

# TIME

REPORTS

Glencoe Social Studies

# CURRENT EVENTS UPDATE

SPRING 1999

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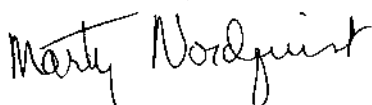
To the Teacher:

In an ongoing effort to keep you and your students up to date on the complex and far-reaching events that are unfolding around the globe, Glencoe/McGraw-Hill provides this current events update twice a year.

With this issue, Glencoe/McGraw-Hill and TIME Education Program are proud to announce a co-publishing relationship. The *TIME/Glencoe Current Events Update Spring 1999* brings the latest information about important happenings, issues and trends to your students in the vivid and compelling style for which TIME Magazine is renowned. On the following pages, you'll find news reports, feature stories, interviews, maps, graphs, charts and poll data taken exclusively from recent issues of TIME. Accompanying these articles are questions and worksheets to help students analyze and investigate the topics about which they have been reading. We hope the *TIME/Glencoe Current Events Update Spring 1999* will lead your students to a deeper understanding of the latest developments in the United States and abroad.

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Best wishes,



Marty Nordquist  
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Glencoe/McGraw-Hill



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Executive Editor  
TIME Education Program

# Current Events Update

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# Now Hear This

The G.O.P. thought it was its year. But Democrats got the last laugh in the midterm elections by talking issues, not investigations

By RICHARD LACAYO

**T**O UNDERSTAND THE DEEP BEWILDERMENT that Election Day '98 visited on the Republicans, you had only to look at Senators Al D'Amato and Lauch Faircloth, two of Bill Clinton's sweatiest pursuers, making their baffled concessions. Or to hear Newt Gingrich, who said last April that he would never give another speech without mentioning the White House scandals, complaining about how it was the media that had been obsessed with the whole nasty thing.

To put it another way, one day it was Clinton whose job was on the line. The next it was Gingrich. But the surprising election of 1998 did more than take a load off one man's shoulders and put it on another's till he dropped.

It brought home that all year the governing majority in Congress has done just about anything but govern. From the moment in January that Monica Lewinsky became as famous as

Michael Jordan, official Washington and its media auxiliary have been transfixed by the White House scandal. And for a while, who wasn't? But in time most people moved back to matters nearer at hand—getting ahead, getting settled, getting more sleep, anything but “that.” Somehow Congress did not hear. The tobacco deal collapsed; campaign-finance reform died; the patients' bill of rights was shelved. Through it all, the Republicans on Capitol Hill stayed on message. Too bad for them that the message was all Monica all the time.

On Tuesday, voters got the chance to send Washington their own message. It was two words: *Shut up!* So the election that was supposed to be another G.O.P. blowout ended with a gain of five House

seats for the Democrats, no change in the Senate and the morning-after spectacle of dumbstruck Republicans. They will still rule the next Congress, but with nothing like the headlong confidence they brought there after their triumph in 1994, when they knew in their bones that they were the party with a direct channel to the majority will. What most Americans these days appear to want is reasonable safeguards for a personal well-being that they otherwise wish to pursue without interference. As the pollsters keep discovering, they care about education, HMO reform and shoring up Social Security. They also want a Congress that operates effectively on those matters and a President who's a bit like a mayor, a ground-level problem solver, even if he has his own jet.

**The election that was supposed to be another G.O.P. blowout ended with a gain of five House seats for the Democrats.**

THERE WERE REPUBLICANS this year who got it. Texas Governor George W. Bush, the (very) early G.O.P. front runner for the 2000 presidential race, is so intent on classroom issues he's done

everything short of write his agenda on a chalkboard. But for the most part, it was Democrats who could talk the talk in '98, just as it was Republicans who sounded most plausible on things like budget cutting and welfare reform in '94.

For months to come the Republicans will claw at one another over whether they fumbled this election because they were too belligerent or because they were not belligerent enough. The fight will be over moving to the center vs. mobilizing the base, “compassionate” vs. “principled” conservatism. The G.O.P. predicament is written in stone by now. The religious conservatives who provide that listless base complain that party leadership offered no agenda this year to bring them to the

polls. But a good part of the agenda they have in mind—against abortion rights, gays and legalized gambling—is not one that sells with most voters. In the early 1970s, the Democrats drifted into disaster after they let the left wing of their party seize the wheel. Now the G.O.P. has to aim for the same political center that the Democrats have been struggling back toward for the past decade. For anyone trying to win elections right now, the two most frightening words in American politics may be “activist base.”

So even Republican leaders were praising the Democrats, ripened by their own past afflictions, for their shrewd strategy going into Tuesday. Instead of expensive TV advertising, Democrats stressed organization and turnout. (It worked. On Tuesday 37% of all eligible voters showed up. The Republican strategy was based on a 33% turnout, in which their base would have loomed larger.) The Democrats’ own activist wings turned out. Unions struggled successfully, via rallies, phone banks and radio shows, to get members to the polls. Black leaders worked on producing a turnout that saved Southern Democrats.

Early on, the party decided not to send Clinton to big political crowd shows, which consume time and money and draw attention away from candi-

dates and issues. (Not incidentally, they would also have reminded voters of their mixed feelings about the Big Guy.) Democrats recruited more conservative and even pro-life candidates, which made it easier for disenchanted Republicans to feel comfortable about defecting. It’s no surprise that 4 out of 5 voters who identified themselves as liberal voted for Democrats. And among the half of all Americans who call themselves moderates, Democrats also prevailed, 54% to 43%. As newly elevated presidential adviser Doug Sosnik put it, “I’m 42 years old, and this is the first time in my adult political life where being a Democrat is being in the mainstream.”

IN 1994 NEWT GINGRICH MADE HIS PARTY A MAJORITY in both houses of Congress by nationalizing an off-year election, turning it into a referendum on the Republicans’ Contract with America. His mistake this year was to try the same trick, but backward. Where once the Republicans promised to bring voters’ concerns to Washington, this time they tried to bring Washington’s obsessions to voters. Though most candidates of both parties took pains to steer clear of the White House scandal, the G.O.P. leadership, in a campaign personally approved by Gingrich, brought it all up again in last-

minute TV spots around the country. Whatever else they cared about, people went to the polls with just a glimmer of a suspicion that Republicans were eager to drag them through the mess forever. ■

**Questions**

1. What issues and strategies did each political party stress going into the midterm elections?
2. Why were the election results surprising? What accounts for the Democrats’ strong showing?



# Body Slam

Everyone laughed. Then everyone gasped. Here's why Jesse Ventura is a populist hero

By PAUL GRAY

**S**URE, MINNESOTA'S GUBERNATORIAL CAMPAIGN had been a hoot, what with a no-chance-on-earth third-party candidate mauling about the state and providing some comic relief from the stiffs who headed up the Republican and Democratic tickets. But the election was supposed to signal sober-up time. Instead, the good citizens of Minnesota learned that they—or 37% of the 61% of those who went to the polls—had voted into the Governor's office a 6 ft. 4 in., 250-lb. shaved-head former professional wrestler and Twin City radio shock jock named Jesse ("The Body") Ventura.

The traditionally progressive, populist state that has given the nation such substantive political figures as Hubert H. Humphrey, Eugene McCarthy and Walter Mondale braced itself for ridicule. But once the joking had subsided, the head scratching began. For Ventura's triumph in Minnesota was a stunning political upset with unforeseen causes and unpredictable consequences. He was the first candidate of Ross Perot's Reform Party to win statewide office. He defeated two respected, if not beloved, career politicians—Republican Norm Coleman, mayor of St. Paul, and Democrat Hubert ("Skip") Humphrey III, state attorney general and son of the late Vice President. Ventura's slogan, "Retaliate in '98," seemed an off-key way to appeal to voters in a prosperous and well-governed state with 2.4% unemployment. Retaliate for what?

Boredom seems to be the most likely answer,

plus a growing grass-roots resentment of elitist politicians who govern by focus groups rather than personal convictions. Ventura's campaign manager, Doug Friedline, says, "He's very straightforward and honest. You may not like his answers, but you're gonna get them anyway."

At first blush, straightforward and honest seem odd terms, even for a campaign manager, to apply to someone who made his name in the phantasmagorically staged world of pro wrestling and then parlayed his fame into roles in Hollywood action films, including *Predator*, *The Running Man* and *Batman & Robin*.

Ventura entered Minnesota politics in 1990 when he ran for mayor of Brooklyn Park, a Minneapolis suburb, and won, causing a nervous frisson in the state's political establishment. Here was a guy who had campaigned on a Harley. Still, how much harm could Ventura do? He had been elected to a part-time job; most of the work was done by a paid manager.

Ventura's campaign galvanized younger Minnesotans. They swarmed to the polls to register and

vote on Election Day—Minnesota law allows same-day registration—in such numbers that some polling places ran out of ballots and had to run off copies. This surge of new voters explains

**Galvanized by Ventura's campaign, younger voters swarmed to the polls and made Minnesota's 61% election turnout the highest in the nation.**

why Minnesota's 61% election turnout was the highest in the nation.

Ventura is plainly not the knucklehead he has sometimes pretended to be. The question is not whether he can learn on the job—say what needs to be said, do what needs to be done, make nice when political advantage and simple prudence dictate such a course—but whether doing so will put him at odds with his own freewheeling nature. Minnesotans and the nation at large can look forward to the unusual spectacle of a man wrestling with himself. ■

#### Questions

1. Why was Jesse Ventura's victory a stunning upset?
2. What accounts for Ventura's appeal?

# Analyzing the Election Results

The Democrats' gain of five House seats in the midterm Congressional elections leaves the two parties closer to parity than most political observers had predicted: 224 Republican seats to the Democrats' 210. The House appears to be moving toward a point of political balance; state by state, however, the scales are not so even.

Using the information in the box below, color or shade each state on the U.S. map to indicate whether its House delegation has a majority of Republican (red) or Democratic (blue) members. Then answer the questions at right.

### Comprehension and Analysis

- Describe regional patterns that emerge on this map. Which areas of the country appear to be most strongly Republican? Most solidly Democratic? Which regions show a close-to-even balance between Republican and Democratic representatives in Congress?
- Make a prediction about the composition of the 107th Congress, to be elected in the year 2000. What do you think will happen in your own state? In the sections of the country you identified as "strongly Republican" and "solidly Democratic"? Why?

### Class Activity: Mapping a Changing Congress

Make eight clean copies of the map below. Then, individually or with others, "map" the party composition of state Congressional delegations in each midterm election from 1966 through 1994. Use the same shading or color as you did earlier. (Data for past elections can be found in political almanacs for the corresponding year.) Display this series of maps along a wall or arrange them in a notebook, and study the changes you can observe over the last three decades. What story do the maps tell?



### COMPOSITION OF THE 106TH U.S. HOUSE OF REPRESENTATIVES

State	D	R	State	D	R	State	D	R	State	D	R	State	D	R
Alabama	2	5	Hawaii	2	0	Massachusetts	10	0	New Mexico	1	2	South Dakota	0	1
Alaska	0	1	Idaho	0	2	Michigan	10	6	New York	18	13	Tennessee	4	5
Arizona	1	5	Illinois	10	10	Minnesota	6	2	North Carolina	5	7	Texas	17	13
Arkansas	2	2	Indiana	4	6	Mississippi	3	2	North Dakota	1	0	Utah	0	3
California	28	24	Iowa	1	4	Missouri	5	4	Ohio	8	11	Vermont	(1 Independent)	
Colorado	2	4	Kansas	1	3	Montana	0	1	Oklahoma	0	6	Virginia	6	5
Connecticut	4	2	Kentucky	1	5	Nebraska	0	3	Oregon	3	2	Washington	5	4
Delaware	0	1	Louisiana	2	5	Nevada	1	1	Pennsylvania	11	10	West Virginia	3	0
Florida	8	15	Maine	2	0	New Hampshire	0	2	Rhode Island	2	0	Wisconsin	5	4
Georgia	3	8	Maryland	4	4	New Jersey	7	6	South Carolina	2	4	Wyoming	0	1

# Washington Burning

For only the second time in history, the House impeaches the President as bombs burst in air and partisanship flares

By RICHARD LACAYO

**I**N THE END THE HOUSE IMPEACHMENT VOTE finally did feel historic. But only if you kept in mind just how soiled and cartwheeling real events can be. "History...is indeed little more than a chronicle of the crimes, follies and misfortunes of mankind," wrote Edward Gibbon, author of *The History of the Decline and Fall of the Roman Empire* and a man who died 200 years before Monica Lewinsky met Bill Clinton.

Or William Jefferson Clinton, to use his ceremonious full name, which is the only one that will do for this. On Saturday, Dec. 19, William Jefferson Clinton, the 42nd President of the United States, became the second President in American history to be impeached by the House of Representatives.

Which was, by that time, a viper's nest, and a place sent reeling by the events it had been called upon to absorb in a few short days. All the same, as

the voting proceeded on the four articles of impeachment, the mood that this whole strange year was always supposed to invoke but almost never did—sober-minded, even a little abashed—finally settled across the capital and maybe across the country. Every imaginable motive was still at work in "the process," every kind of ugly reckoning is probably still to come, but for once all the players seemed truly struck by the seriousness of the game. In a passionate floor speech before the vote, minority leader Richard Gephardt cried, "May God have mercy on this Congress." It was maybe the one sentiment that could have got a bipartisan vote of approval.

A few minutes later, by a vote of 228 to 206, the House adopted the first article of impeachment, accusing the President of lying under oath to Kenneth Starr's grand jury about his affair with Lewinsky. Five members of each party defected. A second article, which accused Clinton of committing perjury in the Paula Jones suit, was rejected by a vote of 229

to 205. The House approved a third article, which accused Clinton of obstructing justice by coaching his secretary, Betty Currie, to lie about his relationship with Lewinsky, by a vote of 221 to 212. But a fourth and final article, which accused him of abuse of power for giving dismissive or evasive answers to some of the 81 questions put to him by the House Judiciary Committee, was rejected by a vote of 285 to 148.

On Tuesday, as impeachment became a sure thing, Bill Clinton was literally in the air. After his four-day official trip to Israel, he was flying home on Air Force One. While in Israel and the Gaza Strip,





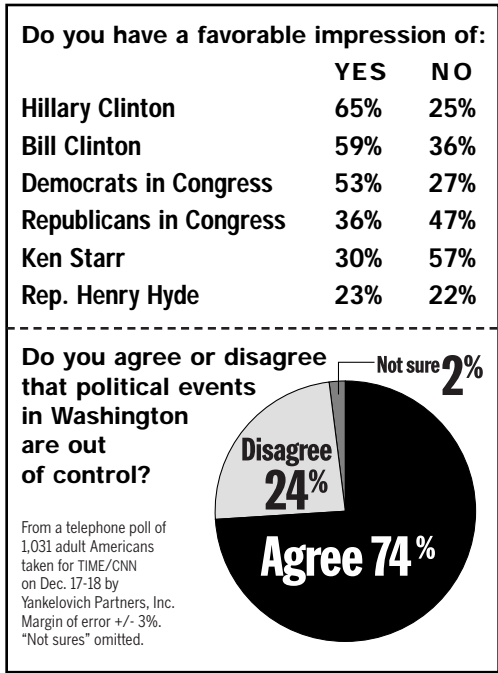
where he had become the first U.S. President to set foot on Palestinian-controlled soil, Clinton still hoped that once he got back home there would be time to sit down with House G.O.P. centrists and bid for their support. But now aides were telling him that impeachment, which everyone believed was impossible just a few weeks earlier, was inevitable. Undecided Republicans were falling into the party line.

ONE REASON WAS THE LEADERSHIP vacuum in the House G.O.P. With Newt Gingrich out

of the picture, control of the process had fallen to House whip Tom DeLay, the hardest of anti-Clinton hard-liners, who had ensured that moderates favoring censure had no place to go.

It was aboard Air Force One that Clinton confronted what had become his simultaneous preoccupation: Iraq. Later that afternoon, he took part in an hour-long onboard conference call with Vice President Gore and a group of foreign policy advisers. In the call, discussion focused first on the report that would be delivered later that day by Richard Butler, chairman of UNSCOM, the U.N. special commission that oversees weapons inspections in Iraq. In scathing terms, Butler would say that the "full cooperation" that Saddam had promised on Nov. 15, in the face of an earlier military buildup against him, had turned out to be a sham.

The group quickly agreed that air strikes were the right option. Before the call ended, there was a second discussion, this time about what Berger carefully described as "any other factors that should lead us to do anything differently." What he meant was the certainty of a political storm in Washington about the timing of the attacks. According to one participant in the call, the President concluded that if it was necessary to go forward with the assaults for national security reasons, then it would be impossible to explain how he could refuse to order the attacks because of potential political fallout.



On Wednesday afternoon, the President started making calls to Senate friends such as Ted Kennedy and Connecticut's Chris Dodd. Clinton accepted that he was going to be impeached but insisted he wouldn't resign or even admit to perjury because he did not believe he had lied. What he wanted now was assurance that there were enough secure votes to fend off conviction in a Senate in which ouster would require a dozen Democrats to join all the Republicans.

In his televised address to the nation Wednesday night,

the President argued that a delay of even a couple of days would have given Saddam time to prepare for the attack by dispersing his forces and hiding his weapons. As expected, Republicans were suspicious that the entire campaign was an attempt by Clinton to postpone the impeachment vote and buy time to find some way out.

In many ways, last week's drama was about revenge. Clinton's impeachment is the latest episode in the intensification of congressional partisanship that dates back at least to the Democrat-controlled Senate's 1987 rejection of Robert Bork for the Supreme Court. It includes the scuttling of George Bush's nomination of John Tower to become Defense Secretary amid rumors about his drinking and behavior toward women, as well as the fight over Clarence Thomas, the ouster of House Speaker Jim Wright on ethics charges and the fight that Newt Gingrich led over the misuse of the House bank. Congress is now involved in an endless cycle of payback that makes the warring House of Atreus seem like just one more placid Greek family. ■

**Questions**

1. What accusations against Bill Clinton were contained in the four articles of impeachment? Of these, which were approved by the House?
2. What makes the House's impeachment of President Clinton historic?

# The Great Disconnect

While Washington obsesses about the President's trial, the rest of the country is busy with more important matters

By **NANCY GIBBS** and **MICHAEL DUFFY**

**A**S HE SAT AT HIS BACK-ROW DESK LAST WEEK, Senator Sam Brownback of Kansas listened carefully to the House prosecutors making their case and wondered about his duty to a President he wants to treat fairly, the laws he swore to uphold and the people of Kansas whose interests he promised to defend.

Except what if those people are too busy to care? A man who takes his faith so seriously that he once washed a departing staff member's feet as a gesture of thanks, Brownback has an idea about what his constituents are praying for these days: "They just want it over with," he says. And however it turns out, they tell him, it will have no effect whatever on their lives. "That," he says quietly, "is an amazing thing."

Brownback, a Republican, got a lump in his throat two weeks ago when he raised his right hand and swore "to do impartial justice." It's the President of the U.S., he thought. This is serious. "But I had a keen sense of sadness too," he recalled later. "You tell your kids not to do things that are wrong, but whatever they do, you tell them, 'Don't lie about it.' Americans all over the country say that every day to their

kids. That's the reason we're here. That's the reason the Chief Justice is here, 100 Senators are here, and all this time and money is being spent. Because of that one admonition."

When they retired to the cloakrooms on Saturday night, the Senators had to admit the House managers had done better than expected in presenting the case against Clinton. On Day One, Henry Hyde was brief, James Sensenbrenner was solid, and Asa Hutchinson stole the show. But on Saturday, South Carolina Republican Lindsey Graham struck an empathic chord. Instead of insisting that the case was clear-cut, he acknowledged that the Senate faced a difficult decision.

Many legal scholars believe the President is more vulnerable to charges that he lied about an affair than that he confected a conspiracy to conceal it. But the perjury charges do not throw open the doors to witnesses, and witnesses are what the House prosecutors want above all: witnesses are their last chance to sway opinion. The obstruction case, the Republicans realized, was the fastest way to convince Senators that the major players had to be called. "Can you convict the President of the United States," asked Hutchinson, "without hearing testimony of one of the key witnesses? Second: Can you dismiss the charges under this strong set of facts and circumstances without hearing and evaluating the credibility of the key witnesses?"

Later Brownback sounds as if he is wrestling with issues of justice and mercy. "You sit in those

hearings, and it's a sad role, but you realize none of us is perfect. There are consequences to actions, but none of us is perfect. If you're in a civil society, you have to dispense justice but also forgiveness." ■

## Questions

1. To what charges do legal experts think the President is most vulnerable?
2. Why do the House prosecutors want to present witnesses at the Senate trial?

## TIME/CNN POLL

**Do you approve or disapprove of the way the Senate is handling the impeachment trial of President Clinton?**

Approve 35%      Disapprove 47%

**Do you want the Senate to proceed with the trial or end it immediately?**

Proceed 38%      End immediately 59%

**In their role as jurors in the trial, will most Senators "do impartial justice according to the Constitution and the laws?"**

Yes 41%      No 50%

**Should the Senate remove Clinton from office?**

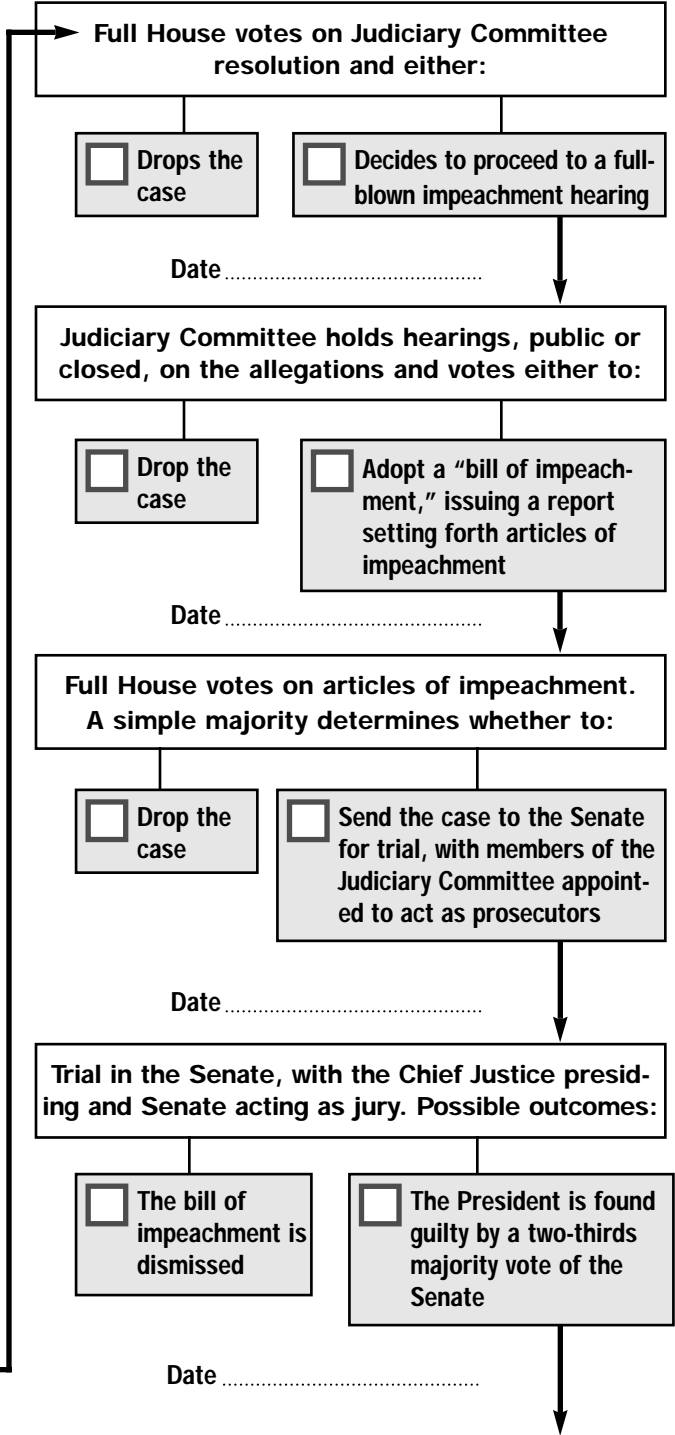
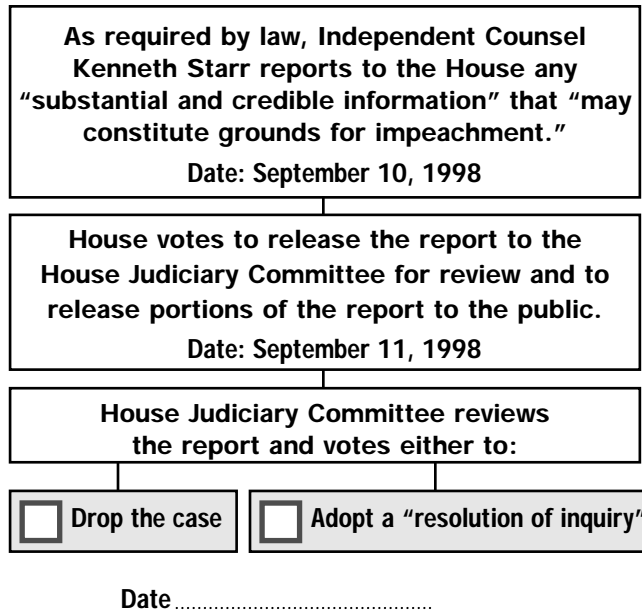
Yes 34%      No 62%

From a telephone poll of 1,067 adult Americans taken for TIME/CNN on Jan. 7 by Yankelovich Partners Inc. Sampling error is +/- 3%. "Not sures" omitted.

# Forks in the Road to Impeachment

**“The President, Vice President, and all civil officers of the United States shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.”**  
 —U.S. Constitution, Article II, Section 4

The Founding Fathers believed that the country needed a strong President. Accordingly, they ensured that the road to impeaching and removing a Chief Executive from office is a long one, with many points along the route at which the case can be dropped. Use the “road map” on this page to trace the numerous steps that led to a Senate trial of Bill Clinton. For each turning point in the process, determine the date on which the event occurred, as well as the outcome. To assist you in this task, consult back issues of TIME or the chronology at [www.cnn.com/ALLPOLITICS/resources/1998/lewin/sky/timeline/](http://www.cnn.com/ALLPOLITICS/resources/1998/lewin/sky/timeline/)



**If found guilty, the President is removed from office.**

**For Investigation**

1. Which steps in the impeachment process are specifically prescribed by the Constitution? Where?
2. What steps toward impeachment were taken against President Andrew Johnson in 1868? Where did the process stop, and why?
3. How far along the road did impeachment proceedings against Richard Nixon go in 1974?

# Victory Lap

John Glenn, the first American to orbit Earth, returns to space

By JEFFREY KLUGER

**T**HE FIRST TIME JOHN GLENN FLEW INTO space, he made a point of mentioning chewing gum to his wife. Whenever the former combat pilot was preparing for an especially hazardous mission, he and Annie always talked about gum, and Feb. 20, 1962, was no exception. That morning Glenn was perched atop a steaming Atlas missile while Annie waited at home in Arlington, Va., following his doings on a bank of television sets. At just past 8:35, the phone rang. On the line—through a roar of static—Annie could hear John, patched directly from his spaceship to his home. “Well,” Glenn said, “I’m going down to the corner store and buy some chewing gum.”

“Well,” Annie said bravely, as she knew she was supposed to, “don’t take too long.” An hour later, the spacecraft carrying her husband left the ground. Five hours after that, it splashed down in the Atlantic; when it did, the world turned over.

Last week Glenn flew off to buy one more pack of gum. This time it was not the silvery pencil of an

Atlas booster carrying the 77-year-old Senator into space but the great technological temple of a space shuttle. This time he wasn’t flying alone but in the company of six multinational crewmates, including the first Japanese woman in space. And this time, he said, he was flying not for glory but for something as simple as geriatric science. Whatever Glenn modestly claimed, however, the public was having none of it.

When he lifted off last Thursday afternoon, climbing aloft on a column of hellfire that made his puny Atlas look like a sparkler, the nation paid attention in a way it hadn’t in decades. At least 2,500 journalists crowded Cape Canaveral, Fla.—seven times the number that turned out for Glenn’s first flight. Nearly 250,000 spectators darkened the roads and waterways around the cape.

During the eight days and 22 hours the mission is scheduled to run—eight days and 17 hours more than Glenn got last time—the astronauts will be kept busy releasing and retrieving a sun-sensing satellite, testing components for the Hubble Space Telescope, and conducting experiments in an onboard lab.

Then too there are experiments Glenn alone can conduct. Since the changes the body goes through in zero G are so similar to the ones it goes through as it ages, studying a weightless senior citizen is supposed to shed light on both processes. During the mission, Glenn will be more experimental subject than experimenter, as his blood is drawn, his sleep cycles are measured, his balance and heart function

are gauged. “We’ve always flown astronauts between the ages of 30 and 60,” says NASA administrator Daniel Goldin. “John Glenn represents a sample beyond our experience domain.” ■

*John Glenn and his fellow crew members returned safely to Earth on Nov. 7.*



## Questions

1. What are the principal differences between John Glenn’s first and second trips to space?
2. What did Glenn hope to accomplish on this mission?

# Gathering Oral History: The Space Program

John Glenn's return to space gives Americans both young and old a reason to look back at the U.S. space program's triumphs and tragedies. When the space shuttle *Discovery* lifted off on October 29, 1998, television and radio coverage featured reminiscences of those who were there in the early days of the Mercury program; in homes and classrooms during the broadcast, parents and teachers offered similar recollections. This activity asks you to collect some of those voices on paper by talking with adults in your home and community who witnessed the major milestones in the history of space exploration. After you and your classmates have gathered these memories in worksheet form, combine and reproduce them as an oral history collection.

Identify one or more individuals to interview for this oral history. You can ask one person about all five events or find five different voices of varying ages. If you like, make your own voice the last entry. Ask simply, "What do you remember? What did you feel?"

❶ The launch of the Soviet Sputnik satellite in October, 1957  
Respondent:..... Age:.....

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❷ John Glenn's orbit of Earth on February 20, 1962  
Respondent:..... Age:.....

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❸ The Apollo 11 moon landing on July 20, 1969  
Respondent:..... Age:.....

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❹ The explosion of the *Challenger* space shuttle on January 28, 1986  
Respondent:..... Age:.....

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❺ John Glenn's return to space, October 29, 1998  
Respondent:..... Age:.....

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# Dressed for Success

Companies are teaching welfare-to-work hires how to look and act the part. The results are lasting

By ADAM COHEN KANSAS CITY

**Y**VETTE JOHNSON WAS THE KIND OF JOB APPLICANT who makes employers dread hiring off the welfare rolls. She had been on welfare for six years. Jobs like cleaning hospital rooms and cutting vegetables ended with her quitting or being fired. And she had four kids who had to be shuttled to day care and babysitting. When Kimberly Randolph, an operations supervisor for the Sprint phone company in Kansas City, Mo., met Johnson at a job fair, she pegged Johnson as “a job hopper, with a bad attitude.” But at her interview, Johnson made a plea. “That was me, and I know it doesn’t look good,” she said. “But give me a chance.”

Johnson took her chance and ran with it. She woke up at 5 a.m. and spent two hours on buses, dragging the kids to day care and then getting to training classes. For nine months now, she has been an operator at Sprint’s calling center at 18th and Vine, and she’s a star. She sits at a computer with a headset on, placing calls and billing calling cards. She handles 600 calls a day, at an average of 38 seconds a call. Already, she has racked up four “good customer-contact reports” from satisfied callers who put in a good word with her supervisor.

Johnson is part of a small but impressive welfare-to-work program Sprint began last October in one of Kansas City’s poorest neighborhoods. Sprint’s

18th-and-Vine call center employs 48 operators, half of whom were on public assistance. The center is meeting its performance standards, and its 77% retention rate is more than twice as good as Sprint’s call center in the Kansas City suburbs. That’s a big deal in an industry where every employee departure can mean \$6,000 to \$15,000 in lost training and productivity.

Sprint isn’t alone on the welfare-to-work bandwagon. Of the top 100 U.S. companies, 34 have programs, and 13 more are planning them. Executives of such blue chips as United Airlines and Salomon Smith Barney were at the White House this spring toasting President Clinton’s one-year-old Welfare to Work Partnership and saying their welfare hires had better retention rates than workers found from other sources.

Some welfare experts fear that Welfare to Work is being oversold. Peter Edelman, who quit as Clinton’s Assistant Secretary of Health and Human Services in 1996 because he believed welfare reform was too drastic, grumbles that these programs “are still taking [people] off the top of the deck” and that many of the hardest-to-place welfare recipients are being pushed off the rolls without having much chance of entering the work force. He is concerned that companies will drop their welfare-to-work hires when the economy

slumps and workers become cheaper and more plentiful.

But Hazel Barkley, 18th-and-Vine’s operations manager, is a believer. She tells her welfare-to-work employees they can rise as far

as they set their mind to. And she lets them know she herself started by working the phones. Yvette Johnson has already picked out a computer-spreadsheet class she wants to take during her daily noon-to-2 p.m. break, and she’s aiming for management. “There’s a lot of things we can do here,” she says. “One thing I know, I won’t be on welfare again.” ■

**Executives of blue-chip companies are toasting President Clinton’s one-year-old Welfare to Work Partnership.**

#### Questions

1. What is the welfare-to-work program?
2. What makes Yvette Johnson “a star”?

# Demonizing Gates

The Justice Department's antitrust czar has painted Bill Gates as the Big Brother of cyberspace

By ADAM COHEN WASHINGTON

**T**HE JUSTICE DEPARTMENT DECIDED TO MAKE things simple on the first day of its sweeping antitrust suit against Microsoft: it dispensed with the case law and put Bill Gates front and center. A disembodied, larger-than-life Gates hovered over Judge Thomas Penfield Jackson's courtroom on a 10-ft.-tall computerized video monitor during much of government lawyer David Boies' opening statement. The thrust of Boies' argument: the fidgety, spectral man-in-the-monitor was coolly dissembling about his plans to dominate the world technology market.

*U.S. v. Microsoft* was supposed to be an epic ideological showdown—perhaps the greatest since the government broke up John D. Rockefeller's Standard Oil trust in 1911. The Department of Justice antitrust chief, Joel Klein, would argue the liberal position that government must intervene when a monopolist abuses its position of dominance in the market. And Microsoft would make the libertarian case that markets work best when they operate freely. But a week into the trial, the real battle seems to be between two warring views of the world's richest man. Is he the brilliant innovator who has brought the wonders of the information age to millions of satisfied customers? Or is he the rapacious capitalist leveraging his software monopoly to crush competitors?

In his opening statement, Boies tried to give the court a glimpse of the darker Gates. At Boies' signal, Gates appeared

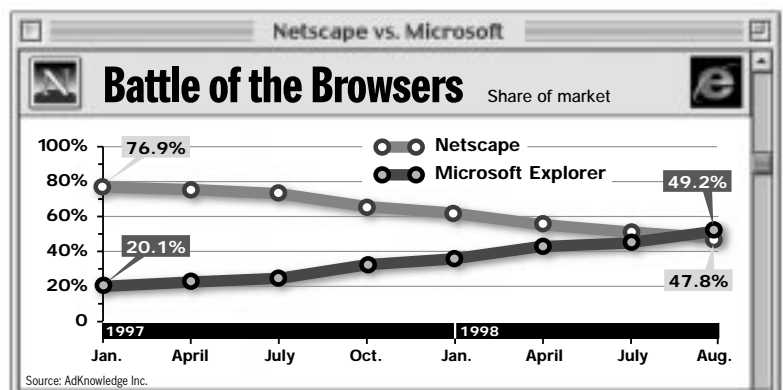
on the courtroom video monitors denying the government's crucial charge that Microsoft tried to buy off Netscape, its archrival in the Internet browser business. But a moment later, the video monitors were displaying a seemingly contradictory 1995 e-mail, in which Gates wrote of Netscape, "We could give them money as part of the deal, buy a piece of them or something."

Not surprisingly, Microsoft has reacted indignantly to the government's "personal attacks on a visionary and innovator." John Warden, delivering Microsoft's opening statement, contended that Gates and his company had done nothing but engage in the hard-driving competition that is the essence of the free market. Microsoft is not a monopoly, he argued, because there are few "barriers to entry" stopping would-be competitors from jumping in. "There are no factories to build, no mineral deposits to locate." All it takes to make software, he said, is "human brains and the capital to support those human brains."

To keep the trial moving briskly—the hope is to wrap up in six to eight weeks, compared with the 13 years the IBM antitrust trial dragged on—Judge Jackson has limited each side to 12 witnesses. Gates is not on either side's witness list, but the government has announced that it plans to play eight hours of Gates' 20-hour video deposition. Eight hours of video Gates may seem a lot, but Justice is clearly betting that the devil will be in the details. ■

## Questions

1. Why is the Justice Department suing Microsoft? How has the company responded?
2. What two warring views of Bill Gates have been presented in the Microsoft trial?



# What a Drag!

Trouble in Asia, Russia and Latin America threatens the U.S. economy

By S.C. GWYNNE

**S**MACK IN THE AMERICAN HEARTLAND, FAR from both Wall Street and Asia, the 15,500 workers of Harnischfeger Industries, based in St. Francis, Wis., got slammed from both directions. A proud world beater that builds mining equipment and huge machines that produce 70% of the world's printing paper, Harnischfeger has just seen its sales to Singapore and other troubled Pacific Rim countries drop from \$600 million a year to nearly zero. Its stock, riding high at \$44 a year ago, was beaten down to \$16 in last week's market rout. And in late August, the company announced that it soon will begin dismissing 3,100 employees, or a fifth of its work force.

Well-managed with a skilled and productive work force, Harnischfeger had prospered from the past decade's explosive growth in global freedom and commerce. But then came the currency crisis that began in Thailand in July 1997 and spread like a contagion through the rest of Asia—and last month to Russia and last week to Latin America, hammering down local currencies and slashing demand for U.S. exports. Cheaper Asian exports began grabbing more and more domestic business away from U.S. companies and sliced into their earnings. That trend finally drove down an overheated stock market, taking back, in the past seven weeks, almost a quarter of the \$9 trillion that stocks have pumped into U.S. portfolios during the roaring '90s. The market drop served as a

<b>United States</b>	<b>Japan</b>	<b>Germany</b>	<b>Indonesia</b>	<b>Brazil</b>
<p><b>THE PROBLEMS</b> The economy's increasing dependence on stock market; exports suffering as the world economy stumbles; widening income inequality a concern</p>	<p><b>THE PROBLEMS</b> The economy has been stagnant for seven years; banks crippled by massive amounts of bad loans; weak political leaders won't make hard decisions; exports hurt by Asian crisis</p>	<p><b>THE PROBLEMS</b> High unemployment; excessive spending on social programs; high tax rates could threaten German competitiveness under Europe's new single-currency system, the euro</p>	<p><b>THE PROBLEMS</b> Risk of social upheaval as poverty increases; dysfunctional banking system; absence of investor confidence; large companies closely linked to the government</p>	<p><b>THE PROBLEMS</b> Massive government-budget deficit; foreign reserves dwindling as the nation defends its currency, the real</p>
<p><b>THE SOLUTIONS</b> Federal Reserve can lower interest rates to ease economic strains in troubled nations. At home, higher priority for education and training to enhance job skills</p>	<p><b>THE SOLUTIONS</b> Pass permanent tax cuts to stimulate growth; use taxpayer funds to revitalize banks so they can issue credit again</p>	<p><b>THE SOLUTIONS</b> Accelerate labor-market reform to allow easier hiring and firing of workers; equalize tax rates before the euro arrives</p>	<p><b>THE SOLUTIONS</b> Restructure banks and companies; promote domestic stability; restore confidence of ethnic Chinese businesses</p>	<p><b>THE SOLUTIONS</b> Overhaul the social security plan and pare back spending to lower the deficit; privatize more government-owned companies to free resources and increase productivity</p>



reminder—one about as subtle as a poke in the eye—that in today’s global economy, not even a healthy U.S. can quarantine its factories and offices and markets from the illnesses of countries halfway around the world. It vividly showed Americans how the turmoil in Asia and Latin America is slashing the profits of U.S. corporations, which might be forced to respond with layoffs and cutbacks in spending.

Pushing against these negative currents, fortunately, is the persistent, fundamental strength of the U.S. economy. The trend in wages and employment, which wield far more influence over consumer confidence and spending than stock prices, remains strong. Orders from American factories rose 1.2% in July, the strongest performance since November. As investors around the globe sought a safe haven for their capital, long-term interest rates continued their slide to 5.3%, a silver lining for the U.S. in the cloud over emerging markets.











Those low rates in turn have boosted the used-housing market, which recorded an all-time high of houses sold in July. Housing values, another important factor in Americans’ calculation of their

wealth, are rising smartly at about 5% a year. Unemployment stands at 4.5%, nearly a 28-year low, and only 1.8% for those with college degrees. Thanks to rising productivity, real wages have been rising for the first time in nearly three decades without spurring inflation. The U.S. growth rate, while down from its feverish 5.5% in the first quarter, is still expected to register 2%-plus for the rest of the year.

For all its problems, Harnischfeger offers encouragement to other Americans at this uncertain time. Folks at the Wisconsin company have earned higher wages and have been able to educate their children better because of the profits they have reaped from the unprecedented spread of global commerce and free trade. But the price of that prosperity is a global economy so interlinked that the troubles of America’s trading partners very quickly become its troubles too. ■

**Questions**

1. What problems have troubled the economies of countries in Asia, Russia and Latin America?
2. How have these problems affected the U.S.?

				
<b>Mexico</b>	<b>Russia</b>	<b>Hong Kong</b>	<b>China</b>	<b>Malaysia</b>
<b>THE PROBLEMS</b> Low oil prices are slashing government income, causing the budget deficit to swell; the peso is unstable because of highly volatile world currency	<b>THE PROBLEMS</b> Poor tax collection; corruption; little access to credit markets; creeping hyperinflation; zero credibility that the country will carry out economic reforms	<b>THE PROBLEMS</b> The government is fiercely defending an overvalued currency; interest rates are excessively high; real estate is overvalued; a faltering financial sector is burdened by shaky real estate	<b>THE PROBLEMS</b> Falling exports and foreign investments plus damaging floods will slow economic growth below 8% target; a virtually insolvent banking system; state-owned enterprises are drowning in red ink	<b>THE PROBLEMS</b> An autocratic ruler is turning toward a controlled economy; foreign investors have little confidence; domestic debt is dangerously high; a serious threat of inflation
<b>THE SOLUTIONS</b> Political leaders need to set strict limits on domestic spending; the central bank should maintain a tight monetary policy to support the currency	<b>THE SOLUTIONS</b> Collect taxes owed to pay wages owed; stay committed to free and open markets to stabilize the ruble; overhaul the banks; stop the crooks	<b>THE SOLUTIONS</b> End the currency peg to the dollar; reduce interest rates to ease pressure on the banks	<b>THE SOLUTIONS</b> Devalue the renminbi 15% to keep exports competitive; privatize government-owned companies	<b>THE SOLUTIONS</b> Revamp the banking system and promote a level playing field in the economy; stick to austerity plan to support the ringgit
				

# What's a Dollar Worth?

## TRACKING THE VALUE OF CURRENCIES IN THE GLOBAL ECONOMY

In "What a Drag!" S.C. Gwynne examines the currency crisis that began in Thailand, spread throughout Asia, reverberated in Russia—and resulted in dramatic consequences for Americans. But how, exactly, are world currencies connected?

The U.S. dollar is a standard measure in world economics; the value of a nation's currency against the dollar—its *exchange rate*—generally reflects the state of that nation's economic health. In times of prosperity, a country's currency will gain in value

against the U.S. dollar; in crises, foreign currencies lose value against the dollar. In the past year, the U.S. economy has remained robust while the economies of many Asian countries, Mexico and Canada have faltered. As a result, the value of these nations' currencies has dropped against the dollar. Is this good or bad for American businesses? For American consumers? For the U.S. economy as a whole? For the global economy? Study the data presented in the table below and answer the questions that follow.

1 U.S. Dollar Equaled...				
	Japanese Yen	Thai Baht	Mexican New Peso	Canadian Dollar
8/97	117.90	32.40	7.78	1.39
9/97	120.90	35.30	7.78	1.39
10/97	121.10	37.50	7.87	1.39
11/97	125.40	39.10	8.27	1.41
12/97	129.70	44.30	8.13	1.43
1/98	129.50	53.00	8.22	1.44
2/98	125.85	46.00	8.50	1.43
3/98	129.10	41.40	8.57	1.42
4/98	131.80	39.70	8.50	1.43
5/98	134.90	39.20	8.58	1.45
6/98	140.30	42.33	8.92	1.47
7/98	140.80	41.30	8.90	1.49
8/98	144.70	41.70	9.37	1.53






### The Cost of Exports

1. If a can of Coke cost \$1.00 in the U.S. in August 1997, how much did it cost in Japan (in yen)? In Canada? How much did the same item cost a year later in Japan? In Canada? Do you guess that Coke sales have risen, fallen or stayed the same in Japan and Canada over this period? Why?
2. If a Compaq computer manufactured in Texas cost \$2000 in the U.S. in September 1997, how much did it cost in Canada? In Thailand? How much did it cost a year later in Canada? In Thailand? What will the consequences be for the American computer industry if foreign currencies continue to fall against the dollar?
3. How do the two cases above illustrate the idea that in today's world economy, foreign economic troubles can "spread" to the stronger American economy?

### The Cost of Imports

Did a Toyota manufactured in Japan and sold in the U.S. cost more in August 1997 or August 1998? Why? Is the fall of the yen's value a plus or minus for American consumers? Is the trend in the yen's value good news or bad news for U.S. auto makers?

### A Global Perspective

Can a nation's currency be too strong? Why might a country wish to see the value of its currency fall in the international market?

# China's Missing Pieces

Cowed by economic woes and corruption, Beijing's leaders slow their reforms

By TERRY MCCARTHY SHANGHAI

**W**HEN POWERFUL MEN FLY too close to the sun, two things can happen: they modify their course, or they come crashing down. China's most daring high-flyer, Premier Zhu Rongji, has seemed to defy gravity over the past five years as he pushed his country's economic reforms further and faster than anyone thought possible. To his many admirers at home and overseas, he was the enlightened mandarin who single-handedly could break through the red tape and propel China's economy into the next century. Even Asia's debilitating economic crisis didn't seem to faze Zhu. In March he laid out a program for China to make its state-owned firms profitable, restructure its debt-ridden banking system, halve the bureaucracy and privatize the housing market—all by the year 2000.

But six months later, "Zhu-phoria" has disappeared and there is an unmistakable odor of scorched feathers in Beijing: Zhu has hit his ceiling. With the negative G-force of some 200 million unemployed pulling at him, a sharp decline in exports and foreign investment, a change-resistant culture of corruption, and an unfriendly economic environment in the rest of Asia, Zhu has been forced to reverse or put on hold

all his key reform policies. Mounting reports of labor unrest around the country terrified his comrades in the leadership, whose fear of *luan*—chaos—approaches the phobic. "With no functioning social-welfare net," argues a Chinese economist, Zhu's reforms were "suicidal."

The first hint of backtracking came in July, when the government officially denounced "the wrong trend of selling small state-owned enterprises" because too many workers were being laid off by the new private owners. Instead banks were told to continue making "policy loans" to factories showing losses, in order to keep people at work. So much for bank reform.

The steely hand of control is also reaching back out into the political arena. The upbeat talk of new openness during the Clinton visit in June has fallen silent. Surveillance of dissidents has been increased, and in September police detained activists in four provinces for trying to legally register the China Democratic Party, which would have been the country's first opposition political group.

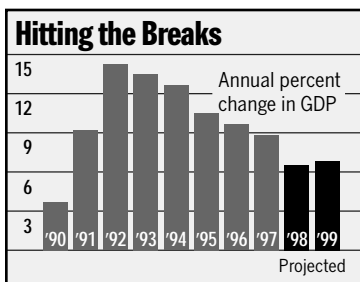
"Zhu Rongji is a good man, honest, with good ideas," says a mid-level government official in Suzhou, a city 50 miles west of Shanghai. "But even he is too weak to take on all the problems in China." The official then details the extent of corruption, inefficient industry, nepotism and financial chaos that plague his city, a microcosm of the mess China is in.

According to a source close to his family, the Premier is still calm and "far from panicking." A visit to Washington is on the books for next spring. One

thing Zhu may have in common with his probable host in the White House: a pair of visibly clipped wings. ■

## Questions

1. What is "Zhu-phoria"? Why has it disappeared?
2. In what ways has the scaling back of planned reforms affected China's economic, social and political arenas?



# Free Fall

As Russia's economy melts, Yeltsin vows he will stay on.  
But to do what?

By BRUCE W. NELAN

**W**HEN THE SOVIET UNION WAS DISINTEGRATING during the late autumn of 1991, a band of disillusioned demonstrators gathered in Red Square. Bobbing along in their midst, under the shelter of the Kremlin's looming brick walls, was a placard that read 70 YEARS ON THE ROAD TO NOWHERE. The accusation was an angry and poignant truth. But then Russia was reborn under the old tricolor flag and set a new course toward not just reform but total transformation. And now, with the collapse of the economy and the paralysis of the government, that hopeful path has also run into a dead end. For Russians it has been seven more years on a road that has again led nowhere.

In many countries, the pitch of chaos Russia reached last week would have produced panic, fury, demonstrations, even riots. The street value of the ruble halved. Banks are tottering and closing, and the Moscow stock market has all but evaporated. The crash has shaken investors and governments around the world. But in Russia, home of the stolid and the depoliticized, the streets are calm. Russians are nervous and ask one another what is going to happen, but the only visible reaction is at the banks, where the relatively few citizens who trusted other people with their money have formed slow-moving and sometimes unruly lines. For the most part, ordinary people seem not merely restrained but numb.

In fact, the foreign reaction is more appropriate. What is happening in Russia is a disaster, a frightening one that threatens the world with prolonged

instability at best, and the rise of an increasingly isolated and hostile state—armed with about 22,000 nuclear warheads—at worst. The Western countries have pumped tens of billions of dollars into the Russian economy to support reforms that were not carried through, and now are unlikely to give more. Russia is on its own.

Moscow has had no functioning government since Aug. 23, when President Boris Yeltsin dismissed his young Prime Minister Sergei Kiriyenko. His successor, acting Prime Minister Viktor Chernomyrdin, is under heavy pressure from the communist-dominated Duma. Parliamentarians are pushing aggressively for a greater say in running the country. Yeltsin had kept them from real power but seemed prepared last weekend to surrender many of his presidential prerogatives. The communists have called for currency controls, re-nationalization and printing more rubles. On the

weekend, however, Chernomyrdin went on TV to reassure Russia—and probably the West as well—that there would be no retreat from market economics. “We have already joined the world economy, and there will be

no return to the past,” he declared. The future, though, remains deeply uncertain.

It is doubtful whether reform is even listed on the Russian agenda right now; its time may have passed. Yeltsin is a spent force and shows no sign that he understands what the problem is. Chernomyrdin and the people he brings in with him think the problem is too much reform, and they intend to reverse it. When the country was first breaking out of the Soviet system, its initial step was to free prices. Now, with the ruble devalued and in-

**What is happening in Russia is a disaster that threatens the world with prolonged instability at best.**

flation inevitable, the communists are calling for price controls, and Chernomyrdin is listening.

Privatization was the next great reform effort—getting the economy out of government direction and into private hands. Those hands proved, however, to belong to well-connected operators who bought state properties at bargain rates and stripped their assets, becoming in the process notorious oligarchs who own the big banks, newspapers, television and more. It wasn't real privatization at all but a set of sweetheart deals that made the bankers partners with their cronies in government, focusing on exports, imports, loans and currency speculation.

Nor was it real capitalism, which is not solely about mergers and acquisitions but about production as well. And the simple fact is that Russia does not produce. The old rust belt—defense-oriented enterprises employing tens of thousands each—are still lurching along, turning out things so costly and so shoddy that no one wants to buy them. In Soviet times, workers joked that they pretended to work and the state pretended to pay them. Now the line could be that the workers pretend to make things and the factories pretend to sell them. The plants can't pay their taxes or their workers, and instead barter some of the stuff coming off the production lines in return for official blindness to their tax delinquency. That's why the

streets are lined with people trying to peddle items like pots and pans, towels and toilet paper.

The result is an almost cashless society where business is transacted mostly by trading goods and services. Since most firms and citizens have no money, they can't pay their taxes. That means the government is always short of funds and the deficit keeps growing.

All indications are that Russians have tried communism and don't want to go back to it. But now they feel they have tried reform and have been rewarded with misery. What will they vote for next?

Or will they have a chance to vote? Some experts believe a state of emergency could be the government's last resort if the economy stops functioning. With or without ballots, the outcome could be an increasingly desperate, belligerent Russian state, simmering in its resentment. The only people who can repair Russia, it seems clear, are the Russians—and they don't know how. ■

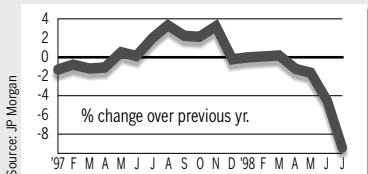
**Questions**

1. What economic problems is Russia facing? How have Russians responded to these problems?
2. What steps did Boris Yeltsin take to reform Russia's economy? Why did these steps fail?

**WHEN RUSSIA FELL...**

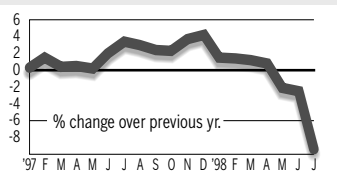
Last year hopeful Russia watchers talked optimistically of a coming boom, led by mild GDP growth. But this summer the good news stopped. Industrial output collapsed as bad debt and weak banks made even simple salary payments impossible. As the trade balance sank and growth tailed off, Russia sought relief in a weaker currency. The results were disastrous.

**REAL GDP**



The economy shrunk 4.5% in July compared to the year-earlier period

**INDUSTRIAL PRODUCTION**

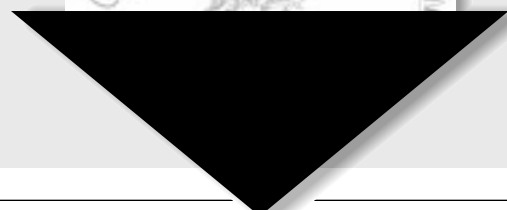
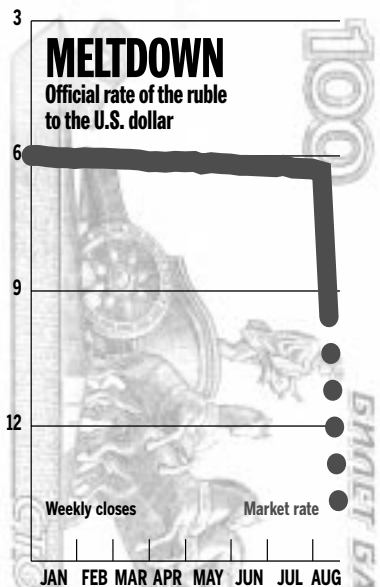


Output is low, in part because of obsolete plants built by the Soviets

**TRADE BALANCE**



Low oil prices nuked Russia's export sector, widening the trade gap



# Inside Wye Plantation

How nine days of shouting, laughter and forgiving put Israel and the Palestinians back on the road to peace

By J.F.O. MCALLISTER

**W**EDNESDAY 2:15 A.M. THE PHONE RANG. Outside, in the quiet Maryland fall night, the Wye River whispered. Benjamin Netanyahu had finally made it back to his bedroom after negotiating for a full day, the last three hours with President Bill Clinton, who had just helicoptered back to the White House. The night had been a long give-and-take over security issues. "Hello?" Netanyahu said. "Happy Birthday." It was Secretary of State Madeleine Albright, calling to congratulate the Prime Minister on his 49th. "Is that really all you called for?" said Netanyahu. A few hours later, he had another surprise: flowers from Yasser Arafat. Forty-eight hours later, after almost no sleep and two near walkouts, "Bibi" Netanyahu stood in the East Room of the White House, where he called Arafat his "partner" and signed a new pledge to work for peace.

It was, in many respects, a quiet gift: the present called the Wye River Memorandum. Its terms are modest. It provides for the return of a parcel of sparsely inhabited land in the West Bank. It firms up the details of the implementation of accords the P.L.O. and Israel had reached in 1993. Far tougher disputes remain, including the future of Jerusalem and the return of Palestinian refugees. According to the original timetable, all these must be settled by next May—when Arafat has threatened to declare a Palestinian state. But last week's accord, fought for and won over nine tumultuous days, created new momentum toward a permanent peace, the first such movement in 19 months.

## Act I: Getting To Know You

After a White House send-off on Thursday, Oct. 15, Netanyahu and Arafat settled in at Wye. The two

men actually didn't know each other well. Nor had Arafat ever met Ariel Sharon, the hard-liner Netanyahu recently named Foreign Minister. The hulking former general showed up two days late, sweeping into dinner, right past Arafat's gesture of welcome, refusing to shake hands or even look at the man he calls a terrorist and murderer. Instead Sharon focused on some Arafat aides with whom he has held talks this year. While he never did shake Arafat's hand, an official says they "talked a lot."

## Act II: The Detour

The news Monday morning was horrific—and unhelpful. Two grenades had been tossed into an Israeli bus station at rush hour, wounding 64 people. A Hamas activist was caught at the scene. Arafat condemned the terror, but the Americans feared that if Netanyahu wanted a pretext to leave, he had found it. Instead Bibi declared a suspension of the talks (soon quietly relaxed) except on security matters, and proposed a detour—a quickie deal on troops and security, to be followed by new talks in two to four weeks.

U.S. officials thought the mini-deal wouldn't have enough meat, and they weren't surprised when Arafat balked. The Americans felt they had heard enough—in fact, more than enough—to craft a full package. It was time to force Netanyahu to focus on the security problems, the President decided. Over dinner, he pushed Netanyahu to boil his security demands down to five elements.

The next day, Tuesday, Clinton got off his helicopter with a pad that had a column for each side's needs, bunched in three categories of difficulty. Clinton got Arafat to accept Netanyahu's five security demands, but that afternoon Bibi put forward a kitchen-sink collection of complaints. Once the core security problems were solved, it was clear

## The 1998 Wye River Memorandum

The plan, after 19 months of negotiation, swaps land for security

**ISSUE** Land swap: Israel agrees to pull back troops from 13% of the occupied West Bank and 14% of jointly controlled land

**THE PROBLEM** Israel wouldn't move off the land until it locked in Palestinian agreements to arrest terrorists and confiscate weapons

**THE SOLUTION** A "phased withdrawal" that will trade land in incremental steps over 12 weeks. The U.S. will monitor the security changes

**DIFFICULTY RATING** [★★] (out of 5). The deal had been cooking for months

**ISSUE** Release of 3,000 Palestinian prisoners from Israeli jails

**THE PROBLEM** An intensely emotional issue for the Palestinians. The releases are expected to enhance Arafat's prestige among his people. But Israel was loath to let all these convicted criminals out at once

**THE SOLUTION** A phased release that starts with 750 prisoners. Israel will carefully select which of the 3,000 prisoners will be released

**DIFFICULTY RATING** [★★★] Netanyahu will take a small political hit for agreeing

**ISSUE** Revising the Palestinian charter, which calls for Israel's destruction

**THE PROBLEM** A real bone in the Israeli throat, this was difficult to resolve without risking serious political damage to Arafat in the PLO

**THE SOLUTION** A deal was finessed to appease the Israelis without calling for a complete renegotiation of the charter

**DIFFICULTY RATING** [★★★★] A deal breaker

**ISSUE** Jonathan Pollard

**THE PROBLEM** Netanyahu thought he could extract a concession from Clinton that would help appease his right-wing critics

**THE SOLUTION** Clinton promised to review the Pollard case but without any commitments or time limit. Bibi won political points for trying

**DIFFICULTY RATING** [★★] Clinton refused to be rolled

to Clinton that two emotional issues were blocking progress. For the Palestinians, it was the release of prisoners held in Israeli jails. For the Israelis, it was revising the P.L.O. charter's call for Israel's destruction. That night, by a fireplace, Clinton sat down with Arafat, Netanyahu and aides and told them, "I want to clearly understand where you stand on each issue." For four hours, patiently, deliberately, he urged them to explain their position. At the end, Clinton suggested they defer everything except security for now.

### Act III: The Push

At 9:30 Thursday morning, Clinton climbed from his helicopter and told aides, "It's now or never." With agreement on the land-for-security swap in hand, the emotional issues of returning Palestinian prisoners and revising the P.L.O. charter calling for Israel's destruction became the focus. At the end of lunch, Arafat and Netanyahu sat down without Clinton and slogged through details for two hours.

When they got testy, Clinton stepped back in.

Frustrated with their intransigence, Clinton finally pulled out a trump card: a badly weakened King Hussein of Jordan, in the U.S. for treatment of non-Hodgkins lymphoma. Gaunt and hairless, the King lectured the leaders and their aides. "You can't afford for this to fail," he said. "You owe this to your people, to your children, to future generations." For an hour afterward, his eloquence lifted the mood. When it waned, Clinton tried his own stagecraft. Patient and receptive so far, the President stormed out of the room just after midnight, looking at no one. "That was a powerful moment," says one of his aides. "It pushed all the leaders back on their heels."

And they got back to work. No one slept. The Israelis agreed to a phased release of some Palestinian prisoners. The Palestinians agreed to rethink the language of their charter but couldn't see a way to amend it. Once before, Arafat had summoned the Palestine National Council, many of whose members loathe the peace process, to change the charter. Reconvening them would be an embarrassment—and a danger. Clinton suggested a way out: he would fly to Gaza to speak to the council when it met. At dawn Friday, Arafat, Netanyahu and Clinton shook on a deal.

As tough as Wye was, a much worse ordeal awaits: final-status talks, where the issues are harder and the parties infinitely further apart. Wye offered no proof the talks would succeed, but there were surprising hints of new life in the peace process. Netanyahu's right-wing coalition partners are outraged at the deal but have nowhere else to go. And at the White House ceremony, the P.L.O. leader offered a new empathy for Israelis: "We are fully committed to whatever is required from us to achieve real security and constant peace for every Israeli person and for the Israeli people...I will do everything I can so that no Israeli mother will be worried if her son or daughter is late coming home." ■

#### Questions

1. What are the terms of the Wye agreement?
2. What roles did Jordan's King Hussein and President Clinton play in the peace negotiations?

# What Good Did It Do?

The air assault battered Iraq, but it hasn't wiped out the threat posed by Saddam's secret lethal arsenal

By ROMESH RATNESAR

**T**HE START OF IT WAS CHILLINGLY FAMILIAR: the wail of sirens, the staccato blasts of anti-aircraft fire, the tracers lighting up the night sky over Baghdad. Then came the crash of missiles in the distance, sending up an orange glow along the horizon. On just the first night of Operation Desert Fox, U.S. ships and bombers pounded Iraq with 280 American cruise missiles—almost as many as hit the country during the entire Gulf War in 1991. Night after night, waves of warplanes, including B-52s, F-14s, F-18s and British Tornados, joined in the attack. Even the B-1 bomber, a cold war relic that had never seen combat despite its \$280 million-per-plane price tag, got in on the action. The first night of bombs, Pentagon officials said, disabled Iraq's air-defense network, flattened its intelligence headquarters and destroyed barracks housing Saddam Hussein's special security forces. General Hugh Shelton, Chairman of the Joint Chiefs of Staff, showed reporters photos of several smashed targets and proclaimed success. "There's nothing left but rubble," he said.

By last Saturday, when the President announced an end to the bombing, it was clear that Iraq was heavily damaged, and there were other casualties, including the stature of the United Nations Security Council and the U.S.'s reputation in the eyes of some nations. It wasn't just Republicans who suggested that Clinton had ordered the assault in a *Wag the Dog* effort to avert impeachment. That theory—though erroneous—echoed in Britain's Parliament, in French editorials and throughout the Arab world.

"For Monica's sake, Iraqi children are dying" read a sign waved during a demonstration at a Cairo mosque. From Russia and China came deep grumblings that the U.S. had overstepped itself. Said Boris Yeltsin: "The U.S. and Great Britain have crudely violated the U.N. charter and generally accepted principles of international law and the norms and rules of responsible behavior of states."

ANYONE WHO WANTED TO PREDICT THE TIMING OF the air strikes merely had to consult Richard Butler's calendar. The head of the U.N.'s Iraq inspection team, known as UNSCOM, had been telling diplomats for weeks that he intended to give the Security Council a crucial report on Iraqi compliance by Dec. 15. Delivered right on schedule, it showed

**In the Administration's best-case scenario, the bombings will lead either to Saddam's downfall or to fuller inspections by UNSCOM.**

that the Iraqis had been up to their usual tricks: concealing equipment that could be used to make bioweapons, blocking interviews with workers at suspicious sites, lying about sealed documents detailing

the military's past uses of chemical agents.

The President needed no prodding for war. A month earlier, Clinton had ordered a meticulously planned assault and called it off only at the last minute, when Saddam promised full cooperation with UNSCOM. At the time, Clinton declared that war would come without warning if Saddam misbehaved again. Months of Iraqi duplicity had convinced the White House that UNSCOM wouldn't get compliance. So when he got advance word on the contents of Butler's report on Sunday, Dec. 13, the President, in Jerusalem at the beginning of his Middle East trip, had no good choice but to act. He gave the Pentagon 72 hours to prepare an attack.



Says a senior White House official: "The consequences, the damage, the significance of making an alternative decision are just unimaginable."

One thing could be said for the timing: just as Washington had hoped, the offensive stunned the Iraqis. Almost none of their antiaircraft radar was turned on. Saddam probably had no notion that his meddling with the inspectors would so quickly invite a military assault. Though the U.S. forces massed in the Gulf last week—24,100 troops, 201 aircraft and 22 ships—were only a fraction of the arsenal used in the Gulf War, extensive intelligence on Iraq's warmaking machinery and smarter weapons made officials predict that each Desert Fox sortie would be more punishing than those of 1991.

THE AMERICAN GOAL WAS SIMPLE: TO CRIPPLE Iraq's ability to brew and deliver weapons of mass destruction. Because biological and chemical weapons can be made quite easily, the Pentagon went after the bigger things—like missile factories and the Special Republican Guards—vital to the weapons' protection and production. And there was another wrinkle: while Pentagon officials said

they avoided hitting storage sites that might spew deadly plumes of toxins, they privately conceded they had no idea where such stockpiles might be even if they wanted to attack them.

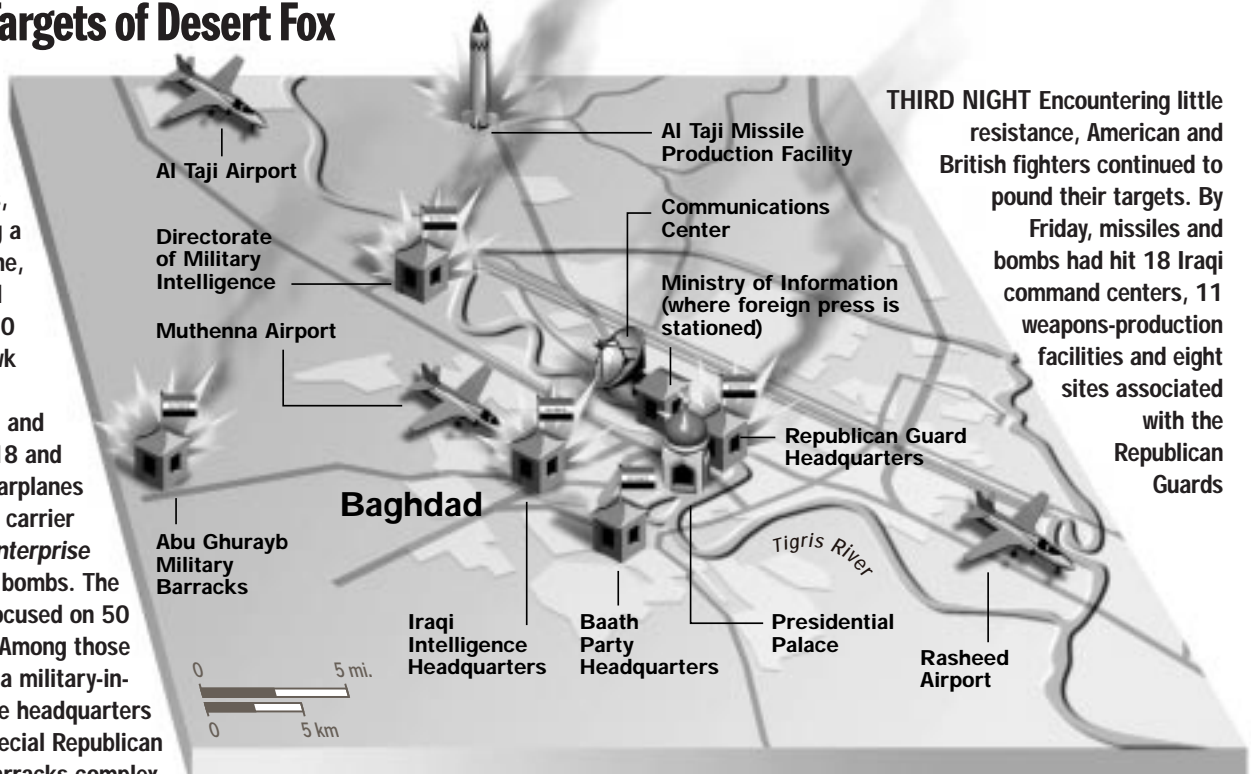
In the Administration's best-case scenario, the bombings will lead either to Saddam's downfall or to fuller inspections by UNSCOM, assuming a chastened Iraq allows the teams to return. At worst the air war will end UNSCOM inspections for good without having done much to debilitate Saddam's capacity to manufacture his lethal weapons. UNSCOM has been stymied by Saddam to the point of impotence, but it did provide a mechanism for measuring how and when sanctions could be lifted. Its demise could boost sentiment among Arab nations to drop the embargo, with Russia and China possibly pulling out as well. And if UNSCOM dissolves, the U.S. will have little alternative to a continued struggle with the dictator, containing Iraq with periodic bombings when it steps out of line. ■

#### Questions

1. Why did the U.S. attack Iraq?
2. What were the results of this attack?

## Targets of Desert Fox

**FIRST NIGHT**  
Eight warships, including a submarine, launched some 280 Tomahawk cruise missiles, and F-14, F-18 and EA-6B warplanes from the carrier U.S.S. *Enterprise* dropped bombs. The attack focused on 50 targets. Among those hit were a military-intelligence headquarters and a special Republican Guard barracks complex



**THIRD NIGHT** Encountering little resistance, American and British fighters continued to pound their targets. By Friday, missiles and bombs had hit 18 Iraqi command centers, 11 weapons-production facilities and eight sites associated with the Republican Guards

**SECOND NIGHT** B-52s launched nearly 100 cruise missiles. Other U.S. planes and British fighters flying out of Kuwait and Oman bombed additional targets, bringing the total to 89

# Sword of Islam

With Pakistan isolated and near economic collapse, its leader plays the religion card

By **TIM MCGIRK** NEW DELHI

IT'S BECOME A HABIT IN PAKISTAN THAT WHENEVER a ruler's popularity disintegrates, he or she begins waving the scimitar of Islam. Never mind that not once since Pakistan became a nation 51 years ago has this noisy brandishing of faith ever worked to bolster the leader's popularity. Now, with Pakistan ostracized after its nuclear tests and on the edge of economic collapse, Prime Minister Mian Mohammed Nawaz Sharif is reviving the old custom of trying to make the Islamic Republic of Pakistan even more Islamic than it already is.

Even in the best of times, the implementation of Shari'a, or Islamic law, led to quarreling among the country's 72 Muslim sects and subsects over the "pure" interpretation of the law. And this could be the worst of times for Pakistan to try to revive fundamentalist laws. Everything seems to be going wrong for Nawaz Sharif. His support of the Taliban militia in neighboring Afghanistan has drawn enmity from Iran and the Central Asian republics. India and Pakistan have intensified their cross-border artillery fire in disputed Kashmir. Nearly bankrupt, Pakistan may run out of foreign exchange by the end of the month, and the Karachi stock exchange imploded after the May 28 underground nuclear tests, wiping out half its share value.

Will a stronger dose of religion cure Pakistan's ills? Many of Nawaz Sharif's countrymen think it could send Pakistan into terminal decline. According to the well-respected Karachi newspaper *Dawn*, people "just want a little improvement in their lives from the tyranny and callousness of Pakistani officialdom." Political opponents, including, of course,

ex-Prime Minister Benazir Bhutto, say the new Islamic bill is likely to increase that tyranny. One interpretation holds that this amendment will anoint Nawaz Sharif as a religious dictator, a supreme arbiter of what is considered good and evil under Islam. Nawaz Sharif, though, contends that only a strict adherence to Shari'a—which relies on the Koran and on the Sunna, a record of the Prophet Muhammad's deeds and sayings—can save Pakistan from "corruption and maladministration."

If Nawaz Sharif succeeds in driving his Islamic bill through both the National Assembly and the Senate, Pakistan, long a reliable U.S. ally in South Asia, will become one of the world's most severe Islamic states. Among Muslim nations, only Saudi Arabia, Iran and Afghanistan observe the undiluted Islamic law. This code of justice punishes a thief with amputation, an adulterer with a public flogging and a blasphemer with execution; a man can rid himself of a wife merely by saying "I

**Prime Minister Nawaz Sharif has mounted a campaign to revive fundamentalist Islamic laws.**

divorce thee" three times. The more moderate Islamic states apply Shari'a to family and religion but not to legal and state matters. Take beards, for example: in Afghanistan, members of the ruling Taliban militia will grasp a passerby's facial hair in

their fist. If the beard is shorter than the Taliban's fist, the offender is publicly whipped. But in Iran, Shi'ite Muslims believe that according to the Koran, a beard can be a stubbly 1 cm long.

Faced with protests from opposition parties and Islamic scholars, Nawaz Sharif may back down. If he insists on unleashing religious fervor in Pakistan, he could end up one of its first victims, because not all Islamic radicals trust his credentials. Says Maulana Fazl ul Rehman, leader of the militant Jamiat-Ulema-Islami party: "Nawaz Sharif's government is part of the same corrupt system he hopes to overthrow. Only we are the true devotees who will enforce Islam." ■

## Questions

1. What is Shari'a?
2. What arguments have been made for and against observing Shari'a in Pakistan?

# Law and Religion in Muslim Nations



As Tim McGirk reports in “The Sword of Islam,” Pakistan’s Prime Minister has undertaken a campaign to adopt Shari’a, or strict Islamic law, in his country. While many nations in South Asia have substantial Muslim populations, only a handful observe Shari’a in legal and state matters. Use the map above and the questions below to help gain a clearer understanding of the relationship between law and religion throughout the Muslim world.

**Comprehension and Analysis**

- Using a colored pencil, shade the following Muslim nations on the map above: Azerbaijan, Bahrain, Iraq, Kazakhstan, Kyrgyzstan, Oman, Pakistan, Qatar, Syria, Tajikistan, Turkey, Turkmenistan, United Arab Emirates and Uzbekistan. Indicate your shading method in the map key.
- Locate Pakistan and Iran on the map. Of the two countries, which is governed today by strict Islamic law? In which country is a bill pending to impose Shari’a?

- How is Shari’a applied in more moderate Muslim countries? Is the strict application of Shari’a the exception or the rule in the Muslim world as represented on this map?
- What voices quoted in the article favor adoption of Shari’a in Pakistan? What voices oppose it? What reasons do supporters and opponents of Shari’a cite to defend their positions?
- If Shari’a is adopted, how is life in Pakistan likely to change as a result?
- What is the writer’s point of view on Shari’a? Cite specific lines from the article to support your answer.

**Application and Investigation**

Research the application of Islamic law in another Muslim country on the map. Look into its government and legal system. What role do religious clerics play in its governance? To what extent are this nation’s laws derived from Shari’a? Is there a movement within this country to impose stricter Islamic law? Share your findings with classmates.

# Third Time Lucky?

Relief at an agreement with President Milosevic is tempered by anxiety over the dangerous loopholes

By MASSIMO CALABRESI BELGRADE

**R**ICHARD HOLBROOKE EMERGED LAST WEEK from more than 50 hours of talks with Yugoslav President Slobodan Milosevic to announce a dramatic “road map” to solution of the conflict in the rebellious southern Serbian province of Kosovo. Milosevic had agreed to a Western “verification mission” made up of 2,000 observers on the ground and unarmed NATO planes in the air, and had promised major political concessions on the future self-governance of Kosovo. After months of intransigence, it seemed, Milosevic was ready to comply with Western demands to stop yet another round of brutal blood-letting in the Balkans.

Not quite. Amid relief at a deal that held in abeyance threatened NATO air strikes, few noticed that the Yugoslav leader had not agreed in writing to a key demand: withdrawal of much of the Serb army and police troops who had killed hundreds of Kosovars and driven more than a quarter million from their homes.

For U.S. envoy Holbrooke, it was a third attempt at making peace in Kosovo, where a restive 90% ethnic Albanian population is ruled by a Serb minority that seized control of all the organs of power in a 1991 crackdown. Talks in May turned to disaster when Milosevic used them as a cover to launch a widespread attack against villages thought to harbor rebels of the Kosovo Liberation Army. Before it was over, between 10,000 and 13,000 civilians had fled across the border to Albania. Holbrooke’s second attempt in June amounted to little more than a fact-finding mission. It slowed only

temporarily a Serb village-burning campaign that would send an estimated 250,000 from their homes, as many as 50,000 of whom remain in the hills living in makeshift shelters.

THIS TIME, THOUGH, HOLBROOKE HAD THE CREDIBLE threat of NATO force behind him. With the inclusion in the negotiating team of U.S. Air Force Lieut. Gen. Michael Short—the man who picks the targets for NATO—Milosevic had reason to assume that the West was serious. The demands were plain enough: Milosevic should draw down his troops in Kosovo, start serious negotiations with the Kosovars and allow safe, unhindered movement for refugees, humanitarian groups and war crimes investigators. On the political and humanitarian sides, the deal showed signs of life almost immediately. The Serbian government published 11 principles for a political solution and a timetable for its implementation. The main concessions included elections within nine months leading to broad self-rule for Kosovars, local control of community police forces and an amnesty for those who fought in the conflict unless they had committed war crimes. Aid agencies reported easier access around Kosovo.

But on the military front, Holbrooke left Milosevic wiggle-room on the numbers of Interior Ministry and army forces allowed to remain in the province. The Serbs signed up only for “the withdrawal of security units used for civilian repression,” a term vague enough to enable Milosevic to quibble later over details and definitions. NATO generals meeting with Milosevic Thursday stressed specific numbers, but Holbrooke and the Western



policymakers faced a negotiating dilemma. The West does not wish to see Yugoslavia disintegrate further with the secession of Kosovo because it fears the precedent of unilateral border changes and the spreading of Albanian minority revolution to Macedonia, so some force is required to keep the separatist K.L.A. from taking over. If NATO won't do it, only Serb forces can. "We can't pull out everybody because...the K.L.A. would take over," says a Western diplomat close to the talks. But with winter approaching, the U.S. and its allies could not stomach a humanitarian catastrophe as refugees struggled to survive in the hills.

The hope is that the 2,000-member verification mission led by the Organization for Security and Cooperation in Europe, combined with unarmed NATO overflights, can do the job. But critics say the 2,000 monitors will be more like hostages than verifiers. NATO will fear retaliatory attacks against the monitors if it strikes Serb targets for breaches of the agreement. "As long we have 2,000 potential hostages in Kosovo, our leverage against Milosevic is severely reduced," says Ivo Daalder of the Brookings Institution. David Johnson, U.S. ambassador to O.S.C.E., says the reaction to such supposedly random attacks would be resolute. "We roll up and get out and we're back where we are now [with the threat of air strikes]." He says that NATO will have some forces ready to withdraw the "verifiers" if needed.

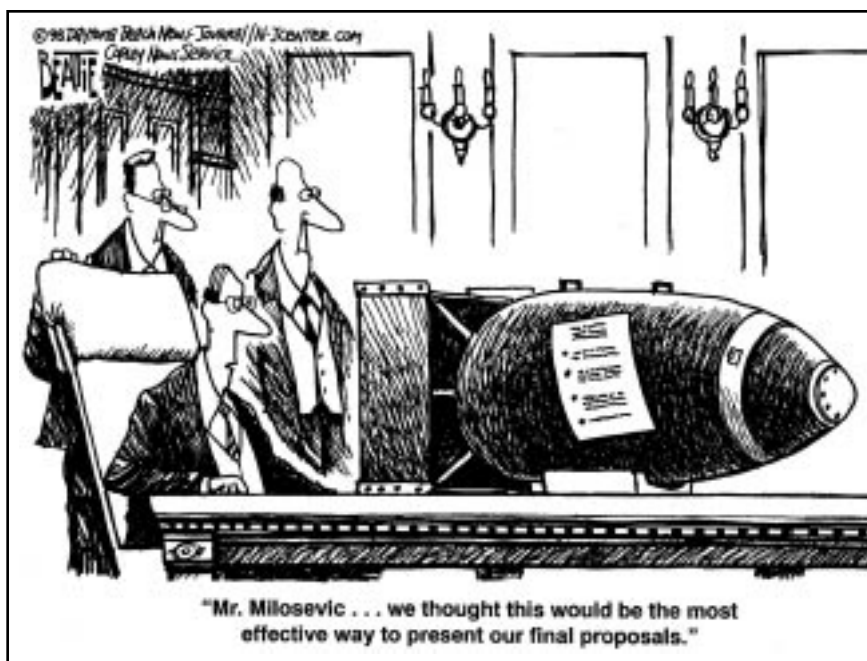
Another threat comes from the bellicose K.L.A. After being crushed by a Serb summer offensive they learned they can fight only as hit-and-run guerrillas. But even hit-and-run tactics can wreak havoc on a fragile peace. "The K.L.A. is never going away," says the Western diplomat close to the talks. Besides the destabilizing K.L.A. there are plenty of disgruntled minority Serbs in the region who feel Milosevic is selling them out. "Evil-intentioned people, within and without the country, should be told to keep their hands off Kosovo," read a post-deal statement by the Serbian Resistance

Movement, a radical anti-Albanian group based in Kosovo. "Every Serb, peasant or soldier, is ready to defend his Serbian land, his offspring and Orthodoxy." But there was ever-diminishing public criticism of Milosevic's deal as his myrmidons closed down three of the country's most popular independent newspapers in a continuing crackdown on the free press.

As he headed into the last hours of negotiation, Holbrooke was in a position of considerable strength. NATO had just passed its activation order and set a 96-hour deadline for Milosevic's compliance. With the clock ticking, the pressure would only have mounted and Milosevic's concessions would only have become greater. But within six hours of the issuance of the activation order, Holbrooke announced his deal—complete with loopholes—and headed for the airport, tossing aside what many considered an enviable negotiating position. With Milosevic's history of renegeing on commitments, Holbrooke may soon find himself back in the Balkans, trying to do it a fourth time. ■

**Questions**

1. How did Richard Holbrooke's third mission to the Balkans differ from his two previous ones?
2. What are the terms of the deal Holbrooke reached with Slobodan Milosevic? Why have some observers criticized the agreement?



# Why Is This Happening?

Drought and human folly produce another shocking famine

By BRUCE W. NELAN

**T**HE FLAT, PARCHED PLAINS OF SUDAN SEEM to run on endlessly, right over the horizon. Outside the few towns, there are no roads, no telephones, no electricity. The country is a vast emptiness of almost 1 million sq. mi.; yet it is home to just 28.5 million people, and the only way to get from one place to another is to walk. If you are starving, it can take days or weeks to stagger to one of the dozen feeding centers run by international aid agencies. That is what thousands of stick-figured Sudanese are doing right now: trekking desperately in search of food, tottering, often falling into the dust to die, sometimes within sight of their goal. Across the pitiless expanse of Sudan, starvation threatens 2.6 million people, of whom 350,000 may be facing death.

Yet it is nothing new. For much of the past two decades, every three or four years, like clockwork, the country lapses into famine brought on not just by devastating drought but also by the combined follies of nearly everyone involved. The 15-year-old civil war between the Islamic government in Khartoum and the rebel Sudan People's Liberation Army (SPLA) in the south has stripped the country virtually to the bone and slaughtered an estimated 1.5 million people. When the fighting is going badly for its side, the government tries to starve the rebels

into submission by cutting off food aid. The rebel fighters routinely take food from civilians to sustain themselves or block supplies from reaching the territory of their factional rivals. And the aid community stands accused of docilely submitting to the strictures of the Sudanese government rather than pushing through the assistance the country urgently needs.

There has been vicious warfare on and off since Sudan's independence in 1956. Africa's largest country is really two: an Islamic, Arabized north and a Christian, animist and African south. The government in Khartoum is headed by Lieut. General Omar Hassan al-Bashir, but the real power is Hassan al-Turabi, a radical scholar who leads the National Islamic Front and is intent on enforcing Muslim law on the land. On the battlefield, the shifting coalition led by John Garang's SPLA has been successful recently, opening a new front in the northeast. Officially the rebels are fighting for self-rule, but their private agenda has always included a slot for outright independence. The regime in Khartoum, weary of a war that is costing \$1 million a day, and increasingly unpopular as it seeks to draft the nation's reluctant youth into the fruitless fight, is ready to talk about autonomy for the south; Garang, with visions of victory, refuses.

But peace is the commodity the Sudanese people need most. Their starvation is all the worse because it is so unnecessary. Southern Sudan offers some of the most productive land in Africa, and the people who live there are hardworking farmers and herds-

men, past masters at raising cattle, coping with scanty rainfall and husbanding seeds. If the battles would only end, they could make it on their own. Instead, tens of thousands of them are likely to die in this famine and the next one, which is sure to come. ■

## Questions

1. What are the causes of the famine in Sudan?
2. What is the basis of Sudan's civil war?



# Conversation With Terror

**T**WIN BOMBINGS OF THE U.S. EMBASSIES IN Kenya and Tanzania left 257 dead and more than 5,000 wounded. Osama bin Laden—the alleged mastermind of the Aug. 7 attacks—has been in hiding since the U.S. launched missiles against his bases in Afghanistan. Yet on Dec. 22, the summons suddenly came: Would Rahimullah Yusufzai, who reports for the *News* of Pakistan, as well as *TIME* and ABC, like to interview Bin Laden? After a car trip through the Afghan desert (and getting stuck in the sand three times), Yusufzai arrived at an encampment of three tents. Polite and given to praising God in nearly every sentence, Bin Laden sipped water from a cup (he was nursing a sore throat) and nestled an AK-47 as he spoke. Eager to deny reports that he has cancer, Bin Laden said he enjoys riding horses and playing soccer, but he used a stick to walk because of a bad back. He also spends time with his three wives and children in Afghanistan. Aides say his contact with the world is limited to newspaper and radio reports.

**TIME:** *Are you responsible for the bomb attacks on the two U.S. embassies in Africa?*

**Osama bin Laden:** The International Islamic Front for Jihad against the U.S. and Israel has, by the grace of God, issued a crystal-clear *fatwa* [decree] calling on the Islamic nation to carry on *jihad* [holy war] aimed at liberating holy sites. The nation of Muhammad has responded to this appeal. If the instigation for jihad against the Jews and the Americans in order to liberate al-Aksa Mosque and the Holy Ka'aba [Islamic shrines in Jerusalem and Saudi Arabia] is considered a crime, then let

history be a witness that I am a criminal. Our job is to instigate and, by the grace of God, we did that, and certain people responded to this instigation.

**TIME:** *Do you know the men who have been arrested for these attacks?*

**Osama bin Laden:** What I know is that those who risked their lives to earn the pleasure of God are real men. They managed to rid the Islamic nation of disgrace. We hold them in the highest esteem.

**TIME:** *The U.S. says you are trying to acquire chemical and nuclear weapons.*

**Osama bin Laden:** Acquiring weapons for the defense of Muslims is a religious duty. If I have indeed acquired these weapons, then I thank God for enabling me to do so.

**Osama bin Laden, America's Public Enemy No. 1, says that hostility toward the U.S. is a religious duty.**

**TIME:** *The U.S. is trying to stop the flow of funds to your organization. Has it been able to do so?*

**Osama bin Laden:** The U.S. knows that I have attacked it, by the grace of God, for more than 10 years now. The

U.S. alleges that I am fully responsible for the killing of its soldiers in Somalia. God knows that we have been pleased at the killing of American soldiers. America has been trying ever since to tighten its economic blockade against us and to arrest me. It has failed.

**TIME:** *America, the world's only superpower, has called you Public Enemy No. 1. Are you worried?*

**Osama bin Laden:** Hostility toward America is a religious duty, and we hope to be rewarded for it by God. To call us Enemy No. 1 or 2 does not hurt us. Osama bin Laden is confident that the Islamic nation will carry out its duty. I am confident that Muslims will be able to end the legend of the so-called superpower that is America. ■

## Questions

1. What reasons does Osama bin Laden give for calling for a *jihad*? What are the tactics of this *jihad*?
2. How does bin Laden respond to his designation as America's Public Enemy No. 1?

# Murderous Mitch

The hurricane that devastated Central America killed thousands and slaughtered the hopes of millions

By TIM PADGETT MANAGUA

**T**RAGEDY IS NUMBINGLY ROUTINE IN CENTRAL America. Poverty, earthquakes and civil wars have savaged the region for most of this century. Still, the Dantesque calamity that hit the isthmus last week may have taken suffering to a new plateau. As many as 10,000 people were estimated dead in the battered countries of Nicaragua and Honduras, while some 2 million were left homeless, in the wake of the relentless rains of Hurricane Mitch. In all, the storm caused a staggering \$3 billion in damage—more than half the combined Nicaraguan and Honduran gross domestic products.

In Nicaragua alone, where 3,800 were thought dead, much of the landscape looks as barren as the moon. Starving, sallow-skinned children, many suffering cholera from the fetid waters that destroyed their homes, begged for food on the crumbled, mud-slick roads between Managua and the flooded northern sierras.

For towns like the once thriving community of Posoltega, nestled on rich soil beneath the Casitas Volcano in Nicaragua's mountainous northwest, Mitch was the apocalypse. Close to noon on Oct. 30, after the hurricane had dumped three days of rain into Casitas's crater, the mountainside burst with what villagers described as the angry roar of a jetliner. It hurled mud, water and rock onto Posoltega's rooftops, "a terrible, towering wall that just fell out of the clouds," says Santo Diaz, 24. Diaz gathered his elderly father, mother, sister and two brothers to escape—but the avalanche claimed them. He was still clutching their hands as they were buried alive.

In Honduras, Mitch spawned the worst floods in 200 years. The waters may have killed more than 5,000 people and left 11,000 missing. As Vice President William Handel helicoptered over the deluged Uluá River valley, he saw three people trapped on a patch of high ground, waving frantically. The waters rose so fast that the chopper couldn't land—and Handel, just yards away, watched them drown, tossed like rag dolls in the current.

AS THE GRAVITY OF THE DISASTER REACHED around the world, close to \$100 million in aid poured in. But Central America's development, which lagged far behind the rest of the world before the hurricane, has been set back decades.

One of the most ghoulish aspects of the havoc was its stealthy approach. Even as Mitch was blast-

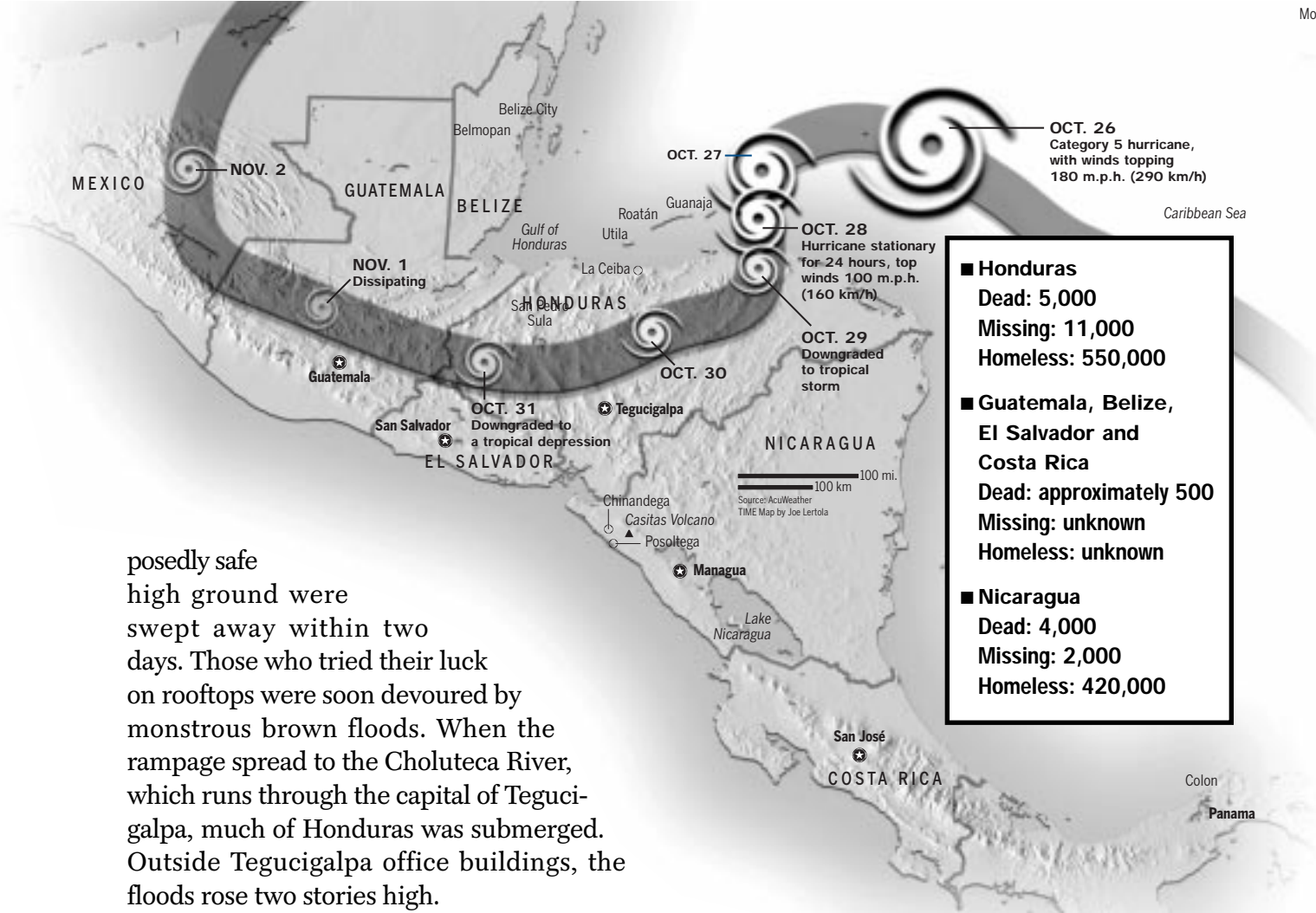
ing volcanoes, it was dismissed as an anticlimactic hurricane. When it formed over the Caribbean a week earlier, it was a Category 5 vortex whose winds whipped the sea at 290 km/h. Mitch was deemed likely

**In all, the storm caused a staggering \$3 billion in damage—more than half the combined Nicaraguan and Honduran gross domestic products.**

to strike the gilded resort area of Cancun on Mexico's Yucatan coast. But then the storm weakened, stopped near the Nicaragua-Honduras border and stayed there until Nov. 1. Afterward it moved out to the Gulf of Mexico as a mundane tropical storm.

For almost five days, the "resting" Mitch dumped nearly half a meter of pounding rain a day on some of the region's most vulnerable landscape. In Honduras, it overwhelmed two large rivers, the Uluá and Chamelecon, near the country's second largest city, San Pedro Sula. That turned San Pedro and the Uluá Valley into a churning, 200-sq-km lake and ruined most of the nation's crucial banana crop. Tarpaulin-tent cities set up on sup-





<p><b>■ Honduras</b>  <b>Dead: 5,000</b>  <b>Missing: 11,000</b>  <b>Homeless: 550,000</b></p> <p><b>■ Guatemala, Belize, El Salvador and Costa Rica</b>  <b>Dead: approximately 500</b>  <b>Missing: unknown</b>  <b>Homeless: unknown</b></p> <p><b>■ Nicaragua</b>  <b>Dead: 4,000</b>  <b>Missing: 2,000</b>  <b>Homeless: 420,000</b></p>
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posedly safe high ground were swept away within two days. Those who tried their luck on rooftops were soon devoured by monstrous brown floods. When the rampage spread to the Choluteca River, which runs through the capital of Tegucigalpa, much of Honduras was submerged. Outside Tegucigalpa office buildings, the floods rose two stories high.

IN NICARAGUA, THE HEAVIEST RAIN FELL SQUARELY on the northern mountain ranges. That added terrifying velocity to floods as they lacerated the valleys and plains below, cutting deep ravines as wide as football fields. As they destroyed lives, the crashing waters ruined more than a third of the country's major cash crops. Refugees from Guanacastal, a hamlet near Posoltega, huddled dazed and injured around a campfire near the Panamerican Highway, where they told of villagers killed when a wall of water crashed into their streets and swept away even the well-built cement-block houses. As of late last week, they said, floodwaters at home were still above their heads, and corpses of villagers, cows and pigs were fueling a cholera epidemic. "Our lives are gone," said a teary Francisca Mendoza, 34, clutching powdered-milk boxes for her six small children.

Many if not most of Mitch's victims were youngsters—including not only those who drowned but also those whose malnourished bodies were no match for the deadly septic infections set free in the flooding waters. (In Nicaragua, 66% of the children

were malnourished before the rains began.) "It's hard for anyone to appreciate how utterly cut off these people are right now," says Charles Compton, local head of the London based Plan International relief organization. "We have to keep starvation and infection from claiming as many victims as the hurricane did."

"No one knows how many are dead," U.S. Ambassador to Honduras James F. Creagan said bluntly. But when the final tally is in, the assertions of a staggering toll may well be borne out. Those whom the floodwaters did not kill are still threatened by isolation, starvation, disease and neglect—the normal stuff of tragedy in Central America, made hundreds of times worse by Mitch's murderous rains. ■

**Questions**

1. What immediate impact did Hurricane Mitch have on Central America? What longterm effect is the storm likely to have on the region?
2. Why was the approach of Hurricane Mitch "ghoulish"?

# Current Events In Review

Test your knowledge of news stories covered in the *Current Events Update* by answering the following multiple-choice questions.

## NATION

- \_\_\_\_ 1. The 1998 midterm elections resulted in:  
 a. a gain of 5 Democratic House seats  
 b. no change in the distribution of Senate seats  
 c. the resignation of House Speaker Newt Gingrich  
 d. all of the above
- \_\_\_\_ 2. The former Navy SEAL and professional wrestler who won Minnesota governor's race is:  
 a. Jesse Helms                      c. Jesse Ventura  
 b. Jesse James                      d. Jesse Jackson Jr.
- \_\_\_\_ 3. The House of Representatives approved two articles of impeachment accusing Bill Clinton of:  
 a. abuse of power and treason  
 b. lying under oath and obstruction of justice  
 c. embezzlement and abuse of power  
 d. obstruction of justice and real-estate fraud
- \_\_\_\_ 4. How many Senators' votes are required to convict an impeached President?  
 a. 51                      b. 60                      c. 67                      d. 76

- \_\_\_\_ 5. The 77-year-old astronaut who returned to space after 36 years is:  
 a. John Glenn                      c. Buzz Aldrin  
 b. Neil Armstrong                      d. Shannon Lucid
- \_\_\_\_ 6. The target of an antitrust lawsuit brought by the Department of Justice is:  
 a. Citicorp                      c. Netscape  
 b. General Motors                      d. Microsoft
- \_\_\_\_ 7. Corporate executives have expressed strong praise for President Clinton's reform of:  
 a. the IRS                      c. education  
 b. welfare                      d. the space program
- \_\_\_\_ 8. What percentage of eligible voters turned out for the 1998 midterm elections?  
 a. 37%                      b. 47%                      c. 57%                      d. 67%
- \_\_\_\_ 9. Which of the following was *not* a factor in the Democrats' surprisingly strong showing in the midterm elections?  
 a. voters' dissatisfaction with Congress  
 b. Republicans' ads focusing on the scandal  
 c. Democrats' ads on environmental protection  
 d. strong turnout among union members
- \_\_\_\_ 10. Prior to Bill Clinton, how many U.S. Presidents have been impeached?  
 a. 0                      b. 1                      c. 2                      d. 3

## WORLD

Match each of the descriptions at right with the appropriate place in the list below. Write the letter of the correct country in the space provided. (Note: Not all country names will be used.)

- A. Afghanistan
- B. China
- C. Honduras
- D. India
- E. Iran
- F. Iraq
- G. Israel
- H. Jordan
- I. Kenya
- J. Korea
- K. Mexico
- L. Pakistan
- M. Russia
- N. Sudan
- O. Yugoslavia

- \_\_\_\_ 11. Hurricane Mitch did some of its worst damage in the form of devastating floods here.
- \_\_\_\_ 12. Nation whose President has directed attacks against Albanians in one of its provinces.
- \_\_\_\_ 13. A halt to the selling of small state-owned enterprises gave the first hint that this country's economic reform program was in trouble.
- \_\_\_\_ 14. An agreement reached at a Maryland plantation raised hopes of a lasting peace here.
- \_\_\_\_ 15. Some lawmakers questioned President Clinton's decision to conduct air strikes against this nation.
- \_\_\_\_ 16. Drought and human folly combined to cause a famine in this country, threatening 2.6 million people with starvation.
- \_\_\_\_ 17. The street value of this nation's currency fell 50% in late August, sending shock waves around the world.
- \_\_\_\_ 18. Country whose leader is advocating a return to fundamentalist Islamic law.
- \_\_\_\_ 19. Osama bin Laden is the alleged mastermind of bombings at U.S. embassies in Tanzania and this country.
- \_\_\_\_ 20. The king of this nation urged Middle East leaders to agree on terms for a peace plan.

# Answer Key

## Now Hear This (pages 2 and 3)

1. Republicans focused on the White House scandal and invested in expensive TV advertising; Democrats stressed organization and turnout.

2. In contrast to predictions of sizable Republican victories, Democrats gained five House seats; the distribution of Senate seats was unchanged. Stronger-than-expected turnout and disapproval of Republicans' focus on the Clinton scandal helped the Democrats.

## Body Slam (page 4)

1. Jesse Ventura was considered a "no-chance-on-earth third party candidate." He defeated two respected career politicians and became the first candidate of Ross Perot's Reform Party to win statewide office.

2. Ventura appealed to younger voters and tapped into a grass-roots resentment of elitist politicians.

## Analyzing the Election Results

(page 5)

1. The West and Midwest are the most strongly Republican regions; the Northeast is most solidly Democratic. The South and Midwest have a close-to-even balance between the parties.

2. Predictions will vary.

## Washington Burning

(pages 6 and 7)

1. The four articles of impeachment accused Clinton of lying under oath, perjury, obstruction of justice and abuse of power. The House approved the first and third articles.

2. Clinton is only the second President to be impeached by the House. (The first was Andrew Johnson, in 1868.)

## The Great Disconnect

(page 8)

1. Legal scholars believe Clinton is most vulnerable to charges that he lied about his actions.

2. House prosecutors believe that witnesses will sway opinion against the President.

## Forks in the Road to Impeachment

(page 9)

House Judiciary Committee adopts resolution of inquiry: Oct. 5, 1998.

House proceeds to full-blown impeachment hearing: Oct. 8, 1998.

Judiciary Committee adopts articles of impeachment: Dec. 11 and 12, 1998

House votes on articles of impeachment and sends case to the Senate: Dec. 19, 1998.

Senate trial begins: Jan. 7, 1999

1. Article I, Section 2, Clause 5 gives the House sole power to impeach; Article I, Section 3, Clause 6 gives

the Senate sole power to try impeachments. Article II, Section 4 states that if convicted, the President must be removed from office.

2. The case against Johnson went to trial in the Senate, where it was defeated by a vote of 35-19, one short of the two-thirds needed for impeachment.

3. The House Judiciary Committee approved three articles of impeachment against Nixon. Nixon chose to resign on August 8, 1974, before the full House voted on the articles.

## Victory Lap (page 10)

1. On his 1962 flight, Glenn was alone and in a small rocket; on his 1998 mission, Glenn was part of a multinational crew aboard a space shuttle.

2. Glenn sought to determine the effect of space travel on senior citizens.

## Gathering Oral History (page 11)

Answers will vary.

## Dressed for Success

(page 12)

1. The welfare-to-work program is a year-old partnership established by President Clinton and aimed at moving people off public assistance and into jobs.

2. Johnson, now working as a Sprint operator, handles 600 calls a day and has received several positive reports from satisfied callers.

## Demonizing Gates

(page 13)

1. The Justice Department claims that Microsoft had established a monopoly and was seeking to wipe out its competition in the Internet browser business. Microsoft says the company is not a monopoly and that competitors are free to enter the market.

2. Gates has been portrayed both as a rapacious capitalist determined to crush his competitors and as a brilliant innovator.

## What a Drag!

(pages 14 and 15)

1. In the wake of the currency crisis that began in Thailand in 1997, the value of currencies in Asia, Latin America and Russia has fallen sharply.

2. Demand for U.S. exports has dropped, causing declines in the stock market and layoffs in some industries.

## What's a Dollar Worth?

(page 16)

*The Cost of Exports:* 1. 117.90 Japanese yen; 1.39 Canadian dollars; 144.70 Japanese yen; 1.53 Canadian dollars. Coke sales are likely to have fallen in Japan and Canada over this period, since the cost of the product went up for buyers in these countries.

2. 2,780 Canadian dollars; 70,600 Thai baht; 2,940 Canadian dollars;

84,660 Thai baht. The American computer industry is likely to face declining profits and layoffs of employees if foreign currencies continue to fall against the dollar.

3. Troubles abroad can affect profits, spending and layoffs at U.S. companies.

*The Cost of Imports:* A Toyota cost more in August 1997 than in August 1998; the decline of the yen can spell good news for American consumers who buy Japanese imports but bad news for U.S. automakers, since Japanese cars become more affordable as the yen drops against the dollar.

*A Global Perspective:* A fall in a country's currency could lead to an increase in demand for the country's exports.

## China's Missing Pieces (page 17)

1. "Zhu-phoria" refers to admiration for China's Premier Zhu Rongji, who has brought about major economic reforms.

2. Bank reform has been halted; surveillance of dissidents has increased; members of what would have been the country's first opposition political group have been detained.

## Free Fall (pages 18 and 19)

1. The street value of the ruble fell by half; banks are closing; foreign investors are refusing to give additional money to Russia; workers are not being paid by their employers; plants and citizens can't pay taxes; the national deficit is growing.

2. Yeltsin freed prices and advocated privatization, but these efforts backfired because investors purchased state properties at bargain prices, stripped their assets and became partners with cronies in government.

## Inside Wye Plantation

(pages 20 and 21)

1. The key provision of the agreement calls for Israel to return a piece of land in the West Bank.

2. King Hussein urged Arafat and Netanyahu to reach an accord for the sake of future generations; Clinton stepped in to the negotiations and encouraged the two sides to reconcile their differences.

## What Good Did It Do?

(pages 22 and 23)

1. Iraq had failed to comply with promises to cooperate with the U.N. weapons inspection team; the U.S. goal was to cripple Iraq's ability to produce weapons of mass destruction.

2. The bombings disabled Iraq's air-defense network and destroyed its intelligence headquarters, but did not eliminate the threat posed by Saddam Hussein's weapons arsenal.

## Sword of Islam (page 24)

1. Shari'a is Islamic law.

2. Prime Minister Nawaz Sharif argues that Shari'a can save Pakistan from corruption; opponents say Shari'a will bring tyranny and religious dictatorship.

## Law and Religion in the Muslim

World (page 25)

2. Iran is governed by strict Islamic law; a bill to impose Shari'a is pending in Pakistan.

3. In more moderate countries, Shari'a is applied to family and religion but not to legal and state matters. The strict application of Shari'a is the exception in most of the Muslim world.

4. Nawaz Sharif favors adoption of Shari'a, arguing that it will rid Pakistan of corruption; Benazir Bhutto and other opponents say adoption of Shari'a will lead to tyranny and repression.

5. Under strict Islamic law, criminals are punished severely, through amputation, public flogging and whippings.

6. The writer suggests that implementation of Shari'a will be a setback for Pakistan and that it will "unleash religious fervor."

## Third Time Lucky?

(pages 26 and 27)

1. On his third mission, Holbrooke emerged with a deal to end ethnic conflict in Kosovo.

2. The deal calls for a "verification mission" of 2,000 observers on the ground, NATO planes in the air, and includes concessions on self-governance for Kosovo. Critics complained that Milosevic did not agree in writing to withdrawal of the Serb army from Kosovo.

## Why Is This Happening?

(page 28)

1. Civil war, theft of food from civilians and drought have combined to cause the famine.

2. Religious differences and demands for self-rule are at the root of the civil war.

## Conversation With Terror

(page 29)

1. Osama bin Laden has called for a jihad to liberate holy sites. The holy war is conducted through instigating violence.

2. Osama bin Laden claims that God will reward him for his hostility to America.

## Murderous Mitch

(pages 30 and 31)

1. Up to 10,000 people were killed and 2 million were left homeless; the storm caused \$3 billion in damage. The storm caused major longterm setbacks for Central America's economic development.

2. Mitch had weakened and was dismissed as an ordinary tropical storm.

## Current Events in Review (page 32)

1.d 2.c 3.b 4.c 5.a 6.d 7.b 8.a 9.c 10.b 11.C 12.O 13.B 14.G 15.F 16.N 17.M 18.L 19.I 20.H

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