohesive and inspiring faith--something even stronger than the faith many liberals had in Franklin Roosevelt. Dewey tried to divorce "religious feeling," which could be useful to liberals, from "religion" as traditionally practiced, which was "supernatural" and antithetical to liberalism. In his 1934 book, A Common Faith, Dewey tried to conjure up a surrogate religion for thoroughly modern, scientific liberals.

In a similar vein, the liberal Malcolm Ross (who later became head of the first federal anti-discrimination agency, the Fair Employment Practices Committee), wistfully reflected on the appeals that evangelists like Billy Sunday could make. Ross had covered Sunday's revivals as a young newspaperman, and remembered his exasperation at the way the popular preacher always diverted people's attention from social problems. If only someone with Sunday's gift would turn it around and make the people pay attention to social problems, Ross wrote in his memoir, Death of a Yale Man (1939), then we might find a democratic way to address those problems. Without exhortation to inspire the masses, the business of social change seemed too daunting or too dull for any but experts and opportunists. This feeling, which could be called pulpit-envy, grew among liberals as their confidence waned in World War II and the Truman Administration.

Though liberals lost a couple of key elections in the 1940s and 1950s, historians rightly give them credit for dominating American political culture throughout the postwar period. Dwight

Eisenhower at the time of his first election was seen as a liberal; his only strong political passion was a hatred for the conservative wing of his own party. Whatever conservative impulses he had on budgetary matters he shared with the late FDR and with Adlai Stevenson, and at any rate he never managed to translate those impulses into policy. Liberals, with their experience in saving the country during the Depression and World War II, were well-prepared for battle with conservatism, and until the late-1960s, they held the field. What they were not prepared for were cultural forces that later came to be identified with them--the various forms of black liberation and related developments in mass culture.

Historians have noted the obvious racial implications of rock and roll, one of the great forces of postwar mass culture, but they have failed to see how, as **Chapter 2** shows, racial mixing in popular music was deeply entrenched in popular music long before rock and roll. Much of the enthusiasm in popular music came out of the churches, especially in marginal sects such as the Pentecostals, which expressed themselves in eclectic (and increasingly electrified) music by the middle of the 20th century. That enthusiasm could not be contained by religious institutions. Church musicians were carried away from the church by their evangelical impulse to reach unconverted masses, as well as by their irreligious egotism and cupidity.

When the booming industries of mass culture harnessed the new music, one of the things they were doing was secularizing religious ecstasy. Superficially Freudian habits lead many

writers to see the energy in this music as sexual; ultimately that may be all it was. But that energy had been sublimated for centuries in religious revivals, and that historical background did not fade away altogether, even when singers with no evangelical background caught the spell of the music. Critics in the late 1940s and early 1950s often compared Frank Sinatra and Johnny Ray concerts, with their riotous crowds, to the great historic religious revivals. Years later they said the same about the concerts of Elvis Presley, James Brown, Little Richard, and eventually the Beatles and their countless epigones.

The standard histories of the dawn of rock and roll emphasize the vast boredom and restlessness that an expanding population felt with suburban, white-collar normalcy in the Eisenhower years. Yet rebellious boredom with standardized, superficial culture did not originate with the Elvis Presley generation. Frank Sinatra and other "pop" musicians of the 1940s and early 1950s anticipated the exasperated outbursts of the rock and rollers, complaining frequently and heatedly about the Tin Pan Alley "crap" their contracts required them to sing. They broke away from the crap whenever they could, nearly always drawing inspiration from forms of black music that had not yet been made respectable--"jump" blues and R&B, which are distinct from the older forms of pure blues, ragtime, gospel, and jazz.

White imitation of these forms was well established long before Elvis, producing occasional "pop" hits in the mid-1940s. Black musicians made the jump easier by meeting their white imitators half-way. Louis Jordan, Ray Charles, Chuck Berry, and

others alternated their own innovations in black genres with virtuoso imitations of white forms, especially "hillbilly" music. Existing histories of the roots of rock assume that racial crossovers in music took place only on the margins of white society in the years before the mid-1950s (jazz having mostly died out by then, in the sense that whatever was artistically alive was commercially dead and whatever was commercially alive was artistically dead). The histories also assume that racial crossovers consisted of one-way white appropriations of black styles, ignoring how mainstream white "pop" musicians (not simply marginalized working-class rebels like Presley) prided themselves on their imitations of black styles. The histories also ignore how authentic black musicians (not simply assimilationist crooners like the Ink Spots and Nat Cole) prided themselves on their imitations of white music.

The most mature and sensitive liberal thinkers expressed boredom and frustration with postwar culture too, and they linked their exasperation to their own liberalism. Lionel Trilling, for example, lamented in The Liberal Imagination (1949) how his fellow liberals failed to tap the emotional currents that conservatives were so good at tapping. After the death of FDR, liberals fretted about their inability to inspire collective action and popular enthusiasm for liberal programs. They also continued to express envy of the power that nonliberals had to inspire people to action through irrational appeals. After WWII many liberals saw the tepid, desiccated culture around them as the unfortunate but inevitable result of liberalism's triumph in

politics (which two Republican Congresses and two Republican presidential victories failed to undo). A political philosophy too devoted to man's reason, man's innate goodness, and the benefits of education and productivity growth was the dream of Aunt Polly combined with that of Pollyanna. It lacked sturm und drang, tragedy, irony, passion, humor. Though the world might be a better place with liberals in control of public life, it was a duller place.

Liberals did not deal creatively with their restlessness; they were too busy reacting to the excitement generated by others. Because popular musicians were breaking down racial barriers long before rock and roll, music provoked a white supremacist reaction. Defenders of the white southern "way of life" were fighting a quixotic battle against the distant popular music industry, and to some extent Hollywood, in the late 1940s and early 1950s, before they had to face a disciplined mass movement of black southerners in their own cities and towns.

The funny thing is that black clergymen were as hostile to the racially liberal popular music as white supremacists were. Martin Luther King expressed a longstanding feeling among black preachers when he wrote in his advice column in Ebony in 1958 that rock and roll is "totally incompatible" with gospel since it "often plunges men's minds into degrading and immoral depths." More than traditional Protestant morality was at stake. As the record companies found black performers increasingly acceptable, which is to say profitable, they threatened to drain black churches of their richest resource. Since the singers were one

of the biggest attractions for crowds in black churches, this had financial significance for the churches. Black religious authorities condemned blues and jazz, and they condemned black people who performed for white dollars in what black clergymen and churchwomen considered an undignified manner reminiscent of minstrelsy. This condemnation was sincere and deep-rooted: nearly every commercially successful black performer in the period (along with formerly religious white ones like Jerry Lee Lewis) tells of being denounced, disowned, disdained, or guilt-mongered by parents and preachers for playing "devil music." Gospel performers who remained within the fold said the same thing, referring to social pressure from their parents and preachers to keep God's gift of music in church. Mahalia Jackson, for example, was tempted by blues and jazz and integrated some of those forms into her style, but her church members persuaded her to resist secularizing her lyrics.

Black preachers found a more respectable way to deal with the urge to gain access to the privileges and opportunities of white culture than black musicians found. Civil rights demonstrations in the 1950s and 1960s, though they spoke of "integration," can be understood as yet another reaction against a tepid, desiccated liberal culture--a culture which denied the human tragedy of intractable injustice, or to use a word black preachers used for segregation, "sin." The same year that RCA signed Elvis Presley, marking the point when the permeation of racial barriers became the dominant trend in commercial music for the foreseeable future, masses of black protesters in Montgomery,

Alabama, took to the streets, setting off the largest, most disciplined, and most successful mass movement in African American history (arguably in all of American history).

Suddenly, the white supremacists had to fight on a new front. The new front was very difficult, because it was important to the white supremacist ideology to say (and many of the ideologues no doubt believed) that "our" black folks are satisfied and would not rebel unless "outside agitators" stirred them up. It was also difficult because the structure of the movement--which white supremacists assumed was poorly organized and ephemeral--was well-hidden from white eyes in institutions that had for generations cornered the market on black organizational, oratorical, and fund-raising skill: the churches.

The movement's leaders (as will be documented in **Chapter 3**) drew on the tradition of religious revivals in organizing and promoting the new form of protest. Civil Rights leaders rounded up "sinners" in pool halls, juke joints, and dives, finding that they suddenly had something more exciting to offer them, and at the same time a more plausible promise of practical benefits, than they could ever offer before the movement or after it.

Religious revivalism, which scholars of civil rights have so far failed to recognize in the movement, is central to the way the movement operated. Historians and sociologists have amply documented the way religious revivals in the past ushered in radical social change, often serving to break ingrained habits of deference and to justify new ways of life to fundamentally

conservative masses. But they have failed to make the connection to the racial changes of the 1950s and 1960s, when masses of black people poured into the churches, underwent fearsome psychological transformations, and spilled out of the churches to disrupt community life with their new attitudes. As is typical during revivals, church attendance during civil rights demonstrations increased dramatically while crime and other indicators of normal, unorganized social discord decreased. Many participants described their experiences in the movement in the language of religious revival and conversion.

One of the hardest things to understand about the civil rights movement when it is conceived as part of the history of American liberalism is the relationship between Martin Luther King and the other great evangelist of the age, Billy Graham. The two had political and theological beliefs, as well as organizational tactics, in common. King's advisers sought Graham's advice on logistics for huge mass meetings. Graham refused to preach to segregated congregations, telling white followers that racism was sinful and that Jesus' skin was probably a lot darker than their own. Graham and King swapped pulpits and toured together. The Protestant revivalist tradition, though often dismissed as the most potent form of the opiate of the masses, had broken down social barriers in the past; it contributed more to black liberation in the 1950s and 1960s than any other single source.

A related religious theme that no historian has noticed before is the huge difference (documented in **Chapter 4**) between

segregationists in the 1950s and their predecessors, the defenders of slavery a hundred years earlier. The leading religious figures of the pre-Civil War South were defenders of slavery, and they were politically important because they justified slavery with cogent and inspiring references to the Bible. But a hundred years later, only a handful of southern religious leaders, generally from marginal sects, helped white southerners defend their peculiar racial institution. The regional associations of southern Presbyterians, Methodists, and Baptists (as well as the national organizations that covered southern Catholics and Episcopalians) officially decreed that their members should obey the Supreme Court's desegregation decision.

The segregationists were extremely vocal and violent, and they won elections. But the support they had from the majority of white southerners was only skin-deep, as the stance of their churches indicates. All the election data and all the opinion polls indicate overwhelming white southern support for segregation. But elections and polls did not gauge the depth of commitment to the cause; the civil rights movement discovered that very few white southerners were willing to make the sacrifices that a successful defense of segregation would have required. A hundred years earlier, the majority of white southerners (even non-slaveowners) were willing to fight the bloodiest and most destructive war in American history to defend their "peculiar institution." Segregationists of the 1950s and 1960s never came close to that example of commitment to their

cause. As bad soldiers often do, segregationists expressed envy of the endurance, courage, and solidarity of their enemies--and the endurance, courage, and solidarity of black southerners in the 1950s and 1960s were unprecedented. The great confidence that black southerners gained from the rare unity of their religious leaders in the 1950s-1960s is the key to why that minority was able to beat a hesitant and divided majority.

Segregationists spent almost as much time attacking their own southern white preachers for their "lukewarm" or "apathetic" attitude toward segregation as they spent attacking black leaders. It is striking how much segregationist leaders anticipated Martin Luther King's indictment of the white southern clergymen, in his famous 1963 Letter from the Birmingham Jail. Segregationists complained, as King did, of white southern preachers' failure to take a stand, not of their opposition. The difference is that King had greater confidence in his ability to win converts among those preachers (and he did win a few--not enough, surely, to command racial peace, but more than his enemies won). White supremacists succeeded in silencing and evicting a number of white southern preachers who had doubts about segregation, but they failed in their larger, more important goal of converting a significant number to a militant crusade for the cause. Segregationists' attacks on their own clergymen only divided their movement and exposed how segregationism lacked leadership and cultural authority.

Rivalries and conflicts within the black movement did not

become destructive and publicly visible until the mid-1960s. The young generation of protesters, increasingly independent from their elders and increasingly prominent in the public appearances of the movement after the formation of SNCC in 1960, showed obvious signs of battle fatigue by 1965. Though there were conflicts within the older generation, two growing differences between young and old leaders stood out as most significant. First, the young leaders were no longer willing to see the humanity of white liberals, who were fair-weather allies of the movement. The student group was quick to condemn liberals, who never shared the movement's redemptive vision and never sacrificed anything but their political enemies for black rights. The older leaders tended not to expect anybody, black or white, to be perfect, and they had been willing to find common ground where and when they could. Second, the young leaders were no longer willing to exploit and manipulate liberals (and others) to their own advantage. Where the young leaders inclined to moral purism, Martin Luther King's generation saw tactical and even moral value in those who might do the right thing for the wrong reason.

The most extreme purists in SNCC (the "floaters") left themselves open to condemnation not just from their elders but from their own ranks for their impractical resistance to the hierarchy, discipline, and authority that any organization needs. And yet the SNCC faction that favored organization and discipline also shunned compromise with the liberals--thinking, with a naïveté as spectacular as that of the floaters, that they could

destroy the system by disengaging from it. The "Stalinists," as some floaters called their rival faction, showed more devotion to the rhetoric of organizational discipline than to the unobtrusive drudgery needed to maintain it.

The mass media encouraged such rhetoric by paying attention to it and encouraging certain young black leaders to think they had more influence than they had. As SNCC lost hope in voter registration and direct action, many of its members found hope in the slogan of "black power." While this slogan did not improve SNCC's relations with white liberals in the North or with the unorganized black masses in the South, it did improve its visibility in the media. The media no longer had enough black authenticity from the music of James Brown and Aretha Franklin. The riots in American cities every summer of the late 1960s impelled the media to seek some sort of philosophical gloss on black anger, and black "militants" provided it. In addition to denouncing the white liberals who dominated the political system, the militants turned on the one black leader who could claim to be a national leader, Martin Luther King. To "militants," King became the symbol of all that was wrong with the older generation of black leaders. They said King was a naïve optimist who appealed to the goodness of white liberals, who failed to recognize that black people would only get freedom when they had "power."

As will be documented in **Chapter 5**, the image of Martin Luther King that prevails in current-day scholarship owes more to this black militant voice than to any other single source. In

the years after King's death, black militants shrewdly began to reclaim King as their own. Like the rest of America, they grew fonder of the martyred leader without understanding him any better. By the 1980s, they had convinced much of the academic world that, as King matured, he had become more and more like a black militant. Partially retreating from their denunciations of King, militants in the 1980s said that King began his career as a naïve optimist, who believed in the good will of white leaders and had faith in moral appeals to them. But they added to their story that King began to see how naïve he had been, just before he died, and adopted a deeper critique of American economic structures and a more coercive strategy. King's late speeches supplied some material for this new interpretation, for he sometimes painted a rhetorical figure of himself as having once taken white liberals' professions of good will too seriously. Unfortunately, most scholars of civil rights have bought into this, ignoring or failing to credit the evidence of King's own early writings that he was never a naïve optimist and never expressed faith in moral suasion.

Like most popular leaders, King's utterances are full of inconsistencies and contradictions. There were certainly changes of emphasis in his public statements over the years. But the emphasis on the structural economic injustices of capitalism and the consequent need for coercive strategies to right social wrongs were not, as black militants and virtually all scholars of civil rights now claim, new discoveries for King near the end of his life. Those things were part of King's intellectual

framework at least from the time he wrote his "Autobiography of Religious Development," in divinity school in 1950. The religious basis of his rejection of the normal drift of society as corrupt and sinful--the antithesis of naïve optimism about moral "progress"--is clear even earlier, in his essay on Jeremiah in 1948. That prophetic rejection of the normal course of things (including the recourse of oppressed peoples to violence throughout history) is what prepared King for Gandhian resistance --a strategy that King, like Gandhi, always understood as coercive, as having more in common with war than with Tolstoyan nonresistance.

The picture of a King who evolved from optimistic faith in liberal good will to eleventh-hour realism not only ignores King's intellectual history but also ignores the coercive tactics he and his followers practiced from Montgomery in 1955 forward. King was condemning American society as sinful, and he always recognized that redeeming it would require radical changes in basic economic structures, changes that powerful interests would never make voluntarily. His acceptance of piecemeal reforms was diplomatic and tactical, never wholeheartedly optimistic. His moral appeals, as prominent at the end of his career as at the beginning, were a handmaiden, not an alternative, to boycotts and other forceful forms of disruption.

Though most scholars who deny King's early insistence on structural economic change and coercive tactics place themselves on the left, their picture of the early King is useful to people on the right as well. Critics of affirmative action today often

cite the fictional early King as a supporter of their own particular version of a "color blind" society. Yet although King did not live to see the uses to which affirmative action would be put, he endorsed the philosophical case for affirmative action as a temporary means to make up for lingering effects of discrimination.

The struggle for black rights did take a new direction in the late 1960s and 1970s when affirmative action became its principal strategy, but (as will be documented in **Chapter 6**) the philosophical arguments to justify the new turn have a firmer grounding in the liberal tradition than critics of affirmative action claim. The critics, reluctant to blame King, absolve the martyred black leader of complicity in affirmative action and cite Lyndon Johnson's 1965 Howard University speech as the great wrong turn. Johnson declared that equality of opportunity was insufficient, announcing--more forthrightly than any civil rights leader--that equality of result was now a legitimate goal of policy. To the critics, equality of opportunity was the noble aim of the "early" civil rights movement, consistent with American liberal traditions. Critics say Johnson's speech allowed the movement, which was being institutionalized in federal agencies as it evaporated in the streets, to abandon opportunity in favor of bureaucratically demonstrable results. But Johnson's emphasis on equality of results is not the watershed that critics claim. The notion goes back to FDR's "freedom from want," if not indeed to the social democratic notions that became part of American liberalism in the

Progressive Era.

Still, the critics have made a strong moral case against affirmative action. Their case is especially strong against continuing emphasis on purely racial considerations when many black beneficiaries (perhaps a majority) now come from middle class homes; their parents might have deserved racial preferences, but it is hard to believe that racism wounds well-off black children in any way that government can effectively address, or in any way that government can democratically defend. Although racism certainly continues to offend middle-class blacks and often to damage their careers, it is hard to think their children deserve prima facie promotion over the many white children who have been trapped in poverty.

King (and Johnson and all the early advocates of affirmative action) endorsed a temporary regime of racial preferences. Given King's consistent class-consciousness, we might guess that he would be more sympathetic to the proposals now being made by William Julius Wilson, Richard Kahlenberg, and others for changing the basis of affirmative action from race to economic hardship. Poor whites, now disproportionately burdened by racial affirmative action, would be as eligible as poor blacks. These proposals answer all of the philosophical objections raised by critics (excluding libertarians who oppose all government intervention). They would also seem to address the more general criticism that liberals have abandoned disadvantaged white people, a criticism that has become a political liability of liberals as well as a moral indictment.

X { Regardless of what King might have thought of these new class-based schemes of affirmative action, there is something missing from the current debate, something the history of civil rights ought to remind us of. Liberals can justify continued adherence to affirmative action, but they cannot generate popular support for it. They still do not have the cultural resources to inflame passions and inspire sacrifices. They have had a worse time of it since the 1960s, because they lost the inspiring speakers they had allied themselves with in the civil rights movement. Confident of their power, and of the moral righteousness they acquired by associating with those speakers, liberals imposed the costs of affirmative action (and busing) on those least able to afford it--working class whites and blacks. Liberal leaders, mostly upper middle class, had secure jobs, educational attainments, and neighborhoods. Liberal programs undermined the security, educations, and neighborhoods of working class whites at a time when crime and social disorder, along with the Vietnam war, were imposing unprecedented costs of government and sowing unprecedented doubts about the liberals who controlled government. Meanwhile the mass culture industries, which liberals tolerated and encouraged when they broke racial barriers in the late 1940s, found new taboos to break. In doing so, they offended a much larger population than southern racists; yet liberals were still constrained by their principles to defend these industries. Liberals suffered from all that as well as from the growing unpopularity of affirmative action.

Liberals often used "democracy" interchangeably with

liberalism, but the association came to a hard test here. Democracy--majority rule--usually did lead to liberalism from the Depression through the mid-1960s. Even when liberals began pushing integration against the wishes of white majorities in the South, they could claim they had a majority of the rest of the nation behind them. But that was no longer true of what liberals were pushing, or asking tolerance of, by the 1970s. Liberals no longer had the most brilliant black ministers of the age, with their disciplined ranks of self-sacrificing nonviolent Christian soldiers, to keep the conscience of the majority on its toes. It was bureaucrats and aloof federal judges, not a groundswell of dignified, deserving, and disadvantaged Americans, who pushed affirmative action and busing.

Whatever the moral justifications for affirmative action--and there are very good ones, even if they are not all consistent with one another--its growing unpopularity poses a moral difficulty for those who continue to support it. (Affirmative action is even unpopular among a significant number of black voters now.) Supporters of affirmative action can claim to be liberals, but they cannot claim to be democrats--people who hold majority rule in one form or another to be a supreme moral principle. For democrats, the reform of affirmative action ought to balance the liberal claims of justice with something that can be justified to the majority and accepted by the majority. Class-based affirmative action seems worth a try, since it would answer the complaints of those who were abandoned by liberalism and therefore stopped voting for liberals.

But sooner or later, even with a new appeal to the old ethnic white working-class swing voters, the liberals are going to have to confront what they saw as missing from their faith back in the 1930s and 1940s: that core of inspiration, of irrational commitment and enthusiasm. Depression and war gave liberals crises to react to, and a charismatic leader to rally around. Then the civil rights movement gave them new crises and a new leader, which gave them confidence, commitment, and allies. Since then, liberals have hung on--nobly in many instances--to a vision of justice, but they have lost the urgent, powerful drama that brought voters to their feet, and to their knees. That is related to their loss of popularity.

X (What liberals lack now is not good a philosophical justification for their programs, but the confidence to go out and seek popular support. That is what they always lacked, as John Dewey, Malcolm Ross, Lionel Trilling, and others regretfully noted. The demand to which liberals hitched their wagon in the mid-1950s, for desegregation and voting rights, gave them what they had lacked--a mass movement, with a firm resolve that its demands were ordained by God and worth years of sacrifice--but only for about ten years. Affirmative action, to which many liberals now cling, has nothing like that force behind it. It is the remnant of the old movement's demand for justice domesticated by liberals who have little credibility as voices of the oppressed, largely because they have little connection with the oppressed.

Philosophical justification cannot be completely unrelated

to popular appeal. The American public likes a good argument as much as a good Jeremiad. But philosophical justification is not enough. Liberals' concentration on it grows out of the primal liberal faith in rationality, which sees all social problems, especially "prejudice," as susceptible to teaching and learning. Though the much decried "rights culture" of our notoriously litigious society owes a lot to this faith, one of the reasons trials remain great spectacles is that, as any good courtroom advocate could tell liberals, good arguments are not enough, not even in law courts, the one arena controlled by educated people and governed by formalistic rules of argument. It is as though liberals learned all of Socrates's noble condemnations of rhetoric (speech that goes beyond reason to persuade) without getting around to Aristotle's more realistic recognition of the unavoidability of rhetoric and the ability of rhetoric to serve virtue as well as vice.

Reinhold Niebuhr's phrase, "emotionally potent oversimplifications," captures what is missing from the liberal case for affirmative action. Knowing that he was dangerously close to justifying dishonest propaganda and mass manipulation, Niebuhr said that "emotionally potent oversimplifications" are not merely the weapons of oppressors. The oppressed (and others who seek justice) have to employ emotionally potent oversimplifications as weapons against oppressors, and employing them up is morally dangerous because the temptation will always be strong to become morally complacent about one's own oversimplifications. That is a temptation that oppressed people cannot afford to yield to, for

tactical as well as moral reasons. Yet it is a temptation that is especially great for the oppressed while they are engaged in a fight for justice. Niebuhr noted that the oppressed must rely on emotionally potent oversimplifications even more than their oppressors do, precisely because the oppressed lack the power to compel consent. In other words, social justice, which can only come through coercive action, is more difficult than liberals or even revolutionaries imagined. Propaganda is necessary to the struggle for justice yet threatens to thwart it every moment. Liberals seem to agree with Niebuhr on the dangers of propaganda, but they do not heed him on the necessity for it. At present, all the emotionally potent oversimplifications--"reverse discrimination" and the like--are on the other side of the debate.

What liberals--or whoever else will claim the mantle of the civil rights movement--need are supple philosophical minds, like Martin Luther King's, who can translate philosophical justifications into ringing phrases that call upon the best of American tradition. That tradition may contain some liberalism, but it must draw from something deeper, as Dewey, Trilling, and many others sensed. It may be that affirmative action--even if "mending" it turns out to mean extending its benefits to deserving white people--can only inspire emotionally impotent oversimplifications. If that turns out to be the case, those who believe in democracy (or in the public efficacy of social struggle, which may boil down to the same thing) may have to abandon affirmative action altogether and seek something that can

be effectively justified to the majority.

Among those trying to claim the mantle of the civil rights movement today are scholars (many of them former activists) who write about it. Like everybody else, today's academic experts on civil rights use their narratives to score points against their perceived enemies. The present study will not be able, and will not pretend, to transcend that human tendency. But it will try to stretch beyond the current terms of debate, including (**in Chapter 7**) the special choices scholars make, which shape public discussion, though the non-specialist public rarely sees these choices presented as choices.

Social scientists have fallen into two camps over how to explain the civil rights movement. Other writers on the subject, without being explicit or necessarily consistent about it, fall more or less on either side. The first camp adopts an external explanation: economic development forced poor black folk out of the rural South; by moving cityward, black folk enfranchised themselves; competition between the two parties for the black vote in a period of close elections forced concessions to black voters. The second camp adopts an internal explanation: black organizations, especially church-based ones, carefully planned and initiated the movement, without regard to the white world that excluded them; they developed charismatic yet participatory leadership styles; they formed diffuse structures of communication that were invulnerable to surveillance; and they produced a defiant culture of collective self-respect that can outlive

political change.

The ideological overtones of the two explanations have grown stale: the external model appealed to Marxists and liberal modernization theorists, the internal model to black nationalists and to postmodernists who think oppression begins and ends with language and symbols. Chapter 7 ends with a plea to scholars--and others who would understand civil rights--to combine the best of both models together. That may help get the debate out of its current rut, in which it has been stuck for too long.

Lest there be any doubt left, **The Conclusion** (to be added to this manuscript after revision) will attempt to make explicit what the author thinks his position is in the broad political and cultural discussion of race today. Inevitably, reviewers of A STONE OF HOPE will put it into prefabricated pigeonholes; the conclusion will remind readers how poorly it fits. The author has no wish to conceal the fact that he considers his country to be in a moral crisis over race, and that he hopes to clarify what to do in the future by shining a particular light from the past onto the confusion of the present. He will not make the old academic presumption of neutrality above the fray; nor will he make the equal and opposite presumption, more common among academics today, of speaking for a particular camp--black people, oppressed minorities, "progressives," "critical theory"--as if any of these categories are monoliths with implicit programs of salvation written into them.

The ideological framework that grew out of the movement's death-throes--"militant" black nationalism vs. muddle-through

liberalism vs. the silent majority--no longer defines the nation's differences of opinion on race and poverty. To clarify the intellectual debate of today, I propose a new framework of three categories, enlisting myself in the last: there is the party of despair (represented by Patricia Williams, Jonathan Coleman, and the former liberal Derrick Bell, sometimes aided and abetted by Andrew Hacker--though he has been inconsistent); there is the party of complacency (Shelby Steele, Dinesh D'Souza, and others); and there is the party of hope (William Julius Wilson, Jim Sleeper, and others, including the former black nationalist Vincent Harding). This framework is not rigid; it is not even stable yet (Richard Rodriguez, for example, seems to have drifted from the party of complacency into the party of hope; Randall Kennedy convincingly rejects despair and complacency, yet revives a radical individualism that offers no visible ground for building solidarity, which hope seems to require; Cornel West cannot seem to make up his mind; Henry Louis Gates seems to be everywhere at once). I am not saying all the principals understand yet where they are in the lineup. It will be a tentative offering, to invite if not incite better classifications.

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EXECUTIVE SUMMARY

edited by

Wilson G. Pond, Robert A. Merkel,
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Getting It Wrong on Whitewater

BY GILBERT CRANBERG

They've all said it so much that it is a given in the Whitewater coverage. It's one of those "facts" you don't even need to check out.

The New York Times says it. The Washington Post says it. The New Yorker says it. William Safire says it.

They and others say that Bill Clinton's chief accuser on Whitewater, David Hale, made a felonious \$300,000 loan of government-backed funds to Susan McDougal, and that is true. Then they all say or imply that nearly \$50,000 of that money propped up Whitewater, Bill and Hillary Clinton's ill-starred adventure in Arkansas real estate.

And that is false.

It's complicated, but it shouldn't be too complicated for The New York Times, The Washington Post, The New Yorker or William Safire.

First, you need to know that that "nearly \$50,000" is in two chunks, one for \$24,455 and one for \$25,000. The first chunk did not come from that corrupt \$300,000 loan. The second chunk did not benefit Whitewater. Now, follow the chunks.

Chunk #1. A check for \$24,455 was indeed deposited to Whitewater's account. It was used to cover an earlier \$25,000 Whitewater check to Ozark Realty, apparently for commissions for sales of Whitewater lots.

That Chunk #1 deposit was made on April 9, 1985.

Nineteen-eighty-five.

David Hale's illicit \$300,000 loan to Susan McDougal—\$24,455 of which reports say ended up in the Whitewater account—was made April 3, 1986.

Nineteen-eighty-six.

Again: the money was put in the Whitewater account in 1985—a year before Hale made that infamous loan to Susan McDougal. It's impossible, absent a time warp, for any of Chunk #1 to have been part of a deposit made a year earlier.

So what was the source of the \$24,455 chunk that went to Whitewater? It came from part of a \$135,000 loan James McDougal obtained from the Stephens Security Bank in early April 1985 for Flowerwood Farms, one of his developments. McDougal wrote a \$24,455 check to Whitewater from the Flowerwood Farms account less than a week after he deposited the \$135,000 to the Flowerwood Farms account. Clearly, the Whitewater money came from the Stephens bank loan.

But wait a minute. A big portion—\$111,500—of that fraudulent \$300,000 loan from David Hale to Susan McDougal was used to repay that Stephens loan. And since it was the Stephens money that went into Whitewater, can't you say that the misbegotten money from David Hale really did go into Whitewater since it was used to replace the Stephens money?

You can't. McDougal repaid \$40,000 of the \$135,000 Stephens loan on January 21, 1986, four months before Susan McDougal got her money from David Hale. That \$40,000 repayment more than covered the \$24,455 portion of the Stephens loan that went to Whitewater. So how can anyone say whether the \$24,455 eventually was covered by tainted dollars or by the apparently legitimate \$40,000 repayment?



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No one can. "The fungibility of money makes it difficult to say which transaction [the January 1986 transaction or the April 1986 transaction] funded the repayment to Stephens Security Bank of the funds that went to Whitewater," says the Pillsbury Report, the \$3.6 million study of McDougal's Madison Guaranty Savings & Loan that the San Francisco law firm of Pillsbury, Madison & Sutro made for the Resolution Trust Corp. Linking the Hale money to Whitewater is "tenuous" and "a stretch," Drake University's Director of the School of Accounting, Dr. Patrick Heaston, said after looking at the accompanying diagram.

So much for Chunk #1.

Chunk #2. To imply that this \$25,000 chunk benefited Whitewater is even more of a stretch.

All of the \$300,000 Hale loan was deposited in the McDougals' joint personal account. In April 1986 James McDougal wrote a check on that account for \$25,000 as earnest money for purchase of 810 acres south of Little Rock, and he put the tract for less than two months in Whitewater's name. Despite erroneous reports to the contrary, Chunk #2 did not come from Whitewater's account. According to the Pillsbury Report, "Whitewater itself never contributed any money to this land transaction." Whitewater basically contributed its name, a fact that would harm—not help—the Clintons, who were investors in the Whitewater Development Corp.

For while McDougal shortly switched ownership of those 810 acres from Whitewater to another land-development company the McDougals owned, Whitewater's name remained on the mortgage, and it still was liable for the \$470,000 balance due on the 810 acres. In other words, McDougal messed up Whitewater's balance sheet by the deal, adding a huge liability to the corporation and thus its owners, including the Clintons. The use of Whitewater initially to buy the land, which the Clintons say they knew nothing about, "did not

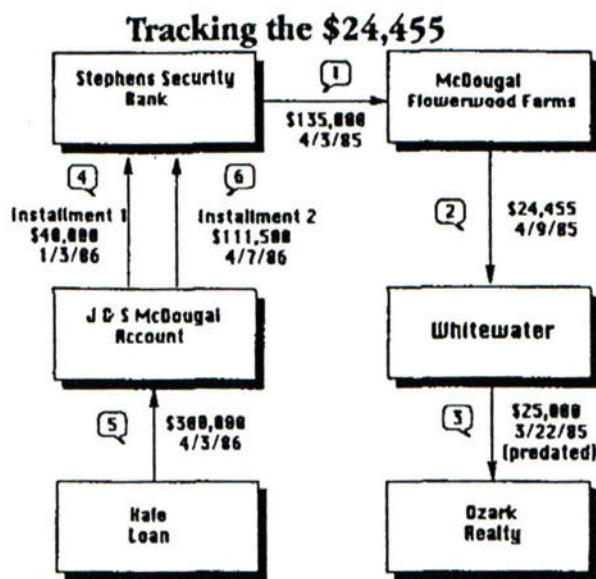


Diagram shows how 1985 Stephens Security Bank loan, not David Hale's illegal 1986 loan, was source for Whitewater payment to Ozark Realty. McDougal repaid portion of Stephens loan (Installment 1) before Hale loan financed the balance (Installment 2). Accountant calls it a "stretch" to link Whitewater and Clintons to the illegal loan.

benefit Whitewater or the Clintons," the Pillsbury Report concluded. "In fact, it left Whitewater with a large mortgage but no corresponding asset."

FBI agent Michael Patkus testified May 3, 1996, at the trial on fraud and conspiracy charges of the McDougals and then-Arkansas Gov. Jim Guy Tucker, about how Chunk #2, the \$25,000 earnest money, came from Hale's \$300,000 loan. That cropped up in stories repeatedly thereafter, but not that the money was for a tract just temporarily in Whitewater's name, nor that the chunk did anything but prop up Whitewater; it hurt the enterprise.

So much for Chunk #2.

Why, then, could the press be so wrong?

Let's start from the beginning. The New York Times on May 4, 1996, carried its edited version of a dispatch attributed to The Associated Press:

Little Rock, Ark., May 3 (AP)—The prosecution rested its case today in the trial of Gov. Jim Guy Tucker and President Clinton's former Whitewater partners after presenting testimony that money from an allegedly fraudulent loan

went to benefit the Whitewater development....

The end of the nine-week prosecution case came after jurors heard an F.B.I. agent testify that nearly \$50,000 from a \$300,000 loan to the defendant Susan McDougal was used to cover Whitewater-related expenses. The other partners in the real estate development were James, who was then her husband and is also a defendant; Bill Clinton, who was then Governor, and his wife, Hillary.

In his testimony Special Agent Michael Patkus summarized his analysis of expenditures from the April 1986 loan.

Mr. Patkus said Mr. McDougal had used \$25,000 as part of a down payment for land he bought on behalf of the Whitewater Development Corporation. Eventually \$24,455 more was deposited in the Whitewater account of Madison Guaranty Savings and Loan to cover a Whitewater payment to a realty company, the agent testified.

Mr. Patkus also listed \$13,810 in advertising bills that the McDougals paid for Bill Henley's legislative campaign. Mr. Henley is Mrs. McDougal's brother.

Prosecutors say that the \$300,000 loan from Capital Management Services was supposed to be used only for Mrs. McDougal's advertising company, Master Marketing, and that the other uses were illegal. The allegation is part of the Federal bank fraud case against the defendants. Mr. Patkus said there were no checks made on behalf of Master Marketing.

On Thursday, Judge Howard limited Mr. Patkus's testimony to summarizing complex financial documents already in evidence. Lawyers for Mr. Tucker accused prosecutors of planning to use Mr. Patkus's testimony as a ploy to get two shots at closing arguments.

The McDougals and Mr. Tucker are accused of misusing \$3 million in loans from two federally backed lenders. One was the McDougals' own Madison savings and loan; the other was Capital Management Services, licensed by the Small Business Administration to make business loans. Capital Management Services was run by David Hale, who was the chief prosecution witness.

However, the story AP distributed on its wire differed in significant respects from the edited account that ran in *The Times*. Here is the original dispatch:

Little Rock, Ark.—Prosecutors rested their case against Gov. Jim Guy Tucker and President Clinton's former business partners Friday without showing how Clinton benefited from a \$300,000 loan, as another witness had claimed.

David Hale, the Whitewater prosecutor's chief witness, testified a month ago that James McDougal and Clinton benefited from the loan, which was made in the name of Susan McDougal's advertising business.

But an FBI agent's testimony Friday made no direct link between the loan proceeds and Clinton, leaving the issue hanging after nine weeks of testimony.

Tucker and the McDougals are accused of fraud and conspiracy. Prosecutors say they illegally obtained nearly \$3 million in loans from a pair of federally backed banks.

Clinton has not been charged. He was called to testify as a defense witness by the McDougals, who say that only Clinton could counter claims Hale made during two years of cooperation with Whitewater prosecutors....

Prosecutor Ray Jahn said it was not important to link Clinton to money from the \$300,000 loan, even if the omission might undermine Hale's credibility.

"We do know it was Mr. McDougal and Mrs. McDougal who controlled how the money was spent," Jahn said. It was only necessary to prove that it was not spent on Mrs. McDougal's Master Marketing business, he said.

Hale claimed Clinton asked him for a \$150,000 loan in January 1986 and that McDougal later called and asked Hale to increase the loan amount to \$300,000 and write a check payable to Master Marketing.

Jahn said Friday that Hale didn't know what happened to the money, but under prosecution questioning April 2, Hale testified the money ultimately went to McDougal and Clinton.

When asked who would pay back the money, Hale said then, "I was looking to Jim McDougal and Bill Clinton." When asked who benefited from the loan, Hale said, "Jim McDougal and Bill Clinton."

But FBI Special Agent Michael Patkus' accounting of the money Friday did not mention the president by name. Of the \$300,000, he referred to only two payments, totaling about \$50,000, that could

have benefited Clinton as a Whitewater partner, and did not make a direct connection.

Patkus said \$25,000 of the loan was used as a down-payment on land south of Little Rock that Whitewater bought. Another \$24,455 covered a Whitewater payment to a realty company for land the company owned in northern Arkansas.

While the Clintons and McDougals were joint owners of Whitewater, McDougal ran it.

The Washington Post also erred when it reported, "About \$50,000 of the proceeds of that [\$300,000] loan went into a Whitewater account" (R. H. Melton and Michael Haddigen, May 29, 1996.)

William Safire went further: "That [\$300,000] was supposed to be used only to help the 'economically disadvantaged,' but a large chunk was used to buy property for Whitewater Development. If the Clintons knew about this abuse... then they would be accomplices in stealing \$50,000 from the poor." (New York Times, May 30, 1996.)

The New Yorker went even further: "The verdict established as fact—proved by the prosecution, backed by documents, and certified by a jury—that some of the money that the McDougals obtained by fraud did indeed end up in Whitewater at a time when the Clintons co-owned the company.... One of the fraudulent loans, for \$300,000, went to Susan McDougal. Of this \$300,000, \$50,000 was funneled by the McDougals into Whitewater. To put it simply, it has now been proved in a court of law that nearly \$50,000 obtained by defrauding the United States government went into a company that was co-owned by Bill and Hillary Clinton." (Michael Kelly, June 10, 1996.)

In recent months the error has persisted. On October 2 of this year *The New York Times* reported: "...\$50,000 of [the \$300,000] later wound up paying for expenses related to the [Whitewater] land development...." (Todd S. Purdum.)

And Frontline's "Once Upon a Time in Arkansas" announced: "What happened to that \$300,000 loan Susan [McDougal] received from [David] Hale? Twenty-five thousand dollars of it covered a debt [on Whitewater]." (Michael Kirk and Peter Boyer, PBS, Oct. 7, 1997.)

How could they all say that?

Perhaps because the testimony of FBI agent Patkus was complicated and confusing. Patkus, who has a background in accounting, was quite precise, though, in identifying Chunk #1 as coming from the Stephens Security Bank, not the government-backed \$300,000 loan, despite what the AP and *The New York Times* wrote. He was never asked if he thought the repayment of part of that Stephens loan with part of the \$300,000 loan amounted to use of the illegal Hale loan to benefit Whitewater, nor did he characterize it that way.

The initial misreports of Patkus's testimony seem to have infected subsequent coverage. Purdum of *The Times*, for instance, says he simply repeated what he found in clips. Robert L. Shaw, AP's Little Rock Bureau Chief, said: "Our story is a fair summation of the agent's testimony." *The New York Times* did not respond to requests for comment.

Perhaps the reporters were following the prosecutors, who seemed willing to put the worst possible spin to Whitewater by categorically tying Chunk #1 to Hale's loan. Independent Counsel Kenneth Starr, moreover, told a Detroit audience last fall that agent Patkus had found "some [of the \$300,000] ended up on the account of Whitewater Development."

Perhaps the stories were wrong because they reported a fact that left an implication opposite of the truth. It is true that Chunk #2 helped—for less than two months—buy land for Whitewater, but, regardless of the intent by McDougal in transferring the money, that was a transaction that turned out to be detrimental, not helpful, to Whitewater and the Clintons. That last part—the impact—was ignored.

Perhaps some reporters are just careless.

But all those perhapses are disturbing. The press has been preoccupied with Whitewater since 1992. Coverage of the "nearly \$50,000," which reputedly made Whitewater (i.e. the Clintons) kin to fraud, has been a key element.

And it's been a key element that has been written about carelessly, or completely, or just plain falsely. ■

Harold M. Evans

THE PRESIDENT HAS BEEN
12-30-97

THE FRANK GANNETT LECTURE December 10, 1997
at the Freedom Forum

FREEDOM FOR WHAT?

This lecture is entitled Al Neuharth's Revenge. Thirty six years ago, when I was a much younger editor - though you wouldn't know it - I did go to Rochester and wrote a report on some aspects of Gannett newspapers that might - inadvertently - have contained some criticisms. Al was then the newly-arrived General Manager and we debated a point or two.

It is important you have the full picture. You will understand why I want to make it clear at the outset that any references to tabloid journalism, which could be in any way construed as critical, do not include publications owned now or possibly owned in the future by Mort Zuckerman/slash Fred Drasner. To borrow from my immediately past trade, any resemblance to persons living or dead is purely coincidental.

The most important caveat emptor concerns my approach to our business. Where is this guy coming from?

Years ago when I was trying to survive my first week in journalism on the Ashton-under-Lyne Reporter, I was alarmed to be given the responsibility of interviewing a "General Carpenter" - it was wartime and the paper had lost its experienced reporters. The news editor, who gave the command, was a towering figure diminished only by the fact that he mumbled and nobody could understand a word he said. I did not dare to ask him to elucidate. When I arrived at the address, I was surprised to find it to be a meeting hall, and it was packed with uniformed men and women banging tamborines, clapping hands and signing hymns. They, too, wanted General Carpenter and it turned out that he was their General - the leading general of the Salvation Army. I squeezed in on the front row, took out my notebook - I had only got the job at the age of 16 because I could write shorthand - and waited to record the General's every word. He had other priorities. Everyone was asked to stand while he went down each row, starting with ours, receiving souls one by one into

the Lord's care. Everyone stood. I sat. Was I not a race apart? When within a few minutes the collision of the spiritual and temporal occurred, the dialogue went like this:

The General:

Won't you stand for Jesus, son?

-I'm press.

But you can still be SAVED!

If you detect an evangelical tamborine in this lecture, I want to assure you all at the outset. You don't - at any point - have to stand.

I offer this fragment of confession because somehow along the way I developed a perhaps absurdly elevated view of what an independent press ought to achieve. Where it came from precisely I don't know, and forgive me if I can only guess: I feel like the cowed husband in the New Yorker cartoon whose wife at the cocktail party is urgently sidemouthing him: "Tell them who you WERE, Henry. Tell them who you WERE."

Well, my first editorship was of The Northern Echo, Britain's first halfpenny daily that was in the 1870s edited by a Northumbrian of 23 called W.T. Stead. William Thomas Stead. This is the same Stead who as editor of the Pall Mall Gazette later exposed the trade in prostitution of minors in England and went to jail on a malicious technicality, though his "sting" in procuring a girl of 12 had the complicity of the Archbishop of Canterbury and General Booth of the Salvation Army - there you go again. From Darlington in 1872 Stead succeeded in arousing the whole of Europe against Turkish atrocities in Armenia - the Holocaust of the 19th century. He had been frank with his employers on accepting the job the year before. Every night when I sat in Stead's very own chair, I looked across at his letter accepting the editorship which someone had framed on the wall.

"What a marvellous opportunity", his hand had written, "for attacking the devil!"

Perhaps staring at Stead's copperplate night after night, stuck for an intro to an editorial, made an indelible impression on my young mind. And Stead, after all, was a Spiritualist - cap S in Darlington - who made it clear before he went down on the Titanic in 1912, reading his Bible, that he intended to haunt the imaginations of his successors.

No doubt his shade is even now roaming the World Wide Web.

Either of my own volition or the vapors from Stead, I had by the time I reached Darlington in 1961 found inspiration in American newspapers as he did. I first made the crossing on the sturdy steamship Franconia in 1956, borne up by American philanthropy: a Harkness postgraduate fellowship at the universities of Chicago and Stanford but with ample dollars to sample life and newspapers all over the country. Admiration was hardly excited by American design or subbing; reporters grazed unedited across infinite prairies of newsprint. It was excited, rather, by the journalists' and publishers' certainty of their role, their genuine commitment to a community's well being - I was impressed by that again when I spent time with in the newsrooms of the Gannett newspapers in 1963.

And most of all I was impressed by the extraordinary freedom and status enjoyed by the American journalist. You owe a lot to the madness of King George III; to your heritage in the fact that rebellious Americans came to appreciate the critical importance of a free press. If the flame was lit by the First Amendment, it was sustained down the years by many visionary editors and writers. Before Stead - and C.P. Scott - James Gordon Bennett, founder of the New York Herald, had asked the right question: "What is to prevent a daily paper" he asked, from being made the greatest organ of social life?"

From the backwater of Darlington in the sixties, undoubtedly inspired by what I had seen her, we won the establishment of the first national program for the early detection of cervical cancer. We exposed the wrongful hanging of Timothy Evans for murders at Rillington Place committed by John Christie just in time for the critical vote in Parliament that abolished the death penalty.

In the early sixties in Britain there didn't seem to be much to prevent newspapers from doing their duty. I was wrong. When I became editor of The Sunday Times of London, I was forever in the law courts. We were there because a government, a corporation, an individual, a foreign country, wanted to prevent us publishing something; and very often we were not present when they sought ex parte injunctions. As Lord Northcliffe put it, news is something somebody somewhere wants to suppress; everything else is advertising. In Britain there was - and is - tolerance for free speech so far as it applied to opinion journalism.

Tolerance for dissent is very different, however, from tolerance for disclosure. As Izzy Stone put it, facts are subversive.

This is the fundamental point of divergence between the history of press freedom in Britain and in America. In Britain, the wide assumption - see John Stuart Mill's treatise on liberty - was that there was a free flow of facts on which opinions could be based. It was the equivalent in philosophy of the error of the classical economists of a perfect market in which price was fixed by free exchanges between sellers and buyers. Founding father James Madison knew better: "A people who mean to be their own governors must arm themselves with the power knowledge gives. A popular government without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy or both."

In Britain, the classical assumption of a free flow of information was harshly exposed. The limits of free inquiry, as distinct from free speech, were there for all to see. We collided with the barriers that had until then been the invisible defences of - to adapt Teddy Roosevelt - malefactors of great power. Malefactors capable of poisoning citizens with nuclear wastes; or building an airline knowing it will fall out of the skies; or concealing plans to rob communities of their railways; or bribing a member of Parliament for a foreign interest; or selling a deforming drug and refusing to compensate for the shattered lives.

The most significant restraints lay - still lie - in the marrow of English constitutional bones, in common law precedents which for long have exalted property rights over personal rights and in judges accustomed to regarding official information as the property of the government, not of the people. It was not some bolshie journalist but Thomas Jefferson who argued that the trouble with British democracy was that the Tory or Norman concept of rights is dominant: that rights are grants from the Crown, rather than the Whig or Saxon concept that they are natural to the people and the Crown has no powers except those expressly granted.

I first traced the restraints on the freedom of the press in a Guildhall Lecture in 1974. Comparing a specific liberty in America with a specific restriction in Britain, I suggested that our was a Half-Free Press - and, pace Lincoln, that a democracy so conducted would not long endure. The British press would never have been allowed to expose a British Watergate because of the laws of confidence and contempt. Conversely, the American press would not have been prevented by archaic contempt of court rules from ventilating the scandal of the treatment of the thalidomide children. Even when The Sunday Times won the right to publish facts about the origins of the thalidomide tragedy, by a belated judgment of the European Court of Human Rights under the free-

speech provision of Article 10, a British judge subsequently denied the newspaper the right to quote from the drug company's documents. Why the suppression? The judge ruled that the documentation of negligence was a lesser public good than protection of the company's property rights.

The same law was used by Mrs. Thatcher to suppress the Spycatcher book - that MI5 had plotted against the Labor government. In the U.S. Robert MacFarlane was punished for misleading Congress; in the U.K. the Minister who misled Parliament went scot free. It was the man who exposed the deception who was put on trial.

In years of regression in Britain, the American press reinforced its constitutional freedom with the Freedom of Information Acts. And Sullivan. It was imperfectly realized then what a remarkable victory the New York Times had won in Sullivan. The suit, as you know, was nothing less than an attempt to suppress reporting and discussion of Southern racism, and it had a fair prospect of success because the Supreme Court had always regarded libel as a matter for the states. The courage of Punch Sulzberger, and the success of the Times in persuading the Court that public officials should not be permitted behind the law of libel was stunning vindication of the role of the press as an agent of democratic change. Free speech was acknowledged as not only an individual right, but a collective necessity. The Pentagon Papers established that there were limits to what the executive might suppress on grounds of national security.

I have sketched these points because you seem often to lose sight of how free the press is here and what an astounding potential it has. I do not suggest American freedom is complete. But it does unquestionably have a degree of freedom that is unique and a corresponding opportunity - indeed duty - to demonstrate the blessings of a free press. In my days here as a visitor, it was the freedom which impressed me. In the 12 years I have lived and worked here, it is the failure to use the freedom which has increasingly depressed.

A decline in standards of reporting and especially in the frequency, quality and range of investigative journalism is discernible at the national level; intrusions into privacy have become as offensive as anything in the wilder sections of the European press; there is a sharp rise in public disaffection with the press - and declining audiences for print and for network television. The criticism is a generality. Each year the Pulitzers, the Polk and Mollie Parnis awards recognize marvellous efforts across the country. From time to time I see fine original reporting and

investigations in the New York Times, in the intellectual magazines, the New Yorker and the Atlantic - let me put it other way way round - in The Atlantic and the New Yorker.

But as the freest - and richest - press in the world, is the American press demonstrating the virtue of freedom? Is its vigilance in the public interest commensurate with its power, with its privileged access to information, with the status its best practitioners enjoy, with the ideals enshrined in the constitution of which it is part?

In a word, NO.

NO. Not any longer.

So it is fair to ask: freedom for what?

Several things seem to be happening:

1. Professional standards have been eroded.
2. Values have been debased.
3. At the same time, the inestimable freedom is not being used to enhance life, liberty and the pursuit of happiness - as as it could, as it should, as it was intended it should and it has from time to time done. Nothing else justifies the freedom, nothing else makes tolerable the incidental rough bruising that accompanies any exercise in freedom.

VALUES

1. Newspapers and network TV do not hesitate to use the supermarket scandal sheet, or the political rag, as the source and pretext for the most scurrilous stories - stories of no redeeming public value. Public morals have been degraded by an endless peep show.

The practice, unthinkable even twenty years ago, is defended, if it is defended at all, on the grounds that the story is about "character". This is no more than prurience on stilts. It is as much about character as Joe McCarthy's list of names was about national security. A significant degradation began when television news programs became a profit center. Bill Paley, the founder of CBS, always said that it would be a lamentable day if that happened. He has been proved right.

I am not saying that Paula Jones' pants-dropping suit - does that sound right? - can be ignored, though neither can its political origin, but it is a question of priority, of perspective, of

relevance. I AM saying that the frenzy of activity on such questions is grotesquely misapplied when one contemplates what the press is not doing.

The panic over audiences has clearly resulted in an erratic, not to say, zany sense of priorities. Television, said Fred Friendly, makes so much money doing its worst that it can't afford to do its best. The emerging rule for press and broadcasting seems to be that the more trivial the event the more more tremendous the coverage, the more frantic the chase. It is indeed the era of the

TRIVIA COPS

One never seems to hit bottom. A few months ago, a scandal sheet set a trap, hiring a prostitute to compromise Frank Gifford, and filming it. The rest of the press followed. Worse. Nobody criticised the scandal sheet. On the contrary, there was a good deal of vindictive gloating as if it had performed a public service - his marriage to Kathy Lee could not be as good as they said, could it? A few days after the so-called scandal broke, radio talk show host Howard Stern got hold of a tape conversation between the sports star and the tart. He tried blackmail. He would play it, he said, unless the Kathy Lee came on his show. Again, nobody turned a hair. The New York Times is conspicuous by virtue of the fact that it is one of the few, perhaps the only, newspapers to have refrained from joining the hyenas.

2. There has been a significant growth of paranoid radio where lies in all shapes and sizes go forth unchallenged. Abuse is stock in trade. The popular radio talk show host Don Imus conducted a campaign against the late Judge Rothwax calling him a senile drunk - certainly untrue - and then, when challenged, protested that the judge couldn't take a joke. Not one of his better moments.

3. Defamation is all too easy. . Reputations are fodder for entertainment. Sullivan was a progressive reform, but it has been abused in a culture of celebrity. It is one thing to facilitate criticism and exposure of public officials in the public interest. It is another to dilute "Public official" to "public figure" and remove the right to a reputation from anyone who happens to have had five minutes of fame - especially when most of the stuff is blind quotes. There should be a quota on blind quotes. Blind quotes may be defensible for whistle-blowing on a grave issue, but not for the personal vendettas one sees every day. Incidentally, though I have long protested the limits on British press freedom, the tougher libel laws there do make the press work harder to get at the truth rather than the rumor. Nowadays even a great newspaper like the NY Times will say "there

are rumors that....." without bothering to find out whether they are true (in which case they are fact) or untrue (in which case they have no place in a newspaper of record).

I know libel writs have a chilling effect in the U.S. because of legal costs. In the British system, the loser pays, which reduces vexatious actions, and there is now a provision for swift settlements without trial. Worth examining. There has to be a better balance between increasingly careless and casual defamation

and legal restraint on the publication of truth.

4. At the same time, paradoxically, various inhibitions of political correctness, a false patriotism, a suffocating sanctimony, and a culture of victimisation, restrict reporting and debate in ways unfamiliar in Britain, or France for that matter, where there is more tolerance for the wayward and unconventional.

It wasn't any wish to tolerate the unconventional when Random House signed Dick Morris to write about just how Clinton was re-elected - something nobody thought possible in 1994. Eight months after we did, his private life exploded in scandal. The criticism of his conduct was correct. He behaved badly, outrageously. But his book, as it happened, was a serious affair for anyone concerned about the conduct of this democracy. It had extraordinary revelations about money, about advertising, about polling, long before a passing Chinaman aroused a frenzy of interest in those subjects. By and large that serious content was lost to the public columns because there were those who wished to censor him and the prurient were interested only in what I should call the footnotes - and, it has to be said Dick Morris was all too ready to talk about them. . Richard Cohen of the Washington Post was big enough to say he was sorry his sense of distaste for Morris had persuaded him not to report the political content. Sam Donaldson, who gained access because he had professed interest in the serious stuff, spent most of air time playing and replaying a video of Morris with his betrayer.

6. An even more significant inhibition has to do with anything touching race or ethnicity. Despite all the good recommendations of a variety of commissions, fears of being accused of racism for a whole decade discouraged the press from reporting on the plight of the black underclass, of the cycle of broken families, crack addiction, and disappearance of jobs in city manufacturing. I remember the intake of breaths at US News in 1985 when Mort Zuckerman suggested we investigate the story. It was not a benign neglect; it was the blacks who suffered from the fastidious

political correctness. More recently, even the best newspapers have flinched from reporting and discussing the dramatic changes in the ethnic composition of the American population due to wholly unpredicted results of the change in immigration law of 1965. Some of you may by now be glad that it discriminates against Europeans...

WHILE ENERGIES ARE DEPLOYED ON THE TITILLATING, REAL POWER IN THE BUREAUCRACIES AND CORPORATIONS, REAL ISSUES THAT TOUCH THE LIVES OF ORDINARY PEOPLE, OFTEN ESCAPES PROPER SCRUTINY OR EVEN MENTION.

* For instance, if only one hundredth of the energy spent on the relatively trivial story of the congressmen who wrote bouncing checks - which did not hurt their constituents one bit - had been expended on watching over the billions misspent in the S*L debacle. It was as much a product of the habits of the press as ideology in the White House.

* For instance, the increase in mandated sentencing has resulted in a subtle but enormously important shift in power from judges to prosecutors in the federal system. It should have caused the press to scrutinize more carefully prosecutors' exercise of discretion, but it has not, according to a study by Judge Kimba Wood. The press continues to focus on the need for access to judicial proceedings because that is what they are used to doing: plea bargains on file are not scrutinized to see if justice has been done.

- More ink was spent, more air exhaled, on Mrs. Clinton's conversion of \$1000 in cattle futures than was spent trying to monitor this secretive institution that deals in trillions - the Federal Reserve Board, "The temple" in Bill Greider's book of that name. The 'Fed's monetary actions affect the prospects of millions of Americans. Nobody expects the press to be in on the decisions that will affect the stock and currency markets, but we are entitled to know something about the character and ideologies of the members, we ought to know the depth of sophistication of the debates, if there are any real debates. The New York Times did it once when the minutes were released. It should be a regular feature.

* Again if only the forensic energy expended on an Arkansas law firm could be deployed to look in to the murk, say, of the National Rifle Association which terrifies numerous legislators into voting a ban against the street criminals' choice of automatic machinegun. Precisely how much money has been paid to which legislators? What effect has it had? We constantly exclaim about the influence of the NRA, but we are like travelers on the Yellow Brick Road who are never allowed to see the pulleys and mechanics. .

* The mighty Corps of Engineers is another neglected public institution that touches the lives of millions of citizens but is never really monitored.

* And again it is worth noting how little reporting there was of the violent elements in the right wing in America until one of them blew up a building in Oklahoma.

* I am not suggesting it is altogether easy to monitor power - or to make the story interesting and comprehensible. That is almost as tough as finding out. The biggest failure of all in recent times was surely over the Clinton Health Plan. Kathleen Hall Jameson enlarges our understanding of the catastrophe of communication in her new book *THE SPIRAL OF CYNICISM*. The fact is that there were some distinguished efforts in journalism - the NY Times sixteen page issue, NBC's two hours of prime time, Hilary Stout's reporting in the Wall Street Journal - but the polls show the public did not understand a thing and washed hands of the whole business. What seems to have happened, according to Jameson, is that when the battle was really joined the airwaves and papers were swept up by the lobbyists in a campaign of fear on which \$100m dollars was spent - more than Bush and Clinton spent together in their 92 campaign.. Despite the good work that was done, the press was swamped and acted merely as an uncritical conduit for the propaganda. The famous Harry and Louise ads were regurgitated free by a credulous press. This was because the story became not the health plan but the battle against the health plan. Congressmen grew alarmed - again in many instances not so much by the plan as by the effect they thought the propaganda would have on their constituents.

The answer does not lie in counter-swamping but in better journalism. This does not mean longer and longer articles. Good journalism can be concise. Kathleen Jameson conducted a study

that is a lesson for us all. One group was given 15 newspaper articles over five days, all on the plan. Another group was given 15 articles but only one of them was on the health plan, a calm neutral explanation from the Associated Press. The first group, bombarded by all sides, understood nothing. They reacted with despair and cynicism. The second group understood it all. ONE fair article!

STANDARDS: 1

Standards. Once upon a time stories were checked, independently checked, particularly stories from partisan sources, stories from wildmen.

Let us spend a few moments on the recent fracas over Arlington National cemetery - that dozens of big time political donors or friends of the Clintons had been improperly granted the honor of burial there in return for cash on the casket. Within 48 hours a story that did not include a single named source went into the talk radio circuit, and from there to the mainstream news outlets - the NY Times, the Washington Post, the LA Times, USA Today, and CNN - creating a tremendous hulabaloo. The Republican National Committee issued a statment from its chairman: "This has to represent one of the most despicable schemes in recent history..selling grave in Arlington Cemetery is shameless even by Clintonian standards." Senators like McCain and Specter shouted outrage, someone asking for impeachment and Gingrich demanded a Congressional inquiry to get the names. Rush Limbaugh began opening his show with a song "honors you can buy".

It was all baloney.

No one sold a grave at Arllington.

There were political deals.

No cash on the casket.

Of the 69 names on the list, only four were approved by Clinton, two heroes, Justice Thurgood Marshall, and the Surgeon General under the Republicans. The veterans organizations, which had gone up in smoke, expressed themselves satisfied that the selections were of deserving patriots. It turns out that one of the 69 and the only donor, was a former ambassasdor, did not have quite the war record he said - though he had gone through Congressional and State Department scrutiny when made an ambassador. But he was not a Clinton name. He was approved by the Supt of Arlington and the Army department. The one Clinton nomination of a still living American aroused the

deepest suspicions. The Republicans cried out for the identity. It turned out to be C. Everett Koop, Surgeon General for eight years with Reagan.

The origin of the story says much about two things - one, the credulity of even the best press today. Journalism 101: Would you buy a second-hand story from those good folk Gordon Liddy and Oliver North? Would you buy it first hand from the editor of the Moonie magazine Insight? What would you do if a Republican Congressman with an axe to grind spins you a yarn for which he has not a scintilla of proof? Would you possibly check the contributions records? He had the names anyway because he had been allowed to go through the files for five months. What he didn't have, what didn't exist, was any evidence of payoffs. That came from the imaginations of those who would have liked it to be true.

Two, partisanship. That very funny columnist ~~and~~ Maureen Dowd, who so ached for ~~the~~ ~~story~~ the story to be true, gave us an intriguing new standard in journalism. It was right to run it, she said, because it was the kind of thing she expected of Clinton. It was "plausible." Cokie Roberts on ABC News made much the same excuse.

It won't do.

A lot of rumors are plausible, especially if you happen not to like the subject. By that standard, some loathsome person might say it was plausible that Maureen, a renowned Clinton Hater, was in the pay of the Republican propaganda machine. Nonsense of course. Joe Conason has it right this week: "Before Ms Dowd knew much about the Arlington story, she and many of their colleagues had more or less rendered judgment against the White House. Verdict first, facts later. That is how they suddenly became an enormous megaphone for Mr. Moon and somehow they don't seem embarrassed."

STANDARDS: 2

It is very difficult for the press to maintain a rigorous professional sense when emotions are aroused by partisanship - or a natural patriotism. Saddam Hussein does not excite a passion to be judicious in one's reporting. But it is just when popular emotions are in play that the press should be at its coolest, its most independently probing. Vietnam is the classic example. The shooting down of the Iranian airliner was another. The knee jerk reaction was to present the story as an Iranian aggression of some sort. It was of course nothing of the kind, a tragic a terrible U.S. military error.

This is a deep rooted problem, common to the press of many countries. Ed Bailey has documented the press in the Joe McCarthy days. Generally not a pretty sight. Let me give you a example of the mindset from the Reagan presidency. In July 1985 Gorbachev - then in the semi-villain class from U.S. eyes - announced a unilateral nuclear test began to begin on August 6, 1985, the fortieth anniversary of Hiroshima. I expected the cessation of the testing ban would be examined as an interesting way to stop the still escalating arms race, as President Kennedy had indeed seen it when he announced his moratorium on nuclear testing - testing that has produced hundred of thousands of cancer cases. What happened? All the leading reporters regurgitated the line of the administration which was embarrassed by the initiative. Not once but four times on the CBS Evening News my good friend Lesley Stahl described the ban as "propaganda". The New York Times, the Washington Post, and the Los Angeles Times, all carelessly described Gorbachev's moratorium not as a deed, an action - which it was - but as a proposal.

For months then the press ignored the test ban - exactly as the White House wanted because it was set on continuing testing whatever the Russians did. Peace activists collected more than a million signatures in favor of the test ban and were portrayed on the networks and in the press as unpatriotic. The Rev. Jesse Jackson, who carried the petition to Geneva, to Gorbachev, and to Reagan, was all but called a Communist duped by the cool Bill Moyers. Astonishing. Not one of the networks mentioned that the Soviets **HAD HALTED TESTING**.

Gorbachev kept trying. He ended years of Soviet stalling and offered to allow inspectors on Soviet soil. Dan Rather began that important story - "Well, a little pre-Christmas propaganda in the air." Not a single newspaper or television program examined the history of the test ban negotiations - not one, over an 18 month period when the Soviets conducted not a single test explosion and the U.S. announced 20. We now know, of course, that Gorbachev was telling the truth, making a real initiative to end the arms race in the cold war.

--

STANDARDS: 3

I suggested that there has been a decline in fine investigative journalism. An inquisition is no substitute for an investigation. There has to be a public good and there has to be integrity in the conduct of the operation. It is a search for truth and it ought to be a search for a public truth that has

impact on people's lives. That is the justification. That is the inspiration. Lose sight of the moral purpose and journalism is not enhanced, it is demeaned.

We are at some sort of anniversary tonight in the long running saga of the failed land deal called Whitewater. Some complex investigations need time. I recall The Sunday Times year-long investigation of the DC 10 air disaster and Philby the spy. The press and judicial investigation of Whitewater is now in its sixth year - Watergate was two years. Six years is not itself is not a disgrace. But what is disturbing about Whitewater is that for two of these years there has been a finding, an answer, and it was all but suppressed. Did you know about the Pillsbury report? No? Pillsbury, Madison and Sutro is a legal firm that was commissioned to make an exhaustive study of Whitewater and the Clintons in the Resolution Trust Corporation's cleanup operations. It was headed by a Republican, a former U.S. attorney Jay Stephens who happens to be a Clinton critic. After two years of examination of all the records, at a cost of nearly \$4 million, Pillsbury delivered an item by item report. It cleared the Clintons of all the allegations and innuendoes against them. The New York Times, which had splashed the original story on the front page and inside, buried this authoritative rebuttal on an inside page, a mere 12 inch story. The Washington Post lost it: the eleventh paragraph in a story about subpoenas. Television and the rest of the press ignored it altogether - and went on disseminating partisan allegations and rumor that had already been so dramatically disproved. US News & World Report was the only magazine to do the decent thing.

I bet most of you tonight have never even heard of the Pillsbury report.

I have been making generalizations and I recognize that I may be doing an injustice to a TV station here and a newspaper there. In case the thought should cross your mind that these are the lamentations of a homesick Brit, let me say that the anxieties I have suggested are shared by a host of distinguished U.S. journalists - people like David Broder, Mike Wallace, Robert McNeil, Ben Bagdikian, Jim Squires, Abe Rosenthal, Bill Kovach, Adam Gopnick, James Fallows, Osborn Elliott and others. John Seigenthaler has said that if the first Amendment were brought to a vote today he doubts it would pass.

There is now a whole literature of criticisms. The critics use words like malicious, negative, self serving, mean, shameless, sanctimonious, belligerent, aggressive, disingenuous, plain nasty. Elliott, a pioneering editor of Newsweek in the Watergate and Vietnam years, deplores it as journalism with a sneer with little sense that any public policy is worth pursuing. Adam Gopnick discerns a transference from investigation to inquisition with very few unequivocal successes in proportion to the amount of human misery caused.

Let me conclude. America remains for me the most stimulating place to work, the most open, the most optimistic, the most promising. I have given a critical assessment, but I think we are coming to the tipping point. The accumulation of concern, among the public as much as among the professionals, will stimulate this country's infinite capacity to remake itself. I have no doubt there will be a whole regeneration in a typical American exercise in self improvement. There is not the time tonight to explore what we else we might do, but I offer words for our banner - from Justice Learned Hand:

The spirit of liberty is the spirit that is not too sure it is right; the spirit of liberty seeks to understand the minds of other men and other women. The spirit of liberty weighs their interests alongside its own, without bias. The spirit of liberty knows that not even a sparrow falls to earth unheeded.

-----□

THE PRESIDENT HAS SEEN

12-30-97

Councilman Noach Dear

4424 16th Avenue
Brooklyn, New York 11204

Telephone (718) 633-9400 • Facsimile (718) 633-9403

Sincerely
(I think
we should do
this -
me)

December 10, 1997

President William Jefferson Clinton
The White House
Washington, DC 20502

Dear Mr. President:

I know we've talked about this issue many times, but I feel it is important that I bring it to your attention once again. It's time you meet with a group of business and community leaders who have very strong ties to Israel.

Just last night I attended an event hosted for me by the prominent Reichmann family, who are very important business and community leaders. Many people came to me and said 'you have to tell your friend the President that we are unhappy about the pressure being placed on Israel.'

Other important people are also coming to me and saying 'if we have to turn Republican, we will.' These are the same people who supported your candidacy in 1992, in part because they were unhappy with what former President George Bush was doing.

It's important that you do not hesitate to meet with this group, which has tremendous financial ties and close family ties to Israel. As I've said in the past, I will provide you with a list of the people with whom you should speak.

This group's influence in Israel should not be underestimated. It is vitally important that you sit down with this group and have a frank discussion. Time is of the essence in this matter, and we must arrange a meeting right away.

Thank you.

Sincerely,

Noach

Noach Dear

I hope we can
arrange for this
meeting soon.
copied
Berack
Bowles
STREET

December 29, 1997

MEMORANDUM

TO: The President
FROM: Nancy Hernreich
Rebecca Cameron
RE: Strom Thurmond

'97 DEC 30 AMB

*Sent a note
to them
per Potter*

Strom Thurmond was admitted to Eisenhower Army Medical Center in Ft. Gordon, GA yesterday for a respiratory infection and will be released tomorrow. His office said it was not serious.

We have the # if you want to call him.

*12-30-97
TO CHRIS
WALKER FOR
REPLY.*

WS/Katie McG
on counter top
Twin 2 - P26

THE PRESIDENT'S OFFICE

12-30-97

copied
VP
McGinty
Bowles

12-30-97

Environmental Agency Under Fire on Safety Rules

WASHINGTON, Dec. 28 — A year and a half after both houses of Congress unanimously passed comprehensive pesticide legislation, the Environmental Protection Agency faces growing disputes over how aggressively to enforce the law's extensive new safeguards for children's health.

Environmental groups are complaining that the agency is abrogating its new powers. The pesticide industry is fretting that approval of some new chemicals is being delayed while uses of old ones are jeopardized. And inside the agency itself, political appointees who favor a tougher approach are tussling with career officials and scientific advisers who contend that the bureaucracy's long-standing practices need few fundamental changes.

Much of the turmoil centers on the Food Quality Protection Act's new requirement that the E.P.A. compensate for incomplete data about the effects of some pesticides on children by applying an additional margin of safety 10 times the limits it now sets on cumulative exposures to traces of the chemicals.

If rigidly enforced, that provision might rule out many uses of pesticides until costly and time-consuming new research could be conducted into how much residue children actually ingest and how the chemicals affect fetuses, breast-feeding infants and rapidly growing babies. Many of these chemicals are capable of causing cancer or interrupting normal development.

According to E.P.A. officials, there were nine cases where the new tenfold safety margin was applied out of 90 decisions so far setting the allowable limits on residues. In an additional 10 cases, a threefold safety factor was used.

But in even more cases, the agency decided that its routine tests showed no reason to expand the normal margin of safety built into its regulations.

That has raised the ire of advocates who thought the new law would fundamentally shift the burden of

The pesticide industry frets, but groups say a law is not being enforced.

proof to industry when pesticides are introduced. The legislation passed unexpectedly toward the end of the 104th Congress, at a time when environmental health protections had been under broad assault by the new Republican majority.

"We are witnessing the slow dismantling of the new statute, and it is a sad sight," said Al Meyerhoff, a lawyer for the Natural Resources Defense Council who has filed the first petition challenging one of the agency's decisions.

In September, he petitioned the agency demanding that it revoke its new regulations governing vinclozolin, a pesticide used on snap beans and other crops. Scientific studies have demonstrated that male rats exposed to the pesticide before and shortly after birth can suffer effects like malformed genitalia.

"In issuing the tolerance for vinclozolin on snap beans," the petition said, "E.P.A. dispensed entirely with the Food Quality Protection Act's additional tenfold safety factor designed to protect infants and children."

But agency officials said that they had acted properly in the vinclozolin case. Because of the risks of the pesticide, they had done away with all home uses of the pesticide and banned many other uses, such as on certain fruit.

"It was a very different decision than the one that would have been made in the summer of 1996, before

Facing thousands
of decisions, and
not a few critics.

the new statute," an agency official said.

Jay J. Vroom, president of the American Crop Protection Association, which represents pesticide companies, said that the environmentalists are merely crying that "the sky is falling."

"In fact, what the agency has done so far in applying the tenfold margin of safety due to a lack of data has been reasonable," he said. But he complained that the agency's process of approving new chemicals has slowed under the law, and he said the industry is worried that the E.P.A. may impose restrictions on existing chemicals before the industry has time to collect data to demonstrate their safety.

"The opportunity for political mischief is extraordinary at this moment in time," Mr. Vroom said.

One of the law's main architects, Representative Henry Waxman, a Democrat from California, recently joined the fight, asking the agency for detailed information about practically every decision it has made under the new law. Mr. Waxman is one of the House's most influential environmentalists.

The burgeoning disputes are important because the agency has thousands of decisions facing it over the next few years. Carol M. Browner, the E.P.A. administrator, wants the implementation of the law to set an example for the entire agency in protecting children from environmental hazards.

For the first time, the law specifically directed the agency to consider how exposure to pesticides affects children, even in the womb and in infancy, times when humans may be more susceptible to harm from even minute traces of the thousands of toxic substances that are used routinely in agriculture and around the home.

Congress told the agency that it must be certain that pesticides would be harmless, and that in the case of children, it needed to have an extra tenfold margin of safety. The law said that the agency "may use a different margin of safety for the pesticide chemical only if, on the basis of reliable data, such margin will fully protect infants and children."

The dispute now is over what constitutes reliable data, and what constitutes full protection.

That provision was a response to a 1993 report by the National Academy of Sciences that cited the absence of data on both toxicity and exposure relevant to infants and children as major shortcomings in how pesticides were being regulated.

But in the past year, the agency has taken an approach that starts with the presumption that the extra safety margin is needed, but then uses what it calls a "weight of the evidence" approach to back down from that strict standard in most cases. In effect, it has taken the position that its existing tests and exposure data are usually reliable enough to avoid the tenfold margin.

"The E.P.A. has failed to comply with the clear intent and requirements of the law," said Richard Wiles, a pesticides expert at the Environmental Working Group, an advocacy organization that is about to publish a report on the subject. "The Office of Pesticide Programs and its oversight body, the Scientific Advisory Panel, have exhibited a singular lack of commitment to the new mandate of the Food Quality Protection Act."

Barely two months after President Clinton signed the new law, the pesticide office at the E.P.A. published a document asking in its title, "Is an Additional Uncertainty Factor Necessary and Appropriate?"

factor up to 10 times normal safety levels "is a prudent and conservative step on a case-by-case basis under special circumstances." Those italics were included in the original report.

The report went on to say that "the blanket use of an additional tenfold uncertainty factor for every pesticide, regardless of the outcome of the reproduction and developmental studies as currently conducted, is unwarranted." In December 1996, before the agency made its first decisions under the new law, a standing science advisory panel approved the pesticide office's approach, calling it "reasonable."

"This is a growing area of toxicology in which there are numerous data gaps and uncertainties," the panel said.

Lynn R. Goldman, a pediatrician and toxicologist who is the agency's assistant administrator in charge of pesticide issues, wrote environmental advocates in November to defend the agency's record. She said that "every decision" under the law had "responsibly addressed" the safety of infants and children.

The decisions, she said, were based on the "weight" of the evidence" in each case, and were reviewed by appropriately trained toxicologists.

But at the same time, agency officials said, Dr. Goldman has recently reshuffled the pesticide office in an effort to make its staff more responsive to the new law.

Dr. Philip Landrigan, the chairman of the National Academy of Sciences committee that first called for the increased safety margin for children, is now the senior adviser on children's issues to Ms. Browner, the E.P.A. administrator, who this year set up a new office for children's protection at the agency to carry out the Clinton Administration's pro-child agenda.

E.P.A. officials said that Dr. Landrigan and others in the children's office do not believe that tests the agency currently requires — in which rats, rabbits and dogs are exposed to pesticides — provide enough data to reliably prove that certain levels of exposure are safe for children.

Ms. Browner herself has made children's issues a major theme of her tenure. But even though her eight years in office are longer than any other chief in the agency's history, she has faced some resistance among career employees who for years approved many pesticides on the basis that their benefits probably outweighed their risks.

"This cannot happen without some resistance to change," said one official who is involved in carrying out the new law, and who spoke on the condition of anonymity. "It has been a long-standing culture in the pesticide office to make decisions quickly, to attempt to be responsible to the needs of the companies, to get decisions made: Yes or no, can we get our product on the market?"

Mr. Meyerhoff of the Natural Resources Defense Council said: "It is very difficult ever to move the bureaucracy. This was a fundamental reform. But to implement a fundamental reform, it takes leadership at the very top of the E.P.A. And I think that leadership has been lacking."

NICHOLAS LEMANN
on the end of
meritocracy.

RONALD STEEL
on America's
dominance.

MARTHA STEWART
in the kitchen.

A.M. HOMES and
DAVID FOSTER WALLACE
on young love.

GARRISON KEILLOR
on nostalgia.

PAUL KRUGMAN on
economic upheaval.

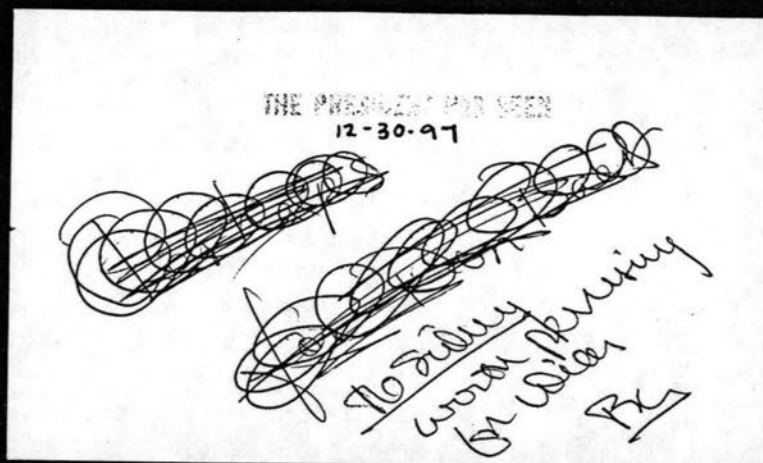
DAVID IVES
on the weekend.

JAMES GLEICK
on privacy.

ANN DOUGLAS
on the collapse of
the culture wars.

The New York Times Magazine

SEPTEMBER 29, 1996 / SECTION 6



The Next Hundred Years

Looking Forward, Looking Back:
A Centennial Issue

THE DALAI LAMA
on faith.

JOHN TIERNEY
on good.

VERLYN

KLINKENBORG
on evil.

REM KOOLHAAS
on the skyline.

STANLEY CROUCH
on the raceless
society.

CHARLES SIEBERT
on the small.

TIMOTHY FERRIS
on the weird.

PERRI KLASS
on artificial wombs.

JOHN GALLIANO, REI
KAWAKUBO, ISAAC

MIZRAHI, MARIE-ANNE
OUDEJANS and THE GAP

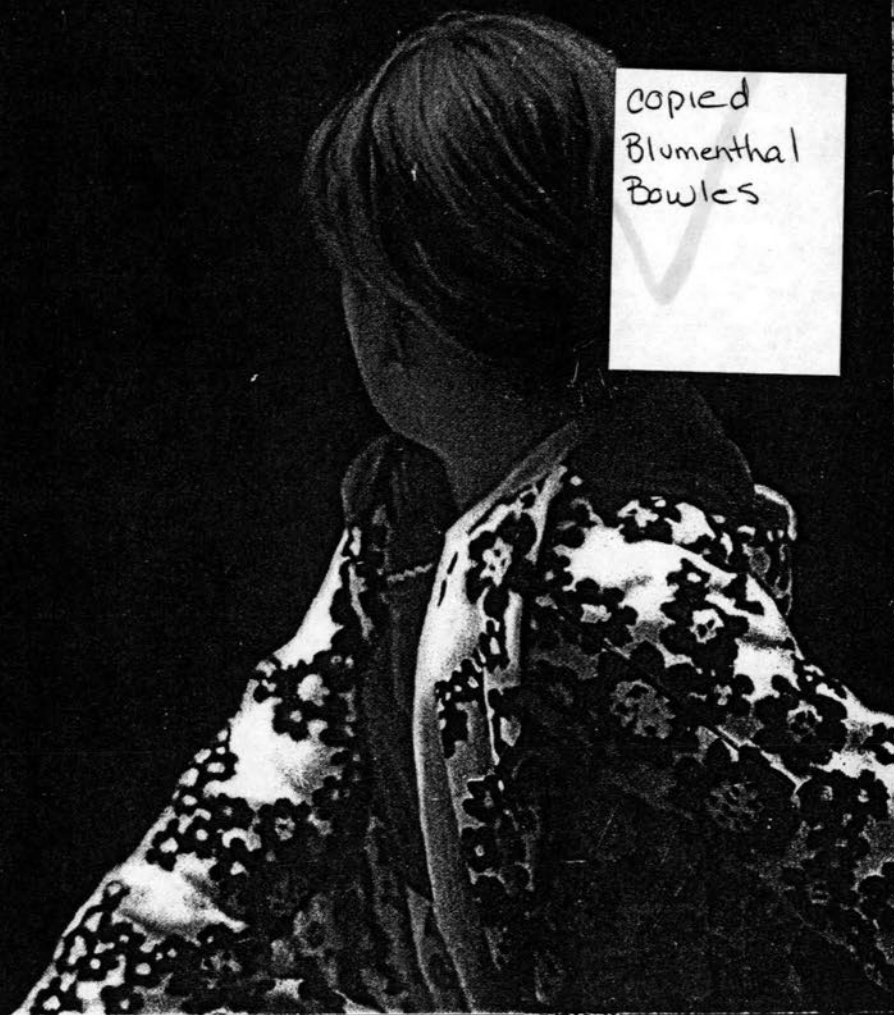
on what we'll wear.

MICHAEL LEWIS
on futures.

JANE AND MICHAEL
STERN on what's
worth collecting.

VICTOR NAVASKY
on fatuous forecasts.

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copied
Blumenthal
Bowles

THE WHITE HOUSE
WASHINGTON

12-30-97

December 19, 1997

MR. PRESIDENT:

I thought you might like to see the attached letter and poem which came into the mail room over the weekend. It is from a woman in Florida whose 19 year-old daughter is serving in Bosnia.

I've also sent a copy to NSC.

Copied
Hennreich
Bowles

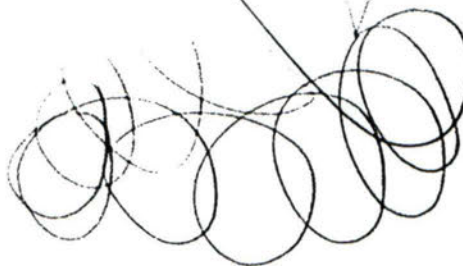
cc: Sandy Berger
Tony Blinken
Glyn Davies

Phil Caplan

Alt - Isen Chin

should see letter
written person of our

secretary
+ letter



Be

THE PRESIDENT HAS SEEN

12-30-97

12/15/97

Dear President Clinton,

I had sent a letter and a copy of this poem earlier, but it had not been received by you. Our local news paper indicated that you are planning a trip to Bosnia to visit our troops and I felt it was important for you to see this poem written by my daughter, who is stationed in Tuzla Main. Christina is 19 years old and a SPC 4, medical specialist in the Army. She wrote and sent this poem to me, which I in turn shared with many friends. Because this poem inspired so many people and touched so many hearts, a great thing unfolded in a very short amount of time. Through donations of time, money and items, I have sent 14 boxes containing, Stockings, decorations, candy and gifts to be distributed to over 300 soldiers in Tuzla Main. Our community has heard far too many negative things about our troops in Bosnia. Fact is - They are there, they are doing a wonderful job, and they are not FORGOTTEN.

While in Tuzla Main, Should you happen to see my daughter, please give her a hug for me and tell her we miss her and are very proud of her. She is SPC Christina Campbell in the 123rd MSB, Tuzla Main.

Respectfully



Patricia A. Campbell
Sarasota, FL
941-954-1438
941-951-0748 fax
941-361-6350 fax

FORGOTTEN

I was told I was leaving, told to pack today
Traveling to a country many miles away.
I was sent to a place where mines outnumber flowers.
A place where guards watch me high up in towers.
I was sent to a country torn from fighting within.
A place that knows death, destruction and sin.
Seeing this country split made me pray,
That this never happens to the USA.
I thought of my country, the brave and the free,
And realized that my land has forgotten me.
Back home I've become some news of the past.
I guess doing good is not news that will last.
So wake up and realize your soldiers are here,
Trying to help out, year after year.
No, this is not our soil and it's not our own fight,
But if you've seen what I have, then you'll know that it's right.
We are here for the children who smile and wave,
Happy because it is them we shall save.
We are here to keep peace and nothing more.
We will show them to live and to forget war.
So you see America, you shouldn't forget,
These precious few soldiers are in danger yet.
So as you get busy spreading holiday cheer,
Don't forget the peace keepers and those they hold dear.
For when the time comes that this war shall end,
Then we will come home and our country defend.

Author: SPC Christina Campbell
Tuzla Main, Bosnia
Home resident of Sarasota, Florida

SPC Campbell, Christina M.
Echo Co. 123rd MSB
OJG / Tuzla Main
APO AE 09789

6
SUE SMITH

TO: President Clinton

ATTN: Mail Analyses - Room 58
Presidential Correspondence

TIME SENSITIVE MATTER

RE: BOSNIA

From: Patricia A. Campbell
1937 N. Allendale Ave.
Sarasota, FL 34234

941-954-1438

941-951-0748 fax

941-361-6351 fax

page 1 of 3

THE WHITE HOUSE
WASHINGTON

DATE: 12/30/97

NOTE FOR:

ERSKINE BOWLES
JOHN PODESTA
MICKEY IBARRA

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

Information ☒

Action ☐

Thank you.

Staff Secretary
(x6-2702)

cc:



STATE OF NEVADA
EXECUTIVE CHAMBER

Capitol Complex
Carson City, Nevada 89710

BOB MILLER
Governor

TELEPHONE
(702) 687-5670
Fax: (702) 687-4486

THE PRESIDENT HAS SEEN

12-23-97

✓ 12/22
1. Ci. Josh
2. President

December 3, 1997

↙
The Honorable William Jefferson Clinton
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Mr. President:

Thank you very much for considering me for the position of Ambassador to Mexico. It has been a privilege to be among the finalists for such an important post, and I am truly honored to have been considered.

As we discussed in Las Vegas, since my candidacy was creating a problem, I was happy to withdraw. However, I am concerned about the possibility that any credence at all was given to these rumors and scurrilous allegations, which I assure you are groundless and totally refutable. As I know you are aware, my life-long record on law enforcement speaks for itself, ranging from being a deputy sheriff, D.A., judge, and being an advocate for tough law enforcement and victim's rights.

As you can appreciate, I find it particularly offensive to be subjected to this type of baseless attack. Leading state and federal law enforcement officials have always stood by my side to thoroughly dispel such misinformation. We were prepared to bring forth an array of law enforcement officials of high standing, should I have been called for confirmation hearings. Among these individuals, for example, would have been Stan Hunterton, the former Chief Counsel on the Presidential Commission on Organized Crime, who was appointed during the Reagan Administration. Mr. Hunterton is also the former Director of the federal Nevada Strike Force.

Putting that subject aside, my decision this week comes wholly from strong belief that a protracted process of selecting and confirming an Ambassador is not in the best interest of the country. I will look back with pride at having been under consideration.

My family feels fortunate to have your friendship, in so many ways. Ross is about to complete his internship. I can't thank you enough for this opportunity. We are forever indebted for the great experience he has received these past several months.

As always, I remain at your call to assist in any way possible, especially on the golf course. I hope you have had a chance to use that Tight Lies club which Hank Haney gave to me to present to you. My experience in the LPGA that we discussed during your recent visit was excellent. Playing with Kris Tshetter was truly a pleasure. I took the liberty of passing on her phone number to Nancy Hernreich since she and her husband, who is a teaching pro, reside in Virginia. She's the tour's longest driver--and nicest person. So if you're looking for a game, I'd recommend her.

Meantime, I'll work on my own game in the hopes another opportunity presents itself. Thanks again.

Respectfully Yours,

A handwritten signature in black ink, appearing to read 'Bob Miller', with a stylized flourish extending to the right.

BOB MILLER
Governor

THE PRESIDENT HAS SEEN

12-30-97



228 / Sylvia / Winston
Interfering with
Some good suggestion
Need a sincere reply
BK

December 19, 1997

The Honorable William Jefferson Clinton
President of the United States of America
1600 Pennsylvania Avenue
Washington, D.C., 20500

copied
Bowie S
Mathews
J. Winston
Burkhardt

Dear Mr. President:

Thank you for inviting me to confer with you as part of the "national dialogue" about race, which has been underway in our nation for several years - particularly in California - and in which you became a participant in a more formal way on June 14, 1997. It is nice to know that I may have something to "contribute" to this discussion, despite the fact that at least one individual believes to the contrary. Let me say at the outset that you have urged honesty in this dialogue, and I intend to honor that request. If my honesty is too pointed, please understand that I mean no disrespect to you or the office of President of the United States.

America, indeed, has a race problem. It is complex, multi-dimensional, unlike that of other eras, and often not amenable to government influence. Let me cite a few examples.

- ◆ Stephen is a young black man. He is well-educated and dedicated to his work - the first to arrive in the morning and among the last to leave at night. Those of us in the corporate world call him a "self-starter." Steve is very frustrated, however, as he sees others passing him by in their climb up the corporate ladder. When he asked his supervisor why his progress had been slower than that of others, the response was that he is "arrogant."

Steve has had to learn what many other black, women, and other "minority" executives have had to learn: there is often a double standard applied to them. Attributes that are admirable in others are negative in them. This accounts for some of the "anger" that is frequently cited as being present in the black middle class.

- ◆ Lupe is a gardener. Born in Mexico, he speaks very broken English, although he has been an American citizen for a long period. His skin is tanned and hardened from long hours of being in the sun. I have been to the shopping mall with Lupe and his family, and I can tell you that he does not receive treatment similar to that which I receive. Simple courtesies - "Thank you" and "May I help you?" - are as likely to be ignored in transactions with Lupe as given, solely because of his dark skin and broken English.

- ◆ Douglas is a white male. He is employed by the University of California at Berkeley. Douglas learned about a Management Fellowship program sponsored by the University, and he was interested in applying. He decided not to do so, however, because the program was designed to attract "women and underrepresented minorities" into the field of management. His conclusion was, "Why bother?" Douglas had a similar reaction when the New York Times brought a recruiter to the campus to recruit minority journalism students to the Times. To Douglas, the Fellowship Program and the Times' minority recruitment efforts are discrimination - pure and simple - and he is bitter and resentful about such efforts aimed at "building diversity."
- ◆ Janice Camarena Ingraham is a white mother of four. About two years ago, she was forced to leave a remedial English course at San Bernardino Community College because the class was restricted to African-Americans. She later enrolled in a similar class, as part of the "Puente" program, and learned that it was restricted to Latinos. Although her late husband was Mexican-American - and Janice had a daughter from that union - Janice was forced to deregister from a class that one of her daughters could attend but Janice and her other children could not.

All of the above are examples of problems associated with what we call "race" in America. Some of the problems lend themselves to government intervention, while the solution to others resides in the hearts and minds of the American people. "Race" is the raw nerve of America - it always has been and so shall it be for the foreseeable future. Nonetheless, I am sure you know that there are those who believe you are misguided in causing the nation to focus attention on the subject of race. They subscribe to the view that race relations are good and can only be harmed by our gnawing at the topic. Some advance the view that while race relations are not particularly healthy, nothing good can come from a national discussion about an issue as sensitive as race. I reject both views. One should not view the absence of open conflict as evidence of peace in the valley of race relations. Similarly, we should never fear, in a democracy, the consequences of vigorous debate about any topic.

Central to any discussion about race in America in this period of our history is the subject of race-based affirmative action. What is it? Has it become a term that is synonymous with "preferential treatment?" Can it be modified in a manner that would be acceptable to a sufficient number of the American people to ensure that it does not produce continuing conflicts and attacks from its opponents? Are the benefits derived from affirmative action worth the costs? What are the costs - social, economic and political?

I betray no secret when I tell you that there is grave disappointment throughout the nation about the work, thus far, of your Advisory Panel on Race. Organizationally, the Panel seems to be floundering, when not performing ineptly. Certain members have made unbelievably ridiculous statements which, at minimum, serve to erode public confidence in their objectivity. In all candor, the die was cast when you made the error of appointing to the Panel only those individuals holding a homogenous view about affirmative action and, seemingly, about the nature of America's race problem.

At this stage, I am convinced that there is no purpose to be served by further bemoaning the inadequacies of the Panel. Instead, I propose a couple of constructive, but essential, suggestions that might salvage public confidence and produce meaningful results.

- ◆ Remove affirmative action from the purview of the Panel and either assign the topic to the U.S. Commission on Civil Rights or some other appropriate entity, or let the matter be resolved in the court of public opinion and in the courts without recommendation from your administration. Considering the fact that there is such division in the nation on this subject and the fact that the position of your administration does not reflect the views of the majority of Americans on this topic, why burden the other work of the Panel with the accusation that its work is gravely lacking objectivity, a charge that will surely accompany its recommendations, if affirmative action remains a part of the Panel's agenda?
- ◆ The self-imposed, one-year deadline established for the Panel's work should be extended. While I believe it made eminent sense to have a beginning and an end to the activities of the Panel, I believe a one-year time-frame is unrealistic.

The removal of affirmative action from the Panel's portfolio does not mean that the issue should not be publicly discussed. Quite to the contrary. In fact, after listening to you on several occasions, I believe public dialogue is more important than ever, if nothing more than to correct some of the faulty impressions that are being created as a result of the misuse of terminology.

For example, at your press conference on December 16, 1997, the reporter for the Chicago Tribune asked you to explain why the polls confirm that the American people support "affirmative action" but oppose racial preferences. After a brief pause before answering, you replied by saying that this circumstance in public attitudes largely derives from "labels" and "slogans" designed to make affirmative action appear to be negative. You said that people don't want to give something to someone who is "unqualified." This mischaracterization of affirmative action is one I hear often, and those who make it are either disingenuous or badly misinformed about the nature of affirmative action.

My harshest criticism is reserved for those who engage in Orwellian double-speak on this subject. They do not well-serve the nation by sugar-coating the issue of race preferences with the nomenclature of "affirmative action." I do not seek to end all affirmative action, but I am resolute in my determination that preferential treatment for anyone on the basis of physical attributes is wrong and must be ended with dispatch. It is critical that you, as President, be honest with the nation about the distinction between affirmative action and race-based preferences. If you do that, we can then begin to fashion concepts and programs that would be acceptable to the majority of us.

The Piscataway case, as you very well know, did not involve making a choice between one person who was qualified and another who was not. That case involved an issue that has become commonplace in the affirmative action controversy: Is it appropriate to use race when choosing between two equally qualified individuals and giving one a preference solely on the basis of race?

In college settings, the issue is even more acute. Is it appropriate to give a preference based on race when one individual or group is qualified, but not as qualified as another?

While the overwhelming majority of Americans have already concluded that preferences are morally wrong, a public discussion is essential to reassure those who support affirmative action (preferences or not) that the elimination of preferences can be an opportunity to move forward in racial matters rather than backward.

The one thing that we must never, never forget is that affirmative action has all too often become a system of preferences - dual standards, different treatment, extra points, and contracts set-aside for only people of certain racial classifications. No matter how you slice it, when you give a preference to one person because of skin color, race, sex, ethnic background or national origin, you are discriminating against another, and discrimination for those reasons is viewed as morally wrong in our nation. I would commend to your attention page 603 of "My American Journey," written by Colin L. Powell, on the subject of race preferences.

At your Akron Town Hall meeting, you seemed to suggest that General Colin Powell would not be the success story that he is were it not for affirmative action. Apart from the misleading nature of the question that you framed and presented to Abigail Thernstrom, I am terribly disturbed by the implication that black people cannot succeed without affirmative action (either as you define it or as I would define it).

We must have faith that the American system of fairness, freedom of opportunity, and equal treatment under the law will produce any number of Colin Powells. If one lacks faith in the system, then the foundation of American democracy will not endure. As I look at American society, however - in the arts, sports, entertainment, politics, government, business - there is evidence large and small that my faith in our system is not misplaced.

Mr. President, I pose the following question to you: As the chief executive of our nation - who has experienced during his term of office, the Hopwood case, the Adarand case, the enactment of a ban against preferences by an institution of higher education (the University of California) that has historically been a leading proponent of "diversity," the decisive passage of a ballot initiative prohibiting race preferences in a state that is so liberal that it legalized the use of marijuana at the same time that it approved the prohibition against preferences, and the filing of an untold number of lawsuits alleging the use of "preferential treatment" - do you honestly believe that the practice of race preferences is a figment of our imagination, merely a matter of "labels" and "slogans?" Yes or no?

When President Lyndon Johnson delivered his "hobbled by chains" speech, he reflected the dominant view that black people were not prepared for the competitions of a market-oriented society. This view was a euphemistic acknowledgement that black people were academically, professionally, and vocationally unprepared - through no fault of our own. Those who were less charitable believed and said that we were inferior. That hobbled by chains mentality still exists.

Unconsciously, far too many people of goodwill still hold the stereotypical view that black people are weak, poor, defenseless, and incapable of competing on the strength of our own abilities. There are also those who foster this mentality to aid their efforts in exploiting issues of race for their own personal or organizational benefit.

Well, there is now a substantial black middle-class that is talented, well-educated and capable of effectively competing in every activity of American life. We suffer from the hobbled by chains mentality that was designed to help us. Many are hired to occupy quota roles - affirmative action officers, multicultural directors, community service specialists - and because of the roles they are expected to occupy, they remain pigeon-holed, marginalized in the institutions of which they are a part.

Once we eliminate that Lyndon Johnson legacy of being hobbled by chains and black people are viewed as equals, the inevitable result is that we will be treated as equals. With a pool of competitive blacks - albeit small in many settings - blacks will be hired increasingly to fill nontraditional roles. I applaud you for having done a significant amount of this in your Administration. As more black people are hired in a system that is devoid of race preferences, the presumption of inferiority will recede and become a thing of the past.

Mr. President, you have never had to answer the question that is often asked of me and other black people, other minorities, and women: Have you benefitted from affirmative action? No matter how much some of us accomplish, we are not allowed to enjoy the unquestioned public respect and self-fulfillment that should accompany our achievements. Those who are white and accomplish far less than some of us who are not so classified do not have to contend with the stigma of getting where they are because someone gave it to them. Even General Powell's enormous achievement is diminished by the thought that the opportunity was "given" to him and he would not be where he is without the generous gift of someone else.

If I cannot have this - respect and undiminished self-fulfillment - for myself, in my time, then let it be for my children and, at least, my grandchildren. Let the winds of equal treatment blow away the cloud that might hover over the next Colin Powell.

Surely, you must know that a system of preferences based on skin color, "race," sex, ethnicity, or national origin - no matter what the rationale - cannot be long sustained in our nation. The only legitimate question, then, is when and by what means must we end such a system.

Do we end it now while there is relative calm? Or, do we wait until the level of white resentment reaches epic proportions? When substantial numbers of Americans believe that the use of race, even for benign and noble purposes, is resulting in them "losing out" in jobs, college admissions, and other opportunities in our society, it is time to remove this poison from our body politic. As we cannot have a nation that is "half slave" and "half free," neither can we have a nation in which one segment of the population - women and minorities - believe they are entitled to special consideration, and another segment - white males - is left standing on the sidelines seething with anger.

As you view the demographics on the subject of race and preferences, it is unmistakable that younger people have a different outlook than their parents. Those between the ages of 18 - 25 can find no basis for justifying preferential treatment due to race or ethnicity. Thus, it is as clear as night following day that an American President will soon be compelled to confront the task of eliminating preferences. The longer we postpone that day of reckoning, the more we put our nation at risk when we are left with no options and no time.

Just as President Nixon could go to China, you can make the case to black Americans that the end of preferences is inevitable. You can reassure them and engage them to participate in effecting a smooth transition. A few days before the November 1996 elections, you made an appearance in Oakland, California, that was broadcast on C-SPAN. I will never forget hearing you tell that predominantly black audience, as you discussed Proposition 209, that "there comes a time to let go." I don't know what you meant by that statement, but it was significant to me that you stopped short of opposing 209 in that speech. Mr. President, at that moment, you came to the brink of leadership of a kind that will inevitably be necessary for an American President. I believe with all my heart that the moment is ripe for you to be that President. The problems resulting from preferences - lawsuits, resentment, bitterness, loss of good will - will not go away nor lessen. They are guaranteed to worsen.

So much for the issue of race-based affirmative action. Let me now focus briefly on a few other issues or topics and offer some observations.

- ◆ If there is nothing else to be learned from the California experience in eliminating race preferences, one should learn how much the K-12 school system is cheating disadvantaged students, especially blacks and Latinos. If the decline in the number of black students at UC, as a direct result of the elimination of race preferences, does not compel us to take drastic action to overhaul how we educate our children, then nothing will accomplish that objective.
- ◆ Just as public school reform is an imperative, so is the need to provide parents with the choice of sending their children to private schools. Throughout America, there are countless examples of privately funded school voucher programs supported by people like Virginia Gilder, Ted Forstmann, and Dusty Rhodes that are having profound results for lower income children. Such efforts need to be expanded. One proposal that I strongly favor is to provide families with a tax credit equal to the cost of a private education. This amount can be capped at the amount being provided by the applicable local school district. Regardless of how we do it, we should support efforts to provide families with the opportunity of getting their children out of these zones of intellectual depression and into challenging learning environments which can be supplied through private competition.
- ◆ Although the public only hears about the decline in the number of black and Latino students at Boalt Hall, the results in other UC programs are far more positive. The message should be broadcast loud and clear that black and Latino students are, indeed, capable of gaining admission on their own without the benefit of preferences. A few weeks ago, Clarence Page

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highlighted the fact that the gloom and doom being reported does not represent the reality. Incidentally, Page is a voice of reason and tremendous insight on a vast number of subjects, but particularly the issue of race. [Page is a man whose views I have grown to respect, not that I find myself in total agreement]. I would urge you to request that he step out of his journalist role and share his counsel on this subject as a citizen.

- ◆ There are an overwhelming number of people of enormous talent who oppose preferences and the culture which they have spawned. Governor Pete Wilson, former New York Mayor Ed Koch, California State Senator Quentin Kopp, and Congressman Tom Campbell, to name a few. They are willing to come forth as Americans who have grave concerns about the effect of this issue on our nation. This issue transcends ideology or partisanship. We want the same thing for others that we seek for ourselves as well as our children and grandchildren - equal treatment for all Americans. I would urge you to seek the continuing counsel of those who have to disagree with you on this issue. It might induce heartburn at first, but I believe you and the nation will be the better for having done so.
- ✓ ◆ I know you oppose what we have done in California - the Regents' action and Prop. 209. But, there is much that the nation can learn from our experience of the past two years. Enactment of Proposition 209 has meant more than reform of race-based preferences. Recognizing the need to achieve genuine equality of access to opportunity -- for children of all races -- as the just alternative to unfair preferences, Governor Wilson and the Legislature have significantly reduced classroom sizes, instituted standardized testing reforms, critically examined teaching standards, and are pursuing a host of other initiatives aimed at solving the problem on the front-end so that preferences won't be needed on the back-end.
- ✗ ◆ The University of California is now, perhaps, two or three years ahead of the rest of the nation in devising legally and politically acceptable techniques for achieving diversity "on the natural." That is, without preferences based on race and ethnicity considerations. As we witness legal challenges to race-based schemes at colleges and universities throughout the nation, the action which the Regents had the courage to take on July 20, 1995, is looking better and better all the time. As part of our new paradigm, we have redefined "merit" to include factors other than rigid test scores and grade point averages. We have expanded our efforts to improve the competitive admissibility of "underrepresented minorities." We are strengthening our relationship with alumni associations and private entities interested in correcting the problem of competitive admissibility.
- ◆ As we eliminate preference practices, it is crucial that we improve our ability to detect and validate acts of discrimination. In addition, we must enforce and toughen the penalties against discrimination. One thought which has been advanced by Shelby Steele, which I support, is that we criminalize racial discrimination. It is imperative that individuals be held personally accountable for their conduct.
- ◆ The procurement practices of many government agencies, particularly in the area of

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professional services, are too subjective and arbitrary. This pattern often results in the award of contracts to firms that are part of an established network. I suggest that we pursue reforming these practices so that prequalification would be threshold for the submission of bids and, thereupon, contracts would be awarded on the basis of low bids. There is entirely too much subjectivity in the professional services procurement process of many government agencies.

♦ Reverend Billy Graham once said that the solution to America's race problem is "to make a friend" of someone of another race. You should use the bully pulpit to encourage Americans to attend church services of other races (simply attending any church might not be a bad idea either), have lunch or dinner with other races, or go jogging at lunch time. All of these little things help to broaden our racial experiences. My critics often say that I move "comfortably in a white world." My response is that I do not view this America as a "white world." But, to the extent that I move comfortably in the mainstream environment it is because I have had far more positive racial experiences than negative. It seems to me that this is the key, in the long run, to our making this glorious experiment that we call American democracy a success.

♦ One of the obstacles that is standing in the way of improved race relations is the blatant manner in which "the race card" is often played by some. For example, San Francisco Mayor Willie Brown, as he often does, invoked race into the Latrell Sprewell/P.J. Carlesimo incident, despite the fact that there was absolutely no basis for doing so. Senators Feinstein and Leahy did the same thing in the Senate Judiciary Committee involving the confirmation of Mr. Bill Lann Lee. Not only does this practice inflame people, but it diminishes those circumstances when race is, indeed, a factor, and ought to be invoked.

On June 11, 1963, President Kennedy said, "Race has no place in American life or law." I believe this view still reflects the attitudes and aspirations of most Americans. Unwittingly, however, much of the emphasis that is placed on race by policies and practices such as affirmative action heighten the effect of race rather than reduce its consequence in American life and law. We must resume the journey reflected in President Kennedy's vision for our nation and get beyond race. In my opinion, the day is not far off when the American people will demand that their government stop classifying us by race and ethnicity and national origin. True leadership is to prepare us for that day.

✓ Your desire to move America forward by facing the dilemma and dimensions of race offers you the opportunity to make a mark on history in the same way Abraham Lincoln and John F. Kennedy did. Your sincere interest is evident in your recitation of the number of languages spoken in some of our metropolitan areas, the ease with which you and the First Lady interact with Americans of all backgrounds, and your willingness to confront this subject. Unless you alter course, however, history will record your involvement in the race dialogue as a lost opportunity.

Finally, let me make one further specific proposal. I believe it would be of great benefit to the nation if you and I had a public dialogue solely about the issue of affirmative action or preferences. There are any number of venues which could be arranged to air such a discussion. The Jim Lehrer News

Finally, let me make one further specific proposal. I believe it would be of great benefit to the nation if you and I had a public dialogue solely about the issue of affirmative action or preferences. There are any number of venues which could be arranged to air such a discussion. The Jim Lehrer News Hour, the Larry King show, and the Crier Report on Fox News Channel come to mind. I know that there might be an instinctive resistance to allowing the President of the United States to debate an ordinary citizen, but we are not going to inform the discussion about affirmative action by "yes or no" exchanges.

I, as an American citizen, am grateful to you for seeking to move our nation forward in resolving an issue that is crucial to our national aspirations. Although you and I are as far apart as any two people can be on the subject of race preferences (affirmative action), I know that we are in concurrence with regard to our hopes and dreams for the future of our nation and all of its people. For me, this issue transcends political affiliation or ideology. If I may be of service to you and the nation in the advancement of the dialogue about race, please don't hesitate to let me know.

Respectfully,

A handwritten signature in cursive script, reading "Ward Connerly". The signature is fluid and elegant, with a long, sweeping underline that extends to the right.

Ward Connerly

Not bad - Need
to get distributed,
need shortened
version for DNC
to send to donors,
state chairs,
GG chairs, etc.
?
—

Rebecca -
thanks for visit with
Buddy. This memo came
back from HRC. I believe
it should go in your
files. — Pam

14
THE PRESIDENT HAS SEEN

THE WHITE HOUSE
WASHINGTON

12-30-97

November 20, 1997

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Melanne
Emanuel
Smith
Bowles
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*to get distributed
version of BOK
to send to donors
of chairs
G. chair
etc.*
HRC/Murray
CC Reilly
CTS
MEMORANDUM FOR THE PRESIDENT

FROM: JOHN HILLEY *John Hilley*
SUBJECT: LEGISLATIVE ACCOMPLISHMENTS FOR THE FIRST
SESSION OF THE 105th CONGRESS

✓ I. Measures Enacted Into law

1. Balanced Budget Agreement

Balanced Budget: After months of negotiations, the Administration produced an agreement leading to the first balanced budget since 1969. The budget contains roughly \$900 billion in net 10 year deficit savings while making the largest investment in higher education since the G.I bill in 1945 and the largest single investment in health care for children since 1965. The deficit you inherited in 1993 was \$290 billion and projected to grow to over one-half trillion dollars in 2002. In conjunction with the 1993 economic plan, the 1997 balanced budget agreement is expected to produce a budget surplus no later than 2002. Strict, enforceable appropriations caps, coupled with critical long-term entitlement reforms will ensure that the budget will stay in balance over the next decade.

Ten year Medicare savings of between \$400 million to \$450 billion will extend the life of the Medicare trust fund for at least a decade at the same time new preventive benefits are added and while protecting the premium of low-income Medicare beneficiaries. Longer term reforms (particularly those with substantial and complex impacts on beneficiaries) will be considered in the context of the Medicare Commission.

Critical domestic appropriation priorities including funding for education, training, environment, and crime are protected under the budget agreement. Key investments in entitlement programs, including welfare to work and restoration of benefits for legal immigrants are also included.

2. Middle Class Tax Relief

Tax Relief: The tax cut legislation also enacted as part of the balanced budget agreement includes all of the elements contained in your proposed Middle Class Bill of Rights and subsequent tax proposals made in 1995/96. The major provisions of the legislation include:

--A \$500 per child tax credit for approximately 27 million families with 45 million children under 17;

-- A \$1,500 HOPE scholarship to make the first two years of college universally available as well as a 20% tuition tax credit for upperclassmen and for working Americans pursuing lifelong learning; and

--An expanded IRA which allows for tax-free withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers are given the opportunity to deposit \$500 into an education IRA. Earnings will accumulate tax-free and no taxes will be due upon withdrawal for an approved purpose.

3. Education

Pell Grants: The FY98 Labor/HHS/Education Appropriations bill provides \$7.345 billion for Pell Grants, an amount sufficient to provide a \$3000 maximum award and additional support for independent students. This represents the largest Pell Grant increase in two decades.

America Reads: The Administration worked to insure that the Labor/HHS/Education Appropriations bill provided \$91 million for America Reads--\$52 million for the Department of Education in FY98 and \$39 million for National Service. The America Reads program also received a \$210 million advance appropriation for FY99, pending authorization before July 1, 1998.

Head Start: The Administration secured an increase in funding for Head Start that keeps us on the road to achieving the enrollment of 1 million children by 2002.

Individuals with Disabilities Education Act: The Congress passed H.R. 5, the IDEA Improvements Act of 1997. The Administration worked to craft a bi-partisan bill reauthorizing IDEA, which improves education for children with disabilities. The bill provides for greater participation by parents and makes it clear that educational services may not be terminated for any child with a disability. The bill also eliminates unnecessary paper work and provides other financial relief through new cost-sharing

provisions including a change in the funding formula from a per capita basis to state population and poverty levels.

Job Corps: We secured the \$579 million increase the Administration requested in the FY98 budget for Training and Employment Services, including Job Corps.

National Endowment of the Arts: Despite attempts by Republican opponents, the Administration secured \$98 million in funding for the National Endowment of the Arts.

4. Health Care

Medicare: The budget agreement preserves and strengthens the Medicare program, saving \$115 billion over five years and extending the life of the Medicare Trust Fund for a decade. The Budget Agreement also provides structural reform that will give Medicare beneficiaries more informed choices among competing health plans, authorizes a number of new anti-fraud provisions, and establishes a wide array of new preventative benefits.

FDA Reform: Congress passed S. 830, the FDA Reform Act of 1997 to speed FDA approval of new drugs and medical devices. The measure reauthorizes the Prescription Drug User Fee Act (PDUFA); streamlines the drug approval process; updates food labeling regulations; and overhauls the FDA regulation of medical devices. The bill also allows states to retain much of their oversight of cosmetics and settles the question of jurisdiction between the FDA and individual states over the manufacturing of customized medication.

Medicare Commission: As the Administration worked to strengthen and preserve the Medicare program, it successfully established a 17-member Medicare Commission containing eight Democrats and eight Republicans and a Chair who will be selected jointly by the President and the Congressional leadership. The Commission will release a report in 1999 on the long-term performance and solvency of the Medicare system. The Commission is required to have an 11 of 17 majority to ensure that its recommendations are bipartisan.

5. Environment

Climate Change: The FY98 Energy and Water Appropriations bill provides a \$35 million funding increase for the alternative energy programs of DOE that help save money, create jobs, and reduce the emission of climate change gases. This increased funding is consistent with your climate change proposal and includes such programs as solar power and alternative fuel research. In the Senate Robert Byrd (D-WVA) and Chuck Hagel (R-NE) sponsored a Sense of the Senate Resolution, S. Res. 98, which passed 95 - 0 and warns the Executive Branch that any treaty establishing targets and

timetables for the United States must include a commitment from developing countries before ratification.

Headwaters Forest: The Administration worked to protect funding for several key Administration priorities in the Interior Appropriations bill, including \$250 million for the purchase of the Headwaters forest in California. The purchase of this forest eliminates the risk of environmental damage by commercial timber operations to the largest privately held stand of ancient redwoods in northern California.

New World Mine: The Administration also worked to secure \$65 million for the purchase of the New World Mine near Yellowstone, Montana. The purchase of this land eliminates the opportunity for commercial mining operations which would have had a devastating environmental impact on this historic and nationally significant area.

Everglades Restoration: The Administration more than doubled funding (\$156 million) for the Everglades Restoration project which supports our efforts to restore this rare and delicate ecosystem through wildlife replenishment and environmental clean-up.

Brownfields: The FY98 Interior Appropriations bill provides \$25 million in direct funding for Brownfields clean-up projects. The Administration worked vigorously to secure the Brownfields tax incentive within the Tax Relief package. This three year tax incentive will reduce the cost of cleaning up numerous contaminated and abandoned sites in economically distressed areas by permitting clean-up costs to be deducted immediately for tax purposes.

Dolphin-Safe Tuna: The Congress passed legislation amending the Marine Mammal Protection Act to lift the embargo against countries fishing for tuna by encircling purse seine nets around dolphins, as long as they fish in the prescribed manner. The bill also changes the definition of the label "dolphin safe." The legislation implements the Panama Declaration, an international agreement signed by the United States and 11 other countries who fish for tuna in the Eastern Tropical Pacific.

Wildlife Refuge Bill: You signed legislation amending the National Refuge System Administration Act to include a strong conservation mission, a new process for determining compatible uses of refuges and a requirement for preparing comprehensive conservation plans. The legislation recognizes that wildlife-dependent recreational uses involving hunting, fishing, wildlife observation and photography, and environmental education are priority public uses of the Refuge System.

GLOBE: Despite opposition to the GLOBE program, the Administration was able to prevent its elimination and secure \$5 million for FY98. However, this amount is still \$2 million below your request. The program provides students throughout the world with an

opportunity to discuss various environmental issues with renowned scientists.

6. Child Initiatives

Children's Health: The balanced budget agreement provides \$24 billion in additional Medicaid funding to supply health care coverage to as many as five million of the nation's ten million uninsured children. This measure guarantees that states use this money to cover uninsured children and not replace existing public or private spending, and provides adequate cost-sharing protections for families. The measure also ensures that 30,000 disabled children losing SSI benefits because of tighter eligibility criteria keep their Medicaid coverage.

Adoption: The Congress passed H.R. 867, the Adoption Promotion Act providing states with financial incentives to increase the number of children who are adopted, make changes in federal law that will make it easier for local authorities to permanently remove children from abusive homes, and move children more rapidly out of foster care and into permanent adoptive homes. The compromise version authorizes \$100 million over five years, including \$60 million for the Family Preservation Program and rewards states for increased adoptions with a bonus of \$3,000 for each adoption of a foster care child and \$6,000 for each adoption of a special-needs child.

Youth Opportunity Grants: The Administration ensured an advance appropriation of \$250 million for employment programs for out-of-school youth in selected high-poverty urban and rural areas, including designated empowerment zones and enterprise communities in the FY98 Labor/HHS/Education Appropriations bill.

Community Learning Center: The FY98 Labor/HHS/Education bill dramatically expands support for the 21st Century Community Learning Centers program, providing \$40 million to support hundreds of after-school centers in rural and urban schools across the country that will provide academic enrichment, tutoring, and other learning opportunities while giving students a safe haven during the often-dangerous after-school hours.

Trigger Locks: While no legislative action was taken on this initiative, the introduction of your Anti-Gang and Youth Violence Act of 1997 led to a consensus agreement between Smith and Wesson, the world's largest gun manufacturer, and the Master Lock Company, to voluntarily install child safety locks on all handguns sold for commercial use. The Administration continues to work vigorously to get all federally-licensed gun dealers to provide safety locks with every handgun sold.

7. Economic Opportunity

Welfare Tax Credit: The Middle Class Tax Relief legislation provides a credit equal to 35% of the first \$10,000 in wages in the first year of employment and 50% of the first \$10,000 in the second year paid to new hires who have received welfare for an extended period.

Welfare to Work: The balanced budget agreement included your proposal to create the \$3 billion Welfare to Work Jobs Challenge which moves long-term welfare recipients into lasting, unsubsidized jobs. These funds can be used for job creation, job placement and retention efforts, including wage subsidies to private employers, and other critical post-employment support services. The Labor Department will provide oversight but the dollars will be placed in the hands of the localities who are on the front lines of the welfare reform effort.

Community Development Financial Development: The FY98 Interior Appropriations bill provides \$80 million for Community Development Financial Institutions representing a significant increase over FY97 levels.

Drug Free Communities Act: The Office of National Drug Control Policy and White House Legislative Affairs worked to perfect and ultimately enact this legislation which will make federal grants available to community-based coalitions working to reduce substance abuse. In addition to passing this authorizing legislation, adequate funding for the measure was successfully obtained in the current appropriations cycle.

Export-Import Bank Reauthorization Conference Report: The Congress passed legislation restoring the bank's authorization, which expired September 30, until September 30, 2001.

Small Business Administration Reauthorization: The Administration worked vigorously to ensure that Congress passed legislation reauthorizing the Small Business Administration. The legislation authorizes small business loans which assist thousands of small businesses each year, programs include the Section 504 Development Company Loan, the Microloan program, and the National Women's Business Council which funds Women's Business Centers.

8. Immigrant Issues

SSI and Medicaid Benefits for Legal Immigrants: The Administration worked to correct several unacceptable provisions of the Welfare Reform bill of 1996, particularly the restoration of Medicaid and SSI benefits for legal immigrants. The balanced budget agreement provided \$12 billion for the restoration of disability and health benefits for

350,000 legal immigrants in 2002 who are currently receiving assistance or become disabled, ensuring that they will not be turned out of their apartments or nursing homes or otherwise helpless.

Central Americans: During the last week of this session Congress passed legislation largely based on an Administration proposal designed to avert the deportation of certain Central Americans and others who fled their homes during civil unrest. The measure passed by Congress allows Guatemalans, El Salvadorians and refugees from the former Eastern Bloc countries to have their cases heard by an immigration judge under the more lenient standards that were in effect prior to last year's immigration law. Additionally, Congress upped the ante on the Administration's original bill by granting Nicaraguan refugees and certain Cuban refugees amnesty. Unfortunately, Congress refused to extend Administration-proposed relief to Haitians and other certain non-Central Americans. We anticipate work on the Haitian relief legislation early in the second session.

Immigration and Naturalization Act: Section 245(I) of the Immigration and Naturalization Act allows immigrants with pending applications for permanent visas to remain in the country while awaiting approval of the visa. While the Senate had approved an Administration-backed permanent extension of Section 245(I), House Republicans were determined to kill the provision. The Administration won provisions that will provide a two month extension of the program and grandfather all currently eligible immigrants. These provisions will provide a more orderly phase out of the program and allow many more families to use 245(I) to remain together during the visa application process.

Refugees and Asylees: The balanced budget agreement extends the SSI and Medicaid eligibility period for refugees and asylees from 5 years after entry to 7 years to give these residents more time to naturalize.

9. Transportation

Amtrak: The Administration reached a compromise with Republicans in the House and Senate who were insisting on their extreme labor and liability reforms. The measure places an aggregate \$200 million cap on the civil settlements with passengers after any accident. Second, the passage of the reform bill triggered the release of \$2.3 billion in capital funding provided for in the tax portion of the balanced budget agreement. Third, the bill solidified the collective bargaining agreement reached by Amtrak management and labor. Under this new labor-management agreement the following provisions were repealed: the ban on outside contracting of jobs and services; and the statutory guarantee which required Amtrak to provide 6-years of severance to any employee who loses their position due to a route change/elimination or a frequency reduction 3 times week. Finally, the measure contains compromise language on the Amtrak Reform Board. The Reform Board will consist of seven members to be appointed by the President and

confirmed by the Senate.

Airport and Airway Trust Fund: The Congress passed legislation reinstating the three aviation taxes: (i) the 10% excise tax on domestic air passengers tickets; (ii) the \$6-per-person international air passenger departure tax; and (iii) and the 6.25% domestic air freight excise tax. The \$2.7 billion that would be raised would replenish the Airport and Airway Trust fund, which pays for such construction and aviation safety projects as new airport runways and improved radar systems.

10. Foreign Policy

Chemical Weapons Convention: The Administration gained Senate passage of the CWC Treaty to prevent production, stockpiling and distribution of chemical weapons. The Treaty took effect in April and awaits further congressional action on its implementation legislation.

Mexico Drug Certification: The Senate reaffirmed the President's decision to certify Mexico as an ally in combating drug trafficking.

China MFN: On Tuesday, June 24, the House rejected (173--259) H.J.Res. 79, a resolution which would overturn your May 29 decision to extend most-favored-nation trading status for China. Thirty-five members who voted no in a similar 1996 vote (141--286) switched to yes, while seven members switched from yes to voting with the Administration. Congress has agreed to extend the trading status, which applies to all but a handful of renegade nations, for 16 years in a row.

Foreign Operations Appropriations: The Administration increased funding in the bill by about \$900 million over 1997 levels. The following programs received increased funding under the measure: Foreign military financing loans and grants are \$18 million above the \$3,340 million request, primarily to allow for an increase in grants to Jordan; AID developmental assistance is \$26 million above the \$1,698 million requested; and Export-Import Bank subsidies are increased by \$51 million above the request to \$683 million. In addition, the bill includes language effectively extending key elements of the Middle East Peace Facilitation Act by giving you 12 month waiver authority.

11. Science and Technology

NASA: The FY98 VA/HUD Appropriations bill provides full funding for NASA's science and aeronautics programs, Mission to Planet Earth, aeronautics and space transportation research and mission support services. The measure provides a total of \$2.351 billion for the International Space Station program, which includes \$230 million of the \$430 million additional funding needed in FY98 to ensure the Station effort remains on schedule. The additional funds are necessary because of the Russian

Federation's default on their Mir obligations.

✓ **Technology Innovation Challenge Grants.** The FY98 Labor/HHS/Education bill includes \$106 million--an 86 percent increase over last year's level of \$57 million--to support up to 30 new projects, including 15 focused specifically on delivering the most effective training for teachers in using educational technologies, as well as 62 existing projects involving a wide range of innovative strategies for improving teaching and learning and increasing student access to technology.

✓ **Technology Literacy Challenge Fund.** The FY98 Labor/HHS/Education bill provides \$425 million, more than twice as much as the \$200 million appropriated last year, to help States, communities, and schools acquire hardware, software, and connectivity linkages; provide professional development in the integration of technology into the curriculum; and apply technology to support school reform efforts and opportunities for all students.

12. Other Legislative Affairs Activities

Nominations: In 1997, the Senate confirmed 75% of all Presidential nominees (362 out of 484) including 41 judicial nominees. This represents a 30 percentage point increase from 45% in 1996 (154 out of 342--22 Judicial). In 1995, the Senate confirmed 71% of your nominees (327 out of 461--62 Judicial). The Administration was also successful in confirming nine Cabinet Secretaries in often contentious confirmation processes (Secretaries Pena, Slater, Herman, Cuomo, Daley, Barshefsky, Richardson, Cohen, Albright).

Legislative Correspondence: Our Correspondence office continues to develop substantive Presidential responses to Congressional inquiries, author letters stating official Administration legislative policy and track Cabinet-level response to Congressional inquiries. Throughout the session, this office was directed to consolidate Administration opinion and develop Presidential letters to the House and Senate leadership regarding pending legislative matters. During an average week while in session, Congressional receipts are as follows:

1. Substantive policy letters requiring response - 100
2. Member requests for Presidential event messages - 50
3. Member requests for Presidential greeting letters - 350

This office also provides requesting Members with redline copies of bills signed into law, monitors the distribution of signing pens to designated Members and regularly generates thank-you letters to Members who support the Administration on major votes.

Scheduling: Since January 1997, you have had over 70 meetings with Members of Congress, more than nine of these were with the House and Senate Leadership. You

have also met with the Senate Democratic Caucus, the House Democratic Caucus, the Congressional Black Caucus, the Congressional Hispanic Caucus, the Congressional Women's Caucus, and are scheduled to meet with the Congressional Asian Pacific Caucus before the end of the year.

In addition to these meetings, there have been eight public signing ceremonies for major bills, such as the Balanced Budget Act and Taxpayer Relief Act, the Individuals with Disabilities Education Act, Adoption Promotion Act, and a ceremony is scheduled for the and the Food and Drug Administration Modernization and Accountability Act. Additionally, Members have been prominent in all four of the White House conferences held this year. Members have also been involved in a great majority of your official travel in 1997, including four of the five foreign trips.

II. Unacceptable Republican Provisions That Were Successfully Contested

1. Education

D.C. Appropriations Voucher Proposal Defeated: This proposal would have appropriated \$7 million to be used to create 2,000 vouchers valued at \$3,200 each to attend public, private or religious schools. It would also have authorized \$500 after-school tutoring vouchers. The House approved the D.C. Appropriations bill with this provision by a vote of 203 to 202 on October 9, 1997. However, when an identical provision supported by Senators Lieberman and Coats was included in the Senate D.C. Appropriation bill, the Senate failed to invoke cloture by a vote of 58 to 41. The provision was eventually dropped from the final bill.

Coverdell/Archer K-12 IRA Proposal Defeated: This proposal would have not only allowed taxpayers to make tax-free withdrawals from education individual retirement accounts to pay for elementary and secondary school expenses but it would have also increased the maximum annual contribution from \$500 to \$2,500 per beneficiary. The withdrawals could have been used to pay for tuition, fees, tutoring, special needs services, books, supplies, equipment, transportation and supplementary expenses required for the enrollment or attendance at a public, private religious, or private nonsectarian school, or for home schooling. This provision was removed from the tax portion of the balanced budget agreement after the President threatened to veto the entire tax bill if it remained. Later, the full House approved H.R. 2646, a newer version of the "Coverdell" provision. However, the Senate failed to invoke cloture by a vote of 56 to 44.

Education Block Grants: The Administration successfully forced the removal of an education block grant proposal which sought to consolidate \$2.5 billion worth of programs currently run by the Department of Education, including Goals 2000, school-to-work programs, educational technology programs, and the Safe and Drug-Free School program into block grants to the states.

2. Environment

Native American Riders: The Administration worked to remove or denude many anti-environmental and anti-Native American riders from the Interior bill, including amendments weakening tribal sovereignty and prohibiting tribal compacts.

Nuclear Waste Legislation: While the bill was not stopped, the Senate provided enough votes to sustain the President's veto.

Ethanol: Administration efforts prevented Ways and Means Chairman Archer from reducing the tax benefits available to ethanol producers.

3. Foreign Policy

Bosnia: The Administration successfully prohibited Congress from legislating a date certain for troop withdrawal from Bosnia. Troops withdrawal amendments restricting troops to remain in Bosnia past June 1998 were resolved in the Defense Appropriations Bill and the Defense Authorization Bill Conferences by granting the President with a National Security waiver for troop withdrawal.

Religious Persecution: The Administration helped prevent the House International Relations Committee from reporting out H.R.2431, Freedom from Religious Persecution Bill sponsored by Senator Specter and Representative Wolf. The bill included restrictions on exports, visas, foreign assistance and international financial institution voting. The bill would create a confusing bureaucratic structure for dealing with religious freedom that would fragment foreign policy decision-making. We can expect to see an effort to move this bill as soon as Congress returns

Mexico City: The Administration successfully stopped enactment of Mexico City policy and removed the obligation delay in the 1997 bill and kept the funding at 1997 levels.

4. Social Issues

Partial Birth Abortion Veto Override: As a result of Administration efforts, final action was delayed because the Senate could not muster a veto-proof majority. Such a Majority already exists in the House. Despite significant defection (Senator's Leahy, Daschle, Specter, Hollings changed their votes) the Administration, in conjunction with the women's community, was able to thwart Republican efforts to gain veto-override strength in the Senate.

Tabling Affirmative Action Legislation: Earlier this month the House Judiciary Committee voted to table H.R. 1909, legislation by Congressman Canady (R-FL) that would eliminate all federal affirmative action programs. All the Committee Democrats and four Committee Republicans, led by George Gekas (R-PA), voted to table the measure in large part because of the Administration's work with Committee Democrats, and outside interest groups, to successfully portray the measure as extremist. It is almost certain that House Republican leadership will have to significantly narrow the scope of this legislation to appease Republican moderates if they want to move it forward. However, such a move could cause conservative Republicans to abandon the efforts altogether.

Legal Services Corporation: The Administration successfully prevented Republican opponents of the Corporation from significantly limiting its funds in the FY98 appropriations bill. The Administration achieved an increase in the funding level for the

Legal Services Corporation from the \$141 million level proposed in the House Committee passed bill to \$283 million, which is identical to last year's level.

5. Additional Legislative Items

Balanced Budget Amendment: The Administration defeated the balanced budget constitutional amendment in the Senate by a vote of 34 to 66.

Decennial Census: Under an agreement reached as part of the FY98 Commerce/Justice/State Appropriations bill, the Census Bureau would be allowed to proceed with a test next year on the use of statistical sampling. The agreement promotes an expedited Supreme Court review of the use of sampling. Funds are appropriated for an expanded dress rehearsal to test direct enumeration techniques in the event of Supreme Court decision banning the use of certain forms of sampling. The agreement also calls for an eight member monitoring board to review the dress rehearsal and the Census Bureau plans for 2000, including sampling. The board, split equally between Republicans and Democrats, would need a quorum of five.

Beck Provisions: Earlier this fall Senate Democrats successfully filibustered Senate Republican campaign finance legislation to require that all union members affirmatively permit the use of their dues for political campaign spending. By working with reformers, Senate Democrats and by adroitly positioning the Administration, Senate Republicans, not Senate Democrats, were largely blamed for the defeat of campaign finance reform this fall. Additionally, Senate Democrats were able to successfully sustain a subsequent filibuster and win a commitment for further consideration of campaign finance legislation by next March.

Curios and Relics: Twice during the past several months pro-gun Congressmen have attempted to enact legislation that would require the Administration to approve applications for the importation of certain guns known as curios and relics. This legislation would have allowed back into the U.S. millions of semi-automatic rifles and pistols (many of which would be easily convertible to fully automatic weapons) that were given by the U.S. to foreign military forces. The Administration worked closely with Congressional allies to kill this legislation by defeating both attempts to attach this legislation to pending appropriations bills.

cc: The Vice-President
Erskine Bowles
John Podesta
Sylvia Mathews

THE PRESIDENT HAS SEEN

12-30-97

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interference
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What Asia's Financial Crisis Portends

By Robert A. Johnson

As a former hedge fund manager enjoying a sleepy sabbatical from the art of speculation, I was shaken by the Asian crisis of 1997. It shattered the whole structure of expectations that had long governed the behavior of global investors. This is a profound moment for the psychological state of the world economy.

We can no longer wake up in the morning and say, "No matter what happens, I know Asia is still growing strong and keeping the system rolling." Now the myth of Asian invincibility has collapsed. We have lost a foundation stone.

Will this lead to global disaster? That is not at all clear, or even likely. Will American stocks decline? I do not know. It depends upon what people come to believe.

I have heard some say that they see the Asian collapse as an affirmation of the strength of the American model of capitalism. If such a view prevails, then perhaps our equity markets will prove resilient or soar even higher. This is a matter of subjective psychology interacting with government actions and reactions. There is no truth or absolute here.

The Asian crisis is a more potent psychological disturbance than the Mexican crisis of 1994-95 or the European currency crisis of 1992. The former was perceived as an isolated

Robert A. Johnson, who was chief economist of the Senate Banking Committee in 1987 and 1988, is a former managing director at Soros Fund Management.

event, and the latter was a price adjustment to rebalance Europe in response to German unification. Neither episode markedly changed investors' views of the health of the world economy. Both were anticipated well in advance by sophisticated thinkers in both investment and government circles.

The Asian crisis is different.

From the early 1980's on, it was an article of faith that Asia was a miracle. Savings, investment, education — all of the right ingredients for economic success were present. For years, strong economic performance and rising asset prices inspired investors, commentators and economists to uncover ever more evidence of good news about Asia wherever they looked. This process of mutual reinforcement continued even into 1997.

Today, where once everyone saw

From here on,
psychology is the
wild card.

efficiency and vitality, now the image is one of widespread corruption and waste. How could anything so good turn so bad so quickly? If Asia's vibrant economies can collapse, what other assumptions about economic conditions anywhere can we count on?

Economists analyzing the flow of trade and investment are able to forecast the effects of Asia's abrupt fall with some precision. Most major policy institutions are still projecting

a modest downturn. Perhaps that is all we will experience. Economic forecasts are good as far as they go. But they implicitly rely on the framework of expectations to remain stable.

Most often that assumption in economics is a reasonable one. But the economy is not an inanimate object. Its motive energy is the psychological outlook of people, and when expectations break from their mooring they can powerfully affect not only the real value of assets, but also perceptions: how rich you feel, how secure you think your job is, how much you think you can afford.

At such times, economic forecasts are prone to error. Psychological factors become pervasive. In this instance, this may be dangerous because anxiety breeds caution and caution amplifies the depressing effects that the economists have forecast to be heading our way from Asia.

The art of investment involves trying to anticipate what others will come to perceive. I am a bit out of practice but I sense that the key will be whether, and to what degree, government policy makers take actions to stimulate demand at home and abroad in the next year.

The Asian downturn and the sharp deflation of optimism have made the global pie smaller. To turn things around, the pie — that is, world demand — has to grow again.

To stimulate its economy, a country can do one of two things. It can create domestic demand through tax cuts and more government spending. This has its costs — budget deficits obligate future generations to pay the bill — but it does enlarge the pie. Or it can simply try to grab a bigger slice of the existing pie by devaluing its currency. The country with the most competitively priced products

on world markets has an advantage, and lowering the value of the currency reduces the cost of its goods.

In 1998, I will watch for trends in these five areas to determine whether the demand pie will grow and, if so, by how much:

1. How will Asian countries try to control the chain reaction of currency devaluations? Asia, unlike Europe in the aftermath of 1992, has no historical focal point to refer to for appropriate exchange rate values. Will Asia's finance ministers be able to stop the chain reaction of currency devaluations through peer pressure? Current I.M.F. policies appear to discourage this competitive devaluation, but they also unfortunately encourage tight domestic policies, which depress demand rather than stimulating it.

2. Will Japan get over its traditional reluctance to stimulate domestic demand with tax cuts and government spending? The policies the Japanese Government announced on Dec. 16 were disappointing. The Ministry of Finance will be tempted simply to let the yen weaken to stimulate growth the old-fashioned way, through more competitively priced exports.

3. If Japan and other Asian countries continue to devalue their currencies, will the Europeans follow suit to prevent loss of their own share of the export market? Much of Europe is still riding on a burst of growth owing to the rise of the dollar over the last year, but this will not continue forever.

4. As for China, how will officials sustain exports and economic growth in the event of a worldwide slowdown? Stimulating demand with government deficit spending is difficult in a country where tax collection

is so uncertain. So will the Chinese join the rush to devalue?

5. Finally, if all other countries prove reluctant to stimulate their own domestic markets and choose to export their deflation to the United States, will the stock market here be able to sustain its current optimism? If the market declines, will that depress consumption? Will American policy makers begin to suggest more

Stimulating
demand may be
the key in 1998.

tax cuts to stimulate demand in the United States?

At present, finance officials assure us that the impact of the Asian crisis will be modest. But are their statements credible?

In trying to soothe the markets, officials often elevate the sense of unease. Investors in uncertain times ask themselves: "Why do they feel the need to reassure us? Are they not just drawing attention to how anxious things really are? Or are they afraid themselves because they are unable to act and cannot persuade leaders abroad to act? Is this talk a substitute for concrete action?"

I believe that when all is said and done, the world's leaders will have to take steps to stimulate demand. Where on the planet that stimulus will come from, I cannot be sure. One thing is for sure, though: the markets will pay attention to what government officials do, not what they say. □

12-30-97

Op-Art

GARY KRIST & SEYMOUR CHWAST

Health Care CPR

Robert / C. E. Jennings
too close to the
house! -

RC

copied
Emanuel
Jennings
Bowles



AMALGAMATED MEDICAL PLUS INC.

AN OPEN LETTER TO OUR CUSTOMERS

Dear Amalgamated Member:

As you know, Amalgamated Medical has been in the news lately. While we believe that our financial woes have been much exaggerated in the press and on Wall Street, the problems facing us are very real indeed, and we thought you deserved to know what we intend to do about them.

Here at Amalgamated Medical, we are convinced that responsible cost-cutting measures can be implemented without sacrificing the high level of care our customers have learned to expect from us. Here, then, are just a few of the actions we'll be taking in the next few months to make Amalgamated the competitive, fiscally responsible health maintenance organization we all want it to be:

- Effective immediately, our "Free Liposuction With Every Surgery" policy has been discontinued.
- Emergency room hours in all of our facilities will now be Monday through Thursday from 9 A.M. to 5 P.M., Fridays from 9 A.M. to noon. Patients arriving after hours or on weekends will be issued a Home Paramedic® Kit so that they can stabilize their own conditions until the next regular business day.
- To compensate for inevitable staff cutbacks, all office administration personnel will now receive training in obstetrics and basic anesthesiology.

• Amalgamated Dental Services' "Real Men Don't Need Novocain" advertising campaign will be expanded.

• As part of our new corporate sponsorship program, all hospital scrubs, nurses' uniforms and white physician coats will bear the logos and slogans of the following corporate partners: Volvo Motors ("Now don't you wish you'd bought a safer car?"), Healthy Choice Foods ("We TOLD you about saturated fat") and Acme Funeral Homes ("Because mistakes do happen...").

• Beginning Jan. 1, 1998, our new national director of gerontology and geriatric medicine will be Dr. Jack Kevorkian.

• Prescription fulfillment responsibility for Amalgamated Mental Health Services will in the future be subcontracted to Happy Time Concessions Inc., makers of high-quality psychopharmaceutical vending machines for the dispensing of Prozac, Zoloft and (for a modest additional co-payment) cuddly Gund stuffed animals.

• Recent press reports notwithstanding, pre-owned Yugo hatchbacks make perfectly acceptable ambulances. The conversion of our fleet will proceed.

• Patients whose treatment involves the use of expensive medical equipment (e.g. CAT-scan, heart-lung and kidney dialysis machines) will henceforth be subject to our new "you break it, you buy it" policy.

Admittedly, Amalgamated Medical has made mistakes in recent years. But we hope that the end result of our difficulties will be a stronger and more responsive company, devoted to providing the highest quality health care for you and your family. After all, we've been nursing the sick for many years. We're not about to let a few lawsuits and state attorney-general investigations stop us now.

Sincerely,

Edmund Q. Saunders
Chairman

AMALGAMATED MEDICAL PLUS INC.
"We Put the Oh! in HMO"

The New York Times

MONDAY, DECEMBER 29, 1997

Trading Textbooks For Jobs

Welfare Changes Force Many to Leave College

By Robert E. Pierre
Washington Post Staff Writer

A1

Stringent new welfare rules are prompting thousands of college students nationwide to trade their books for low-paying jobs, according to welfare advocates and educators.

Under the law, which Congress passed in 1996, recipients must work or lose their benefits, and college courses that are not considered to lead directly to a job no longer count as work.

Proponents of welfare changes are adamant that work must come before training, but critics say the new approach is shortsighted. Welfare recipients, they said, are destroying their long-term chances of self-sufficiency by taking jobs that do not pay enough to support their families, making them more likely to return to the rolls.

"It's unfortunate that people who formerly had an opportunity to achieve self-sufficiency by receiving an education have had that denied under the reforms," said Milton Little, vice president of the National Urban League.

The typical image of a welfare recipient is not that of a student poring over textbooks or struggling with term papers, yet tens of thousands of people on welfare nationwide do so each day.

But many, like Elana Groth, are being forced to downsize their dreams, setting aside studies they had hoped would put them on promising career tracks to instead take whatever work they could find at the moment.

Groth, a 35-year-old mother of three, put her plans of becoming a computer programmer on hold in May when she traded business classes at Charles County Community College for a minimum-wage job as a bartender that she sees as a dead end.

"It has no future, no medical benefits, no chance for advancement, and the hours are terrible for a family person," said Groth, who lives in La Plata and was on and off welfare for five years.

Welfare reform advocates contend that in the past, too much time and money was wasted on training that has not led to jobs.

"We're moving away from the tra-

See WELFARE, A10, Col. 3

WELFARE, From A1

ditional training and education model and focusing more on work-related activities," said Michael Kharfen, a spokesman for the U.S. Department of Health and Human Services. "It's about immediate skills that get you to work."

Social services agencies and most community colleges do not keep track of precise numbers of students on welfare who leave college to get jobs. But there is an abundance of anecdotal evidence and, in cases where numbers are kept, startling proof that the welfare law passed last year has had an almost immediate impact on students.

At Baltimore City Community College, for example, with overall enrollment steady, about a third of the school's nearly 900 students on welfare quit taking classes in the last year.

"They were afraid to return" to school and lose their welfare payments, said Jean Wilson Richie, a Baltimore City Community College academic adviser who serves as a liaison to students on welfare. "If your total resources are threatened to be cut, you buckle under to the pressure. That's why we've lost students."

Drastic declines in enrollment also have occurred at City University of New York, where the number of students on welfare dropped from 27,000 to 14,000, and Milwaukee Area Technical College, the country's largest technical college, where enrollment of students on welfare dropped from 1,600 to 250.

Outraged by such declines, students on welfare at several colleges in Baltimore City are organizing to bring their fight to Annapolis to tell the Maryland General Assembly that the new requirements are unfair and need to be changed.

"School must count," said welfare recipient Latonya Williams, a 20-year-old mother of two who started at Baltimore City Community College this semester. She writes for the student newspaper, sits on the school's governing board and is a campus leader in the fight to convince government officials that school is important.

Williams said now she must find a job or risk losing her monthly benefits of \$312 in cash, \$320 in food stamps and medical services. She applied for a campus job and was denied, she said. If she must find a job for 20 hours a week, as required, Williams said she will have to leave school.

"I don't feel you should tell people they are not worthy of getting an education because they're poor," Williams said at a recent rally of about 200 people.

The rally in Baltimore was part of a lobbying campaign led by the Solidarity Sponsoring Committee, an alliance between the American Federation of State, County and Municipal Employees and Baltimoreans United in Leadership Development, an activist group formed by Baltimore's black churches and the Industrial Areas Foundation.

Maryland Del. Samuel I. Rosenberg (D-Baltimore), who is co-chairman of the legislature's Joint Committee on Welfare, said he agrees that school should count as work and is deciding whether Maryland legislation is needed to fix the problem. But the committee's other co-chairman, Sen. Martin G. Madden (R-Howard), is more reluctant, saying that a job is the best training a welfare recipient can get.

States do have some flexibility to address the issue. In Maine, for example, legislators recently approved a plan in which 2,000 of the state's 15,000 welfare recipients can attend school without risk of losing

welfare benefits. Because the benefits will be paid only with state money, the recipients are exempt from the tough federal work requirements.

Other states are using discretion within the law to allow students who are close to graduation to complete their programs, said Rep. E. Clay Shaw Jr. (R-Fla.), one of the principal authors of welfare reform legislation.

"People can clearly work 20 hours a week and still have plenty of time for education," Shaw said in a telephone interview. "The welfare system should not be used to support people while they are going to school."

But many advocates for the poor say the expectations are unreasonable.

"People in Annapolis and Washington said that welfare reform is a success because of the number of people leaving the rolls," said Alisa Glassman, an organizer of the Solidarity Sponsoring Committee in Baltimore. "It's not being judged by whether it's bettering the lives of people. If that was the intent, people would be allowed to stay in school."

Former student Groth plans to enroll once again at Charles County Community College, to pursue an associate degree in information systems. She has secured child care for her children, ages 3, 9 and 12, and will work fewer hours to fit school in.

She's happy to be off welfare. But she sometimes wonders where she would be if she hadn't quit school last May.

"I could have been, in the summer-time, looking for that professional job," Groth said.

FOR MORE INFORMATION

For an archive of Post coverage of welfare reform, click on the above symbol on the front page of The Post's Web site at www.washingtonpost.com

The Washington Post

MONDAY, DECEMBER 29, 1997

Boiled
Can we do anything about this - shouldn't we be pushing people out what about work study jobs? Bc

12-30-97

*Copied
Reed
Bowles*

12-30-97

Islamic Star Vandalized On Ellipse

*Apparent Hate Crime
Called Part of Pattern*

By Debbi Wilgoren
Washington Post Staff Writer

U.S. Park Police are investigating the vandalism of an Islamic star-and-crescent display placed on the Ellipse for the holiday season for the first time this year alongside the National Christmas Tree and National Hanukkah Menorah.

The Alexandria artist who created the 10-foot-tall wooden structure said he brought a friend to see it Friday night and discovered that the five-pointed star had been torn from the top of the crescent.

He found the star near a trash can several hundred feet away, painted with a crude red swastika similar to those that have been scrawled on mailboxes and street corners throughout downtown Washington in recent years. Park Police have classified the incident as a hate crime.

"A kind of torture," said Moroccan-born artist Mohamed Said Ouafi at a news conference with Muslim leaders yesterday. "I felt hurt."

Muslim leaders said they saw the vandalism as part of a larger pattern of attacks against their faith, Islam, as the religion has grown more prominent in the United States.

The American Muslim population is estimated at 6 million; holidays such as Ramadan, which begins this week, increasingly are noted in public school lessons and by government leaders, including President Clinton.

M.T. Mehdi, president of the National Council on Islamic Affairs, which led the campaign to place the sculpture on the Ellipse, speculated yesterday that the vandalism was the work of either "fundamentalist Jews" or "fundamentalist Christians."

Both groups are ardent supporters of Israel and therefore enemies of Islam, said Mehdi, whose organization is based in New York.

Mehdi added that the use of the swastika made the vandalism especially offensive to Muslims because it is a symbol of the Nazi destruction of European Jewry—which, he said,

See VANDALISM, C7, Col. 1

VANDALISM, From C1

helped pave the way for the creation of the Jewish state.

"We hate Hitler. We hate swastikas," Mehdi said. "The Nazis are the real founders of Israel. The real father of Israel is Hitler."

Other Muslim leaders and artist Ouafi told reporters after the news conference that they strongly disagreed with such rhetoric.

The display of the star and crescent, which are Muslim signs of

peace, alongside the menorah and Christmas tree "is supposed to be a symbol of harmony between religions," said Omar A. Kamhieh, director of organizing at the American-Arab Anti-Discrimination Committee, based here.

"The swastika is a sign of hate," Kamhieh said. "This could be done by someone who hates harmony between the religions."

The Islamic display was erected Dec. 19 in conjunction with USA: Muslims Day, a 14-year-old, secular

observance promoted by Mehdi's National Council on Islamic Affairs. Mehdi said the occasion, on the third Friday of December, is a chance for Muslim children to have their own December holiday when most of America is consumed with plans for Christmas and Hanukah.

The effort has received mixed reactions from American Muslim groups, with some saying Muslim holidays should be limited to traditional religious celebrations. Mehdi's group has erected Muslim dis-

plays throughout New York City at locations including Central Park, Grand Central Station, the Empire State Building and the World Trade Center.

Ramadan, the Muslim holy month of fasting and repentance, occurs on different dates each year because Islam operates on a lunar, rather than a solar, calendar. This year, it is expected to begin on Wednesday, with the sighting of the new moon. Ouafi said he hopes to repair the sculpture before then.

The Washington Post

MONDAY, DECEMBER 29, 1997

Robles
Thompson
Sylvia

Shawanda, Ray
Cuntying—
PK

copied
Emanuel
J. Winston
Mathews
Bowles

Giles Johnson, Ph.D.

Giles Johnson
had four college degrees
knew the whyfore of this
the wherefore of that
could orate in Latin
or cuss in Greek
and, having learned such things
he died of starvation
because he wouldn't teach
and he couldn't porter.

To Winston

Fy -
Be

12-30-97

ROBERT HAYDEN (1913-)

Middle Passage

I.

Jesús Estrella, Esperanza, Mercy:

Sails flashing to the wind like weapons,
sharks following the moans the fever and the dying;
horror the corposant and compass rose.

Middle Passage:

voyage through death
to life upon these shores.

"10 April 1800—

Blacks rebellious. Crew uneasy. Our linguist says
their moaning is a prayer for death,
ours and their own. Some try to starve themselves.
Lost three this morning leaped with crazy laughter
to the waiting sharks, sang as they went under."

Desire, Adventure, Tartar, Ann:

Standing to America, bringing home
black gold, black ivory, black seed.

*Deep in the festering hold thy father lies,
of his bones New England pews are made,
those are altar lights that were his eyes.*

Jesus Saviour Pilot Me
Over Life's Tempestuous Sea

We pray that Thou wilt grant, O Lord,
safe passage to our vessels bringing
heathen souls unto Thy chastening.

copied
Winston
Bowles

Jesus Saviour

"8 bells, I cannot sleep, for I am sick
with fear, but writing eases fear a little
since still my eyes can see these words take shape
upon the page & so I write, as one
would turn to exorcism. 4 days scudding,
but now the sea is calm again. Misfortune
follows in our wake like sharks (our grinning
tutelary gods). Which one of us
has killed an albatross? A plague among
our blacks—Ophthalmia: blindness—& we
have jettisoned the blind to no avail.
It spreads, the terrifying sickness spreads.
Its claws have scratched sight from the Capt.'s eyes
& there is blindness in the fo'c'sle
& we must sail 3 weeks before we come
to port."

*What port awaits us, Davy Jones'
or home? I've heard of slavers drifting, drifting,
playthings of wind and storm and chance, their
crews
gone blind, the jungle hatred
crawling up on deck.*

Thou Who Walked On Galilee

"Deponent further sayeth *The Bella J*
left the Guinea Coast
with cargo of five hundred blacks and odd
for the barracoons of Florida:

"That there was hardly room 'tween-decks for half
the sweltering cattle stowed spoon-fashion there;
that some went mad of thirst and tore their flesh
and sucked the blood:

"That Crew and Captain lusted with the comeliest
of the savage girls kept naked in the cabins;

that there was one they called The Guinea Rose
and they cast lots and fought to lie with her:

"That when the Bo's'n piped all hands, the flames
spreading from starboard already were beyond
control, the negroes howling and their chains
entangled with the flames:

"That the burning blacks could not be reached,
that the Crew abandoned ship,
leaving their shrieking negresses behind,
that the Captain perished drunken with the wenches:

"Further Deponent sayeth not."

Pilot Oh Pilot Me

II.

Aye, lad, and I have seen those factories,
Gambia, Rio Pongo, Calabar;
have watched the artful mongos baiting traps
of war wherein the victor and the vanquished

Were caught as prizes for our barracoons.
Have seen the nigger kings whose vanity
and greed turned wild black hides of Fellatah,
Mandingo, Ibo, Kru to gold for us.

And there was one—King Anthracite we named him—
fetish face beneath French parasols
of brass and orange velvet, impudent mouth
whose cups were carven skulls of enemies:

He'd honor us with drum and feast and conjo
and palm-oil-glistening wenches deft in love,
and for tin crowns that shone with paste,
red calico and German-silver trinkets

Would have the drums talk war and send
his warriors to burn the sleeping villages

and kill the sick and old and lead the young
in coffles to our factories.

Twenty years a trader, twenty years,
for there was wealth aplenty to be harvested
from those black fields, and I'd be trading still
but for the fevers melting down my bones.

III.

Shuttles in the rocking loom of history,
the dark ships move, the dark ships move,
their bright ironical names
like jests of kindness on a murderer's mouth;
plough through thrashing glisters toward
fata morgana's lucent melting shore,
weave toward New World littorals that are
mirage and myth and actual shore.

Voyage through death,
voyage whose chartings are unlove.

A charnel stench, effluvium of living death
spreads outward from the hold,
where the living and the dead, the horribly dying,
lie interlocked, lie foul with blood and excrement.

*Deep in the festering hold thy father lies,
the corpse of mercy rots with him,
rats eat love's rotten gelid eyes.*

*But, oh, the living look at you
with human eyes whose suffering accuses you,
whose hatred reaches through the swill of dark
to strike you like a leper's claw.*

*You cannot stare that hatred down
or chain the fear that stalks the watches
and breathes on you its fetid scorching breath;
cannot kill the deep immortal human wish,
the timeless will.*

"But for the storm that flung up barriers
of wind and wave, *The Amistad*, señores,
would have reached the port of Principe in two,
three days at most; but for the storm we should
have been prepared for what befell.
Swift as the puma's leap it came. There was
that interval of moonless calm filled only
with the water's and the rigging's usual sounds,
then sudden movement, blows and snarling cries
and they had fallen on us with machete
and marlinspike. It was as though the very
air, the night itself were striking us.
Exhausted by the rigors of the storm,
we were no match for them. Our men went down
before the murderous Africans. Our loyal
Celestino ran from below with gun
and lantern and I saw, before the cane-
knife's wounding flash, Cinquez,
that surly brute who calls himself a prince,
directing, urging on the ghastly work.
He hacked the poor mulatto down, and then
he turned on me. The decks were slippery
when daylight finally came. It sickens me
to think of what I saw, of how these apes
threw overboard the butchered bodies of
our men, true Christians all, like so much jetsam.
Enough, enough. The rest is quickly told:
Cinquez was forced to spare the two of us
you see to steer the ship to Africa,
and we like phantoms doomed to rove the sea
voyaged east by day and west by night,
deceiving them, hoping for rescue,
prisoners on our own vessel, till
at length we drifted to the shores of this
your land, America, where we were freed
from our unspeakable misery. Now we
demand, good sirs, the extradition of
Cinquez and his accomplices to La
Havana. And it distresses us to know

there are so many here who seem inclined
to justify the mutiny of these blacks.
We find it paradoxical indeed
that you whose wealth, whose tree of liberty
are rooted in the labor of your slaves
should suffer the august John Quincy Adams
to speak with so much passion of the right
of chattel slaves to kill their lawful masters
and with his Roman rhetoric weave a hero's
garland for Cinquez. I tell you that
we are determined to return to Cuba
with our slaves and there see justice done. Cin-
quez—
or let us say 'the Prince'—Cinquez shall die."

The deep immortal human wish,
the timeless will:

Cinquez its deathless primaveral image,
life that transfigures many lives.

Voyage through death
to life upon these shores.

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~~Secretly~~
for [signature]

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In Moscow, Business and Politics Mix

City's Financial Success Aided by Intricate Network Overseen by Mayor

By David Hoffman
Washington Post Foreign Service

AI

MOSCOW—When the new Russian market economy exploded into a frenzy of buying, selling and dealmaking in the early 1990s, one small backwater of the Moscow city bureaucracy took on a new life.

The Moscow Committee on Science and Technology had been a marginal city department. The boss was Vladimir Yevtushenkov, a plastics engineer who soon discovered that the once-bountiful science budgets of the Soviet era had dried up.

Yevtushenkov's department had no money, but he had a friend, Yuri Luzhkov. Also a veteran of the Soviet chemical industry, Luzhkov became mayor of Moscow in

1992 as it blossomed into the most vibrant site of the nascent Russian capitalism.

Today, Yevtushenkov is an influential yet little-known figure in Luzhkov's City Hall, which, far more than a municipal government, has become a bastion of economic and political might in the New Russia.

One year after Luzhkov became mayor, Yevtushenkov turned his small city department into a company, also called the Moscow Committee on Science and Technology. Since then, he has built up a private, \$1 billion financial-industrial conglomerate named Systema, which in Russian means "The System."

In Moscow, Systema is everything the name implies. Yevtushenkov and his companies are inextricably linked

See MOSCOW, A46, Col. 1

MOSCOW, From A1

with the city government, and with Luzhkov and his national political ambitions. Some of the companies draw loans and business from the city; others are affected financially by Luzhkov's decisions; and at the same time, Yevtushenkov serves as a close adviser to Luzhkov. The result is a near-complete mixture of politics and business, and a model of economic and political power that is at the heart of Luzhkov's growing stature—and of his vision for Russia.

Over the last few years, Russia's economy has come to be dominated by business and political clans, of which Luzhkov's is one of the most formidable. Under his administration, Moscow has become a virtual nation-state inside Russia, an expensive, chaotic, sometimes violent and often corrupt atoll of prosperity amid the sea of Russian economic despair.

This year, Russia's tycoons and economic reformers in the Kremlin have fought bitterly over the next stage in the country's young capitalism: Should it evolve into a liberal, competitive, free-market system, or one dominated by financial-industrial behemoths? The battle still rages.

Yet, in Moscow, Luzhkov already has formulated his own answer: state capitalism—a blend of the market, big money and Soviet-style central government control. Luzhkov openly champions this approach. But critics say Luzhkov's system is also something else—"crony capitalism," in which cozy relationships and insider deals are critical to success.

From City Hall, Luzhkov commands businesses from restaurants to billboards, from bakeries to auto factories. Central to his network are intricate relationships between political bosses and private businessmen. And more often than not, Luzhkov has the last word.

"In the Moscow network, it's important to have two legs—one in business, the other in the administration," said Alexei Ulyukhaev, a member of the city council and deputy director of the Institute for the Economy in Transition, a reformist think tank. "There is no division of economic and political powers."

Yevtushenkov is a prime example. According to a longtime Luzhkov adviser who asked not to be named, Yevtushenkov is the mayor's closest confidant, "closer than anyone except Luzhkov's wife." At the same time, Yevtushenkov is chairman of the board of both the Moscow Committee on Science and Technology and the Systema conglomerate, which recently moved to a resplendent, chandeliered headquarters in central Moscow.

The complex links between the two companies and the city government benefit both Yevtushenkov and Luzhkov. Yevtushenkov's bank, the Moscow Bank for Reconstruction and Development, serves city accounts. His construction and electronics subsidiaries are receiving loans from the city, decided by a city committee on which Yevtushenkov serves. One of his companies has bought a third of Moscow's city phone monopoly, which is seeking approval for rate increases from Luzhkov. And Luzhkov's centerpiece Moscow television channel—a building block for a possible presidential campaign—is partly owned by the Moscow Committee on Science and Technology and expects to get financing from Systema's bank.

In a long interview, Yevtushenkov, 49, said he receives no government salary, but he nonetheless spends most of his time working on city projects and holds an official appointment as a Luzhkov adviser. He said he is close to Luzhkov and to his wife, Yelena Baturina. "This whole family is close to me," he said.

Yevtushenkov said he is careful not to press Luzhkov for favors. "On vacation or at home, we never talk business, never," Yevtushenkov said. Moreover, he said, Luzhkov only recently heard that the Systema conglomerate was connected to Yevtushenkov. Luzhkov "didn't know that such a corporation exists," Yevtushenkov said. "And I'll tell you, it may seem funny, but it's a fact."

However, others said it would have been hard for Luzhkov not to have known. The longtime Luzhkov adviser said Systema was an example of how Luzhkov's allies have operated. "They were let out on a leash," he said, "and at some stage this leash became longer and longer."

Moscow's Pools of Money

When Yevtushenkov turned his Moscow city government committee into a business in 1993, he said, it was for a simple reason—to make money.

"There was practically no financing for science," he recalled. Soviet-trained scientists, accustomed to endless resources, were brought up short by the cold reality that cash—not research—made the New Russia go round.

But as a privatized business, the Moscow science committee could earn profits and keep them for its own purposes, such as research, Yevtushenkov said. According to a committee official, one of its main activities was sponsoring the design of an anti-pollution device for trucks and buses in Moscow.

Luzhkov has championed this approach of mixing city affairs and private interests. He has thrust the city into high-profile businesses, such as the failing Zil truck factory, and launched a chain of fast-food restaurants, Russkoye Bistro. The city owns all or part of 200 other companies and

controls the Bank of Moscow, one of the biggest in Russia.

"From the point of view of the classic political economy, the government should regulate. But we are not living in a country with a normal economy," said Anatoly Lysenko, a veteran Russian television executive who is heading up Luzhkov's new Moscow channel. "The government often has to play God. They have to create something, to inspire it, and like the Bible says, 'Go forth and multiply.'"

Arkady Murashev, a former Moscow police chief who led a liberal opposition campaign for city council, recently infuriated the powerful Luzhkov when he said the mayor has become "the biggest entrepreneur in the city, having taken control of everything."

Luzhkov shot back, "The mayor is prohibited by law from taking part in any business activity!"

Nevertheless, in the municipal government, departments are often associated with commercial companies on the side. According to Ulyukhaev, these city departments often set the rules and collect fees and fines in their purview, while simultaneously running businesses in the same field.

"On the one hand, they manage budget money," said Ulyukhaev. "But then they are, on the other hand, making money. And thirdly, the city oversees it all. They are supply, demand and administration." He described this as "commercialization" of the government. "Virtually every structure of the city has its own non-budget fund," which are used for collecting profits from their businesses, he said.

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These profits often are not accounted for in the city budget. The city has acknowledged, in a prospectus written for overseas investors, that all of its off-budget funds amounted to a fifth of the city's \$9.9 billion in revenues last year, and some experts think the actual amount is far greater. Ulyukaev said details remain largely hidden, even from the city council, which has been weak and passive.

In the case of the Moscow Committee on Science and Technology, Yevtushenkov said it is both a public and private enterprise. It receives city budget money and also earns outside profits. "This has made it possible, so to speak, to preserve the life of the committee," Yevtushenkov said, adding that without the private profits it would be "like a river with a constantly drying-up source."

'Buy for a Dollar, Sell for Two'

In 1993, Yevtushenkov began several other companies, including the Moscow Bank for Reconstruction and Development and the conglomerate Systema.

Systema then underwent explosive growth.

According to Evgeny Novitsky, president of Systema, the conglomerate originally was a group of import-export trading companies. He said they earned 200 to 300 percent profit a year by selling Russian oil abroad and importing consumer goods.

"We took loans, purchased oil, sold this oil to the West. There we bought consumer goods, televisions, computers, food products, sold them in the market here, and on account of this, a large profit margin developed. In 1993, it was possible to make 100 percent in one operation," he recalled. "Buy something for a dollar, sell it for two."

Luzhkov was then highly critical of the national mass privatization scheme—devised by reformer Anatoly Chubais and adopted by President Boris Yeltsin—in which Russians were given voucher checks for their share of the nation's big state-owned firms. Luzhkov said state property was being sold too cheaply. He got Yeltsin's approval to run Moscow privatization his own way, selling property at "good prices."

But while Luzhkov was criticizing the voucher system, Yevtushenkov was taking advantage of it. Systema began to buy up shares in many companies.

According to its own reports, Systema's assets multiplied almost sixfold between 1994 and 1996, to more than \$1 billion. The company says it now has more than 100 enterprises and 30,000 employees in 12 regions of Russia and abroad and is hoping to attract foreign capital. Last year, it earned \$59.6 million in pretax profits on revenues of \$414 million. But unlike some other big Russian companies, Systema has kept out of the limelight. It has issued bare-bones financial balance sheets. Yevtushenkov said Systema only began attracting attention because it got so big.

The ownership of Systema is murky. Novitsky said the parent company is 100 percent owned by another firm, Systema-Invest. That company is in turn 40 percent owned by a Luxembourg investment company, he said, and the remainder is in the hands of individuals, including Yevtushenkov and other managers.

Asked who owns Systema, Yevtushenkov said, "A whole number of people, Novitsky and me as well. It's mostly the management." Novitsky said the city of Moscow holds no shares in Systema.

Yevtushenkov denied that his success was due to his connections in City Hall.

"If someone thinks relations with the city can solve something, this is a mistake," he said. "This is wrong, this is impossible, and you understand this very well. . . . To say that it's only good relations with the city that allowed this, it's not right."

But Systema is in many ways tightly woven into the financial and economic fabric of the city.

For example, the Moscow Bank for Reconstruction and Development, now part of the Systema conglomerate, is one of Moscow's city "authorized" banks, with the lucrative privilege of distributing city funds. According to the bank's first vice president, Oleg Maslov, the bank channels hundreds of billions of rubles in subsidies from the city government to factories such as Zil, for investment purposes, under a special program to support jobs. The bank also issues promissory notes for firms dealing with Moscow's Property Fund, which oversees the sale of city-owned real estate and businesses.

Systema's insurance company insures the Moscow subway. Systema-Neft operates a chain of Moscow gas stations and oil refinery interests. Systema-Gals is a major developer in the center of Moscow. Systema Telecommunications has a large interest in two Moscow cellular phone companies. Systema also owns Detski Mir, the famous Russian children's store a few blocks from City Hall, and a group of electronics factories in Zelenograd, a Moscow suburb, and 2x2, a Moscow cable television channel.

And it was Yevtushenkov's initial creation, the Moscow Committee on Science and Technology, that helped Systema open the door to one of its biggest investments.

Winning a Stake in Phones

The Moscow telephone monopoly, the fifth-largest phone system in the world, with 4 million lines, is notoriously creaky. Some equipment dates back to the 1920s. But even so, Moscow and other regional phone companies have been enormously attractive for investors. The new market economy already is demanding more and better phones. Moreover, regions are discovering that while they cannot easily cut off subsidized gas and electricity, they can raise phone rates—and profitability.

When Moscow decided to privatize 25 percent of the city telephone monopoly in 1995, Yevtushenkov went for it.

He created a new version of his old committee. The name was slightly changed, however. After the "Moscow Committee on Science and Technology" were added the words "and Company."

The "and Company" was, in fact, a group of firms, mostly controlled or owned by Systema.

Yevtushenkov said the name was unimportant. "It could have been given any name," he said. He added that the name of city committee was used "so that it would sound better for the competition."

It sounded good enough. His new company won the shares at the Mos-

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cow City Property Fund investment tender on April 21, 1995. He said the price was \$130 million. When the results were announced, the winner was identified as the "Moscow Committee on Science and Technology and Company." The conglomerate Systema—the real force behind the deal—was not mentioned.

Nor is it clear whether there was any real competition. Moscow officials refused to divulge details about the other bidders. Yevtushenkov said there were several, but newspaper reports at the time said that there was only one other bidder, a firm that had ties to Systema.

Since winning the stake, Systema's role in the Moscow phone monopoly has grown. Yevtushenkov serves on the board. The phone company recently became a major shareholder in Systema's bank, according to Maslov, the bank's first vice president. Systema set up a joint venture to manage some of the phone company's subsidiaries, documents show.

According to Systema, the conglomerate now controls 33.3 percent of the Moscow phone monopoly. The company has a total market capitalization of about \$1.4 billion at current stock prices.

Luzhkov may soon be faced with a big decision that will have a major affect on Yevtushenkov's stake—whether to raise residential phone charges.

In the Soviet era, home telephones were practically free. The rates are still far below cost; Moscow residential users pay \$3.49 a month for unlimited local calling. The phone company wants to boost rates further and introduce pay-per-minute pricing for the first time.

The decision rests with Luzhkov. He approved an earlier rate increase, which was followed by a boost in the telephone company's revenues. Yevtushenkov said he has not talked to the mayor about it. "The raising of tariffs is not a popular measure," he said. "It's very difficult to decide."

Loans From and for the City

Yevtushenkov said he devotes 80 percent of his time to city projects. For example, he is advocating creation of a new city company, to be called Concern Mostelkom, to oversee building of a huge underground telecommunications network in Moscow, and Luzhkov has ordered a study of the idea. Yevtushenkov also is chairman of the council of the Moscow Stock Exchange, a Luzhkov pet project.

Yevtushenkov's role seems to straddle business and government. Moscow borrowed \$500 million from overseas investors earlier this year. The city is making loans from that money to encourage investment. The decisions about who gets the loans are made by a 24-member council on investment and the economy.

Yevtushenkov is a member of that council, which Luzhkov chairs.

One of the investment projects that came before the panel recently was a partially finished office complex at 12 Petrovsky Blvd., an eight-story building and reconstruction of four old mansions in the center of Moscow. The office is being erected by Systema's construction subsidiary. The city owns a fifth of the project.

The investment council agreed to give an 18-month, \$16.5 million loan to Systema to complete the project. The panel also approved two other loans to Systema electronics subsidiaries: \$16.5 million for a factory making television sets, and \$15 million for another plant making digital telephone exchanges.

Sergei Pakhomov, first deputy director of the city municipal debt committee, said Systema "has a good track record." Asked about Yevtushenkov's role in awarding the loans, he said Yevtushenkov "is just one member" of the investment council. "His voice is just one."

"When these projects were discussed, he was silent," Pakhomov said. "He just sat there."

Yevtushenkov said, "I wasn't even present when these questions were examined."

Yevtushenkov is looking out for Luzhkov. He said he enjoys working on large-scale projects for the mayor, such as the ever-expanding TV Center, a new television channel. It is already on the air 18 hours a day, has 937 employees and is laying plans to become a national channel, according to Lysenko, chairman of the city's telecommunications and mass media committee.

The television channel is widely seen as the launching pad for a Luzhkov presidential campaign. Currently, the Moscow Committee on Science and Technology holds 33 percent of the new channel; the city holds the rest.

Luzhkov, who did not respond to a request for an interview, has said repeatedly he is not running for president. Yevtushenkov said it was "hard to say" what would happen in two years, when the next presidential campaign gets underway. But, he added, if Luzhkov runs and asks for his help, "of course I am going to engage in it, help him."

The Moscow Bank for Reconstruction and Development is considering a loan to finance the new TV Center, Lysenko said. Yevtushenkov said he works late into the night on the television project. Eventually, he added, shares in the new television channel would be sold to investors.

"It gives me pleasure to create some large projects, to organize them," he said. "Everyone has their own hobby. I engage in this, it gives me pleasure, great pleasure."

"By nature, I'm not a businessman," he said. "I don't even know how to make money."

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Abroad at Home

ANTHONY LEWIS

'That's
The Way
It Is'

BOSTON

Catherine Caza asked the immigration judge, Rex J. Ford, what would happen to her 7-year-old American daughter if she was deported.

"Ma'am," Judge Ford said, "some of these situations are absolutely heart-wrenching. I will tell you that the law changed and there are no waivers for these things now. I'm not unsympathetic to your situation, but..." He ordered her deported.

Ms. Caza, born in Sault St. Marie, Ontario, was brought to the United States at the age of 3, in 1960. She has lived here ever since: 37 years. Her story has twists that make it unusually harsh even by the standards of deportation cases.

In 1980 in Florida, where she lives, Ms. Caza was taking amphetamine pills prescribed by a doctor. Her boyfriend, as she thought he was, repeatedly asked her to sell him some of the pills. She finally sold him 21, and he turned out to be an undercover Florida policeman. In 1981 she pleaded guilty to a drug charge and was put on probation for five years.

The drug offense made her deportable. On Feb. 3, 1982, the Immigration and Naturalization Service issued an order to show cause why she should not be deported.

Ordinarily the I.N.S. presents such an order to an immigration judge within weeks of issuing it. In this case the service did nothing for 15 years. It filed the order against Catherine Caza in immigration court on Feb. 24, 1997.

The delay is of excruciating significance for Ms. Caza. In 1982 she was eligible for what is called waiver of deportation, which could be granted when deportation would cause extreme hardship to someone who had lived in this country for seven years or more. Changes in immigration law in 1996 made her and others like her ineligible for waiver.

Why did the I.N.S. move against

Catherine Caza this year after doing nothing for 15 years? Why did it act only after she had lost the legal opportunity for a waiver of deportation? Was some bureaucrat going through dusty files looking for easy cases to run up deportation numbers?

The questions matter painfully to Ms. Caza, but they have a more general significance. The I.N.S. is an agency struggling to handle its work load. Why should it strike at someone as non-menacing as Ms. Caza when its stated priority in this area is to deport alien criminals currently in prison for serious offenses?

The I.N.S. takes the position that it does not have prosecutorial discretion to bring only the more serious deportation cases. It would prefer to have Congress lay down rules for discretion in hardship cases like Ms. Caza's, by restoring the waiver process or authorizing some other form of relief.

The issue is not a minor one. The 1996 act has retroactively made thousands of people deportable for crimes far in their pasts. In many cases deportation would send them back to countries with which they no longer have any connection.

One case, for example, is that of Hsue Li (Davey) Lee. He was brought to this country from Taiwan when he was 8 years old. As a teenager he began drinking, and he was convicted a number of times for driving while drunk. He was also convicted of misdemeanors for shooting at traffic signs in rural Virginia.

In 1991 Davey Lee met Elaine, who changed his life. He went to Alcoholics Anonymous, gave up drinking, married Elaine and held a steady job. In 1993 the I.N.S. moved to deport him for the past crimes. He was eligible for waiver, but that eligibility was held to have been removed retroactively by the new law. He is now in jail, awaiting deportation to a place — Taiwan — whose language he does not speak and where his wife and child may not be able to live.

The only flexibility the I.N.S. sees for itself in such deportation cases is the power to grant parole while the cases are litigated, and in its view of the new law even that very limited discretion ends next October. The service maintains that it has no choice but to press for the deportation of people like Catherine Caza and Davey Lee.

At Ms. Caza's hearing last June, Judge Ford told her there was "no relief available to you from deportation." He added: "Unfortunately, that's the way it is at this time. It may change in the future, but at the moment that's the way it is." It will be that way, evidently, unless and until Congress restores some element of forgiveness — which is to say humanity — to our law. □

On My Mind

A. M. ROSENTHAL

Settlement
Is Not
Forever

Beneath all the negotiations, arguments, deals and delays about an Israeli-Palestinian settlement is a fundamental conclusion that both sides share but Americans and Europeans generally have not grasped.

Israelis and Palestinians both feel that it would be possible and in their interest to get a settlement — but that it will not be permanent.

This is an understanding not based on emotional pessimism but on the realities of the half-century since Israel was born. It is a starting point toward understanding the negotiations last year, this year and next year.

Palestinian leaders know that neither they nor their intellectual elite or their activist backers have surrendered their belief that all of Israel, not just the West Bank, is illegally and immorally occupied territory. About their strategy there is no secret: Fight and negotiate "by phases" so that one day all the land will be returned to Muslim control.

By now this is part of Arab consciousness and passion. It is the heart of the Palestinian Covenant that Yasir Arafat has made a career of promising to tear up. It makes no difference now if someday he trades it in for one big concession. It will endure, as he intends, in the minds of Muslims.

The decades of death-to-Israel propaganda have not killed Israel's determination not to cooperate in its own murder. But if two sides understand that one cannot put down the knife by giving up its passion for conquest, that plainly affects the "peace" negotiations. As the constantly threatened country, Israel has to negotiate with security as the goal and test — security now that will provide security all its tomorrows.

Recent history reinforces the need. During the years immediately following the Labor-Palestinian agreement in Oslo, terrorism in Israel did not end; it grew. The peace with Egypt for which Israel returned the huge Sinai has become a daily shower of anti-Israel, anti-Jewish filth.

And in the West, when Israel dared elect a new government, American bureaucrats who had virtually campaigned for Labor could not conceal their fury and hostility.

Israelis also know that Mideast wars are almost always caused not

by Israel's face-off with Palestinians but by Muslim dictators fighting each other, or killing their people.

In Arab wars, however, Israel is turning into the scapegoat of choice — as in the shameful hypocrisy encouraged even in Washington that Israel was responsible for the break-up of the anti-Saddam coalition.

The U.S. had officially and straightforwardly recognized Israel's overriding need to determine and define its borders — Israel, not the Palestinians or the U.S. That was tacit acknowledgment of the special threat to the country.

"Mr. Prime Minister, you can be assured that the United States' commitment to Israel's security is iron-

The key
to Mideast
negotiations.

clad," wrote the Secretary of State. "... A hallmark of U.S. policy remains our commitment to work cooperatively to seek to meet the security needs that Israel identifies. ... Israel is entitled to secure and defensible borders, which should be directly negotiated and agreed with its neighbors."

The letter was from Warren Christopher to Benjamin Netanyahu after Mr. Netanyahu gave up the holy city of Hebron, a part of the Oslo deal its Labor parent never had the courage to carry out.

The U.S. nailed it down in a note for the record: Further Israeli redeployments were "issues for implementation by Israel rather than issues for negotiation with the Palestinians."

That was in February 1997. But since then the U.S. has decided that Israeli borders are not for Israel to identify and implement after all, but that further withdrawals from its borders had to be "credible" in the opinion of the U.S. That Clinton Administration switch tilted the negotiating ground in Palestine's favor and hugely increased the pressure on Israel.

Israel's destructive fragmentation of parties allows cabinet ministers to defy and blackmail the Prime Minister. Almost every one of them has the few votes in the Knesset that could bring down a government. Agreement has to be hammered out, with hammers.

But this is understood by them all, the rock reality: Israel is negotiating not just for this Israeli generation, not just with Yasir Arafat, but for every future generation and with every future Mideast dictator who decides that the time for the "next phase" has come. □

The New York Times

FRIDAY, DECEMBER 19, 1997

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THE PRESIDENT HAS SEEN
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Work in Progress

As Welfare Rolls Drop, Changes Big and Small Hit a Housing Project

The Grocery Gets an ATM,
Coupon-Clipping Is In;
Zero Tolerance for Sloth

New Checkbook Instills Pride

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By CHRISTOPHER GEORGES

Staff Reporter of THE WALL STREET JOURNAL

SEAT PLEASANT, Md. — Two months ago, another man was shot dead in the open-air crack market outside the Pleasant Homes housing project. Across the street at the strip mall, roach spray is still a top seller at Family Dollar. And at Pleasant Homes, where all 285 families live rent-free, the project's grocery-shopping van still fills up just after the food stamps arrive.

But look carefully from the drug dealers' corner, into the window of Pleasant Homes' Apartment 201, and there is a silhouette of change. Four single mothers at the project — friends who meet regularly, trying to make the transition from welfare to work — are gossiping about a neighbor who won't take a job.

"I say cut . . . her . . . off . . . now," exhales Rashae Foster, 20 years old, who has been working on and off in part-time clerical jobs in recent weeks.

"Yeah, every last one of them," adds Shayna Reaves, 28, who for six months now, after six years on welfare, has worked the reception desk at a local Marriott hotel. "And that other girl," she continues, "is going to quit because they put her on evening. Now she's stupid."

"Yeah, stupid," echoes Ms. Foster, though she is still on welfare; her earnings are low enough to keep her on the rolls.

Daureen Greenwall, 38, fingers the frayed hem on her jacket. She says nothing, no longer sure what to think. She recently quit her \$6.05-an-hour job washing dishes, her first job after 15 years on welfare, because she wouldn't work weekends. Vicki Jones, 38, catching Ms. Greenwall's confusion, attempts a rescue. "People are scared," she offers softly.

Falling Caseload

The success of welfare overhaul is usually measured in hard numbers: jobs taken, cases closed. Nationwide, and here in Prince George's County, just outside Washington, the caseload has dropped about 25% since 1995. Even at Pleasant Homes, where the average annual income is about \$8,000, at least 25% of the welfare recipients have joined the work force.

But the impact of the landmark 1996 law, which imposed time limits on welfare benefits, can also be calibrated in more subtle ways. Welfare reformers set out not just to fill jobs, but also to engineer changes in attitude and behavior — changes that can be measured only in shades of gray.

For the women who meet in Apartment 201, a community unit where Pleasant Home residents can gather, the past year has brought changes not just in hours worked or income earned, but in their approaches toward marriage, children, money and work. The women have been nudged, sometimes shoved, onto the reformers' path — but not always, and never completely. There is new hope, but they still suffer from the old fears that a better life will remain beyond their reach.

A Dead End?

For Rashae Foster, it has been nearly a year since she entered job training — and six months since she mastered computer programs like Word and Lotus. Yet she is still searching for a full-time job.

Ms. Foster, the quickest and brashest of the group — she openly carries a pocket-knife when crossing the Pleasant Homes grounds at night — is in her third year on welfare. For her, a mother of two sons, low-wage work isn't good enough.

"If things were different, she could have easily been sitting next to me in college," says Kim Emmons-Benjet of the Noah Group program, which provided job training to Ms. Foster and many other Pleasant Homes residents.

The question Ms. Foster faces: Is temporary clerical work a starting point or a dead end?

Once, she was sure of the answer. "I already took my brain to another level," she says, referring to her computer training. Since then, she has resisted the dreary trip back to the low-wage treadmill: shampooing heads for \$3 each at Shazzi's salon, or salting fries at McDonald's. It isn't worth it for \$6 an hour, she says.

Before settling for work at a Marriott earlier this year, Ms. Reaves had trained her sights, too, on computer classes. But eyeing her prospects, she shifted.

"You have to crawl before you can walk," she admonishes Ms. Foster.

"I have too many skills for that," Ms. Foster snaps back. "I'm not cleaning anyone's room. I don't wear uniforms."

"Yeah, I wanted a big job, just like you," says Ms. Reaves. "When they said hotels, I said 'No — computer class.' But at least I got this."

"I trained in computers," says Ms. Foster. "That's what I'm going to do."

Later, alone, Ms. Reaves is still kicking. "She wants a big job in a fancy building where she can wear nice clothes," she says of Ms. Foster. "I want it big like she does. But I'm better off taking what I can get now."

Until now, that has been very little. Years ago, she dropped out of high

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school and stocked shelves at a department store. She had two baby girls by the age of 22. Now, she has a steady Marriott job, and was front-page news in the Pleasant Homes newsletter: Shayna Reaves, success story.

For six months she has been getting roused out of bed at 4:30 a.m., hustling through a daily Marriott checklist and hearing that she can't have the afternoon off to take her baby to the doctor. "I take reservations. I check people in," she says. What else is there to explain? She pauses. Oh, yes, she adds: "I love my job."

Ms. Reaves makes about \$1,200 a month. After factoring out her new expenses—babysitters, cab fare to work and the like—her monthly income is about \$200 more than what she got last year on welfare.

She is far more frugal on many things. She buys store-brand cereal instead of Lucky Charms. The monthly wait for food stamps is out, but the weekly wait for Sunday coupons is in. On a recent trip to Shopper's Warehouse, she lingers before the case of Tombstone frozen pizzas, \$3.67 each, but decides against it.

"It feels funny for me to spend my own money," she explains. Her \$300 a month worth of food stamps "didn't seem like money. It was more like, you know, free."

The paycheck effect surfaces at the strip mall across the street, where Murry's supermarket is offering buy-one, get-one-free French toast sticks. "We're doing a lot more of that now," says store manager Werner Binding, explaining that without food stamps, shoppers press for pennies. Chicken sales are up 23%, he says, steak is down 10%. Murry's brand \$1.99-a-box Fruit Rings are flying off the shelf—30 cases went last month, compared with two cases of the \$4.19-a-box Froot Loops.

This past summer, an automated-teller machine made its debut at Murry's; all those paychecks mean more direct deposit. At the CVS pharmacy, overall sales are no higher this year, but in several recent months, sales stayed steady through the period. "Never seen that before," says store manager Tonya Brock. In the old days, business would cluster around the first of the month, when welfare checks were issued.

Though Ms. Reaves pinches pennies on groceries, she spends freely on newfound priorities. As a result, her savings over six months amounts to just \$100.

She crosses the living room, passing the four-foot TV/VCR/stereo tower, to feed the fish—three new red devils chasing each other around the 40-gallon auto-filtered tank, almost a lake in this tiny apartment. The tank arrived three months ago, but Ms. Reaves waited until last month, after the wall-to-wall carpet was laid, to fill it. Fish fed, she settles back onto one of the two new black-vinyl couches (total cost \$700) that frame the room.

She isn't complaining. How could she? From her bedroom, five-year-old Shakia approaches her mommy. The girl, tugging at her new Donna Karan blouse, demands to feed the already-fed fish.

Ms. Reaves treats herself well these days: Nordstrom's has replaced Kmart. Shoe boxes, with Timberlands on top, stack waist-high in her bedroom closet. Next June, she will take the girls to Disney World near Orlando, Fla., instead of Virginia's Kings Dominion. Christmas morning will be a two-layaway-plan event: dolls and a new bedroom dresser to rest them on.

Spending Habits

Back in Apartment 201, the spending adjustment takes a more ominous tone.

"We do a lot of dumb things, don't we?" says Ms. Jones.

"Yeah, I go through money like nothing," says Ms. Reaves.

"You're not saving. You're out shopping," says Ms. Jones.

"I need help. For real," says Ms. Reaves.

"I need one more picture for my wall," says Ms. Foster.

"You're just as bad," says Ms. Reaves.

"I'm going to get some white furniture. I always wanted white furniture," says Ms. Jones.

"It's clothes," says Ms. Reaves.

"Clothes," echoes Ms. Foster.

"Clothes for the kids. Clothes for the mommy," says Ms. Reaves.

"I'm broke," says Ms. Reaves. "It's not funny. I'm not doing it anymore. I just got a checkbook. I'm going to hide it."

But she does the opposite. She carries it always. Not to use—the account is nearly empty—but to wear like jewelry, simply because she has it. Indeed, the day her checkbook arrived, she showed it off to a visitor: "This is something I've always wanted," she said, producing the checks for inspection. "People pull out their checkbooks. Now I can, too."

'A Long Sit'

For Daureen Greenwall, a checkbook is still far off. Since quitting her dishwashing job in October, she has mounted a mostly symbolic effort to find new work. After 15 years on welfare, with three sons, Ms. Greenwall was a prime candidate for reform. So she signed up for job training a year ago and never missed a class.

She trained to prepare sumptuous dishes, but could only land a job washing them. It required a ride on the subway, which she had never taken. Indeed, she has never traveled more than a few miles beyond Seat Pleasant. "My heaven," she says, describing her tiny bedroom, covered wall to wall with tiny winged angels and verses of scripture. Her three boys share the other bedroom, which is decorated with a fish tank that has no fish.

Since quitting her job—too far away, too little pay, too many days—hope has dimmed for a new one.

One afternoon, she descends to the walk-in applicant desk at the downtown Washington Marriott. A six-deep line of job seekers offers little encouragement; the reminder on the wall, "Federal Minimum Wage Is Now \$5.15 an Hour," offers even less.

"It's going to be a long sit," says a job seeker who sits

beside her. At first, there is no response from Ms. Greenwall, who fussed with her hair all morning for what will be a cursory 10-minute interview. But the man keeps talking, and she warms up. He is an immigrant from Africa. He is open to the Marriott job, but really wants to work as a mechanic. Then, someone tries to cut in front of Ms. Greenwall, and her wait-mate steps in to defend her position in line. She is impressed.

Staying Single

Back in Apartment 201 that evening, Ms. Jones asks about the interview, but Ms. Greenwall's mind is elsewhere.

"No kids, and he was really nice looking," she says.

"You get a lot of maniacs out there," warns Ms. Jones.

"I was trying to wait for him to come out after. He was going for housekeeping, too. We'll meet again."

"Uh-huh," says Ms. Jones, knowing to step aside.

"I'm going to say something. Next time, I'm going to push myself," says Ms. Greenwall. "I got to."

Since the birth of her first boy 15 years ago, and the welfare checks that came with him, Ms. Greenwall has had little inclination to marry. Among the four women, three of whom say they suffered through abusive relationships, none expected, or even desired, to marry the fathers of their children. Ms. Jones broke ties with her mother rather than accept a proposal from her first baby's father. "Did I like him? Yes. Did I love him? No," she says. "There was no advantage to being married."

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One of the tenets of welfare reform has been erasing advantages to single parenthood: Simply put, being poor and single with children no longer triggers benefits. Still, at Pleasant Homes, the response to the marriage question remains the same. "When the time is right, I'll do it," says Ms. Foster, seated in her apartment a few feet from the television, stereo and VCR, all gifts from her new boyfriend. "Where does it say I should get married now?"

Ms. Foster delivers a secret to her friends. She has asked her boyfriend "to go to the justice of the peace and have a little wedding." Later, she says she has put an engagement ring on a layaway plan. "I'm not asking anything. Just put that fat ring on my finger," she tells her skeptical friends, who know her boyfriend.

"I'm not going to have any more kids until I get married. I want that man around. No more boyfriends. . . . It's too hard," says Ms. Greenwall.

"I try to think logical," says Ms. Jones. "I used to tell myself now is not the right time. But if you can do it now, now may be the right time."

Later, Ms. Greenwall offers her own conditions: "He has to have money, but he doesn't have to be rich. And a car. If he could accept my kids, I could accept him. And a car . . ."

No More Kids

Another shift can be detected in attitudes toward bearing more children.

"Not in my vocabulary," says Ms. Reaves, seated a few feet from the only reading material in her living room, "The Challenge of Toddlers." "I have enough struggles with the ones I have."

That is precisely the thinking that policy makers had in mind by ending the old policy that increased benefits for additional children. Researchers disagree over whether the new policies have had much effect. But among these women, all mothers by the age of 21, there are nine children, and no one plans to make it 10.

Ms. Reaves and her friends giggle in gossip over the neighbor they have nicknamed "The Breeder."

"Eight kids by eight daddies," Ms. Reaves chortles. Though Ms. Reaves will, this Christmas, grant her daughter's wish for the doll that comes with diaper changes, she openly wonders if the toy sends the wrong message.

"This is not the 1970s, having all these kids," says Ms. Foster. "You've got to be sick."

Still, there are measures brought on by welfare reform that the women in Apartment 201 resent. One of the most irksome is the requirement to provide the state with information about the fathers of their children.

Several of the women feel that the state's questions show little respect for their privacy or their dignity.

Ms. Reaves and Ms. Foster compare how they have, at times, dealt with welfare workers:

"I told them: 'I met him one time, got pregnant, and didn't see him again,'" says Ms. Reaves.

"Yep," says Ms. Foster.

"Do you know his name?" No," says Ms. Reaves, recalling her responses to the state's questionnaires.

"Nope," echoes Ms. Foster.

"Have you seen him on the street?" No," says Ms. Reaves.

"I say the same thing," says Ms. Foster.

"Do you know his mother?" No," says Ms. Reaves.

"They just want to know your business," says Ms. Foster.

"They want to stereotype us like we're lowly," says Ms. Reaves.

"Low life . . ." Ms. Foster interjects.

"And that's not true," says Ms. Reaves.

A New Attitude

As the group in Apartment 201 drifts further from welfare, their views of welfare mothers have grown harsher.

"It makes me mad," Ms. Reaves says. "Taking money out of my check and giving it to those ho's." She calls them "lazy" and "shiftless."

"One of them," she notes, "had the nerve to have a set of twins."

"The stuff they pull now," says Ms. Reaves.

"I've never seen anything like it in my life," adds Ms. Jones.

"They've got men in their house with their mothers. It's nasty," says Ms. Reaves.

"When I was 17, I took care of my own," says Ms. Foster. "My mother stayed with me, but I took care of my own. When it comes down to who the mother is, I'm the big mama."

"Big mama," echoes her five-year-old son Stephan, playing at her feet, hearing a phrase he recognizes.

Predawn Ritual

Crossing from welfare mother to working mother is tough.

At 5:37 a.m. one Tuesday, the Reaves home is in the middle of a boot crisis. Ms. Reaves yells after Shakia, five, who has retreated with her older sister into the kitchen: "You tell me. Just how could you lose your boots?" She doesn't wait for an answer. She is due at work, a 20-minute cab ride away, at 6. Ms. Reaves navigates around three bags of unwashed laundry that clog the hallway and disappears into the girls' room. The two girls work around the unwashed dishes, packing their premade Lunchables.

Ms. Reaves is proud of her new status: "When the girls ask me, 'Mommy do you have to go work today?' it feels good," she says. But not necessarily before dawn. The stress of juggling job and family is new to Ms. Reaves.

She wants a higher-paying job, but no more responsibility. How about a move up to manager? "Not interested," she says. "They have to do too much." She grumbles that her daily Marriott checklist is so long, she can no longer volunteer at her daughter's school. Face-to-face meetings with the girls' teachers have been replaced by phone conferences.

It spills from work to play. One Saturday night, the crowd at Dave's bar, just down the road from Pleasant Homes, has swelled into the parking lot and beyond the "No Loitering" sign. A year ago, Ms. Reaves rarely passed up Dave's Saturday night \$5 zombie drinks. This night, three hours after getting home from work, she is in her apartment, her Marriott name tag still pinned to the uniform shirt she has yet to shed, watching professional wrestling with a girlfriend.

The phone rings. "I can't hang out late," she tells a friend. "I've got work tomorrow."

Up the Ladder

It is early December, and Ms. Foster has all but abandoned hope for a computer job. At a temp testing center, she works her way down the application: "Can you work weekends?" She checks NO. "Short notice?" NO again. "I really don't want to do this," she says aloud in the waiting area. "I'm tired of temping."

Ms. Greenwall is just tired. She has reapplied to Kmart, McDonald's, Marriott. Back on welfare, she has retreated to her old life, cooking for elderly neighbors, watching after her four-year-old, Leon. She has time again to build her collection, seven years in the making, of hundreds of ceramic figurines arranged in every nook of her apartment. There is "Cat City" under the living room table, "Dog City" by the door.

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She has a new plan: She will write fiction. Each morning in recent weeks, she has retreated to a tiny room—actually a walk-in closet dominated by a broken computer—to work on a story neatly penned on loose sheets of composition-book paper. It is about a girl, Miss Ann, and her housekeeper, Mrs. Andy, who is dying of cancer.

It begins this way: "This is the story about a young woman named Ann Dickson who grows up with a maid who wasn't just a housekeeper, but her best friend. She lived in California with her parents who are rich people, their house looks like a mansion. The inside of the home looks like a movie star's home. Well, as time goes on Miss Ann becomes a doctor in three years."

She hopes to get her stories published someday. "I need the money to build my dreams," she says. "If only someone can read them, I know they'll touch their heart."

And it would ease her own. "If only I could stay home and write, that would be my life," she says.

Shayna Reaves wants the opposite: to move to a job closer than a \$10 cab ride, to shifts that begin after sunrise, and, just maybe, to \$8 an hour. She hears about an opening at a closer Marriott with higher pay and better hours. She is determined to set an appointment on a day off. But three weeks running, she fails to make it: Sick children, extra training sessions and holiday shopping all intercede. The job gets filled by someone else, and Ms. Reaves puts off her search until next month. Instead, she will apply for emergency food stamps.

One evening, Ms. Jones senses Ms. Reaves's frustration.

"You've got to go for it," says Ms. Jones, who is gunning for a promotion herself, adding "management people don't have to work so hard."

Ms. Reaves straightens up but says nothing.

Ms. Jones continues, detailing the job she wants (one floor up, in the administrative office) and even the date (Feb. 1) that she plans to confront her boss about it. "I know the job. I know the person who's got it, and I can do it better than her," she says. "And I'll tell her, 'I have no problem with taking your job.'"

She has squeezed a laugh out of Ms. Reaves, maybe more. "You're right. I'll go for it," Ms. Reaves says. "I'll get it. I've got to." ♦

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