

# DOLLARS & \$ENSE

BARUCH COLLEGE REVIEW  
OF BUSINESS & SOCIETY

MAY 2005



# BOOM & BUST

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# FROM THE EDITORS' DESK

In the months leading up to the contentious presidential elections of November 2004, New York City was at the center of the political storm, hosting both the Republican National Convention and massive demonstrations outside Madison Square Garden where the convention was held.

In our 2005 issue, *Dollars & Sense* explores life after the elections. Two of the biggest issues debated during the elections — the war in Iraq and the U.S. economy — continue to roil the country. Inside this issue, we see the war in Iraq from various local perspectives. A family in upstate New York tries to remain patient and optimistic as the husband and father fights thousands of miles away. Student reservists, ready to be called to active duty, face disruptions in their college education in order to dedicate weeks to army training. We also examine the possibility of a military draft.

On the economic side, *Dollars & Sense* explores the day-to-day battles fought by ordinary people as they are buffeted by a shaky economy. We examine how interns are increasingly replacing workers as sources of cheap labor. Similarly, we look at the continued success of reality TV, which is squeezing jobs for working actors. On a more optimistic note, another story looks at the growing number of Hispanic women who are starting their own businesses as a way up the economic ladder.

On the lighter side, we hope readers will enjoy our “What’s Hot/What’s Not” section, which looks at newer trends such as the growing popularity of bow ties, the new must-have accessory for the well-dressed conservative, and fading ones, such as travel agencies.

*Dollars & Sense* has a proud history of winning awards in recognition of the fine writing and overall quality of our publication. This year, *Dollars & Sense* won second place in the prestigious Best in Business competition, student category, of the Society of American Business Editors and Writers for its article “First Down in Manhattan,” which was published last May. Congratulations to Rosa Caballero and Karah Woodward, the authors of the article, and Kester Alleyne-Morris, the editor.

As always, preparation for this issue of *Dollars & Sense* required many hours and dedication from the staff. It would not have been possible without the tireless efforts of Professors Andrea Gabor, Michael Nix and Alisa Solomon, who have always made themselves available. The *Dollars & Sense* graphics team has, yet again, helped turn out another amazing issue. We have put a lot of hard work into this issue, and it is our hope that readers will enjoy this latest installment.

Korenne Haller  
Editor-in-Chief

Martinne Geller  
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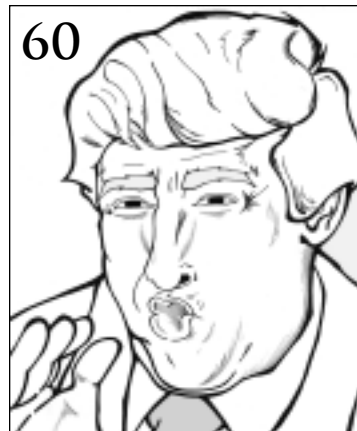
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# WAR IN IRAQ

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# THROUGH A SOLDIER'S LENS

## Documenting Reconstruction

BY MICHELLE MCGIBBON

PHOTOGRAPHS BY SPECIALIST JAMAR HALL

The welcome-home sign still hangs in Specialist Jamar Hall's living room in Roselle, NJ as a simple reminder of how grateful he was to come back from Iraq on March 17, 2004. Hall, 24, left for the war in early 2003. His mission: "rebuild." Armed with his military gear and a digital camera, Hall's secondary mission was to take pictures of the development projects that were being undertaken by his unit. Spc. Hall shared his portfolio with *Dollars & Sense* and discussed his experience with *D&S* reporter Michelle McGibbon.





**D&S: When did you first join the military?**

**Spc Hall:** I joined in April 1999. Right after I graduated high school, I signed up with the army.

**WHY?**

I needed money for school and I wanted to travel. But most important I wanted to serve my country.

**WHEN DID YOU LEAVE FOR IRAQ?**

My unit left in February 2003, a month before the war in Iraq started. It took us a while to get there since we came from the northern part of Iraq. Security issues were low when we first arrived.

**HOW LONG WERE YOU INITIALLY THERE?**

I was away for 14 months.

**WHEN YOU ARRIVED IN IRAQ WAS THE SITUATION ON THE GROUND DIFFERENT FROM WHAT YOU WERE EXPECTING? HOW DID THE PEOPLE OF IRAQ REACT TO THE ARMY?**

Yes, the situation was very different. What we saw and heard prior to our arrival was the things that were going on in the south. We came through the north where the Kurds welcomed us. I didn't expect that. They were very friendly and happy to see and help us.

**WHAT WAS YOUR INITIAL REACTION WHEN YOU GOT MORE DEEPLY INTO IRAQ?**

I was in disbelief. I couldn't believe what was happening. Reality hit me and for a moment I said to myself, this is really a war.

**WHAT WAS THE REAL SITUATION THERE LIKE?**

It appeared to me that most people want to be happy and watch

their children grow up and be happy. We had to fight for our freedom from England in 1776 and it just so happens that we are helping the Iraqis fight for their freedom and their happiness as well.

**WHAT WAS THE MORALE LIKE AMONG THE SOLDIERS?**

The morale among us was up and down. You can't be happy all the time if you are so far away from home fighting a war. To me the hardest thing was being away from home for so long.

**WAS THIS YOUR FIRST OVERSEAS MISSION?**

No. My first overseas assignment was actually at a peace-keeping mission in Kosovo. I was there from February 2001 to August 2001. We were there to stop an ethnic cleansing from occurring and to help maintain the peace.

**WERE YOU EVER AFRAID FOR YOUR SAFETY?**

I can't really explain it. Yes I was scared and worried, but you can't let it consume you when you have a job where other people's lives depend on you.

**WHAT WERE YOUR TASKS?**

We were given the task of rebuilding the police force, the fire department and other financial departments. We brought in non-government agencies like Unicef and the Red Cross to aid refugees, set up refugee camps, provide housing or whatever else the town needed to rebuild. I saw some towns torn down and Unicef would come in and build back up. My unit was not there to fight.

**GIVEN THAT YOU WERE IN IRAQ ON A HUMANITARIAN MISSION, DID YOU CARRY A GUN? WERE PEOPLE ABLE TO DISTINGUISH THE FIGHTERS FROM THE REBUILDERS?**

Yes, all the soldiers carried guns. We all wore the same uniform. The only distinctive marks to tell the different units apart were the patches on our shoulders.

**WHAT PROGRESS DID YOU MAKE?**

The country went from having nothing as far as uniforms, weapons and structure to us setting up refugee camps with other non-government agencies. We worked with the Red Cross to open up clinics, overseeing the beginning and ending stages of the work.

**HOW DOES IT MAKE YOU FEEL TO KNOW THAT SO MANY PEOPLE ARE AGAINST THE WAR?**

Everyone has his or her own opinion. Even though people are against the war they still support us. There may be a few people out there who go to anti-war rallies and things like that, but from my point of view I think that people don't hate us as soldiers, but support us even if they don't like the mission we are on. I think they know we have a job to do and it wasn't our decision or our choice to go to war.

**WHY WERE YOU GIVEN A CAMERA AND WHAT DID YOU DO WITH THE PICTURES?**

We were all given digital cameras to take pictures of the progress of the work we did in Iraq. It was part of the job. We submitted them.

**HOW MUCH OF THE JOB WAS COMPLETED BEFORE YOU LEFT?**

I would say at least 80 percent.

**DID YOU SEE ACTION? DID YOUR REBUILDING UNIT EVER TAKE FIRE FROM IRAQI INSURGENTS?**

Yes, we took fire on a number of occasions.

**WHY DID YOU COME BACK?**

I came back because my time was up.

**HOW DID THE EXPERIENCE CHANGE YOU AS A PERSON?**

I would say it made me a stronger person. I realized that what I was doing in Iraq I could do for my own community.

**SO YOU ARE NOW A NEW JERSEY POLICE OFFICER. WHY THE POLICE FORCE?**

I took the civil service exam in 2002 and scored really well. I was supposed to join the force in 2003, but my unit was deployed to Iraq so my position was held until I returned.

**HOW WOULD YOU COMPARE BEING A SOLDIER TO BEING A POLICE OFFICER?**

Basically my job in the military is the same thing except I'm at home. Being a police officer is easier than being a soldier in the military. I carry a smaller weapon and I work with less hostile people.

**ARE YOU DONE WITH YOUR SERVICE DUTY NOW, OR ARE YOU IN THE RESERVES?**

I am still in the reserves. I have two years left.

**WOULD YOU DO IT AGAIN? BEING A REBUILDER, THAT IS.**

Yes, if I were given the chance I would go back. D&S



# MAKING A KILLING IN IRAQ

Independent contractors cash in.



BY MARTINNE GELLER

PHOTOGRAPH BY SPECIALIST JAMAR HALL

**I**'m getting cold feet. I don't think I can do this." The last-minute confession from Jonathan Fegler's boss, delivered in the first-class lounge at Washington's Dulles airport as the pair waited to start the long trip to Baghdad, came as a shock. The 10 p.m. flight had to be delayed while the crew removed the boss's baggage from the cargo hold. Fegler used this time to process his abandonment at the tarmac.

Fegler, 26, was there in the first place only because that same

boss had persuaded him to join the international team that their company, the consulting firm Bearing Point, Inc., was sending to Baghdad for a USAID (U.S. Agency for International Development) contract to reform Iraq's financial system and aid its economic recovery.

"We're looking for quality people," the boss had said. "I want to go, but I'll only go if you go with me." Young, single and looking for adventure, Fegler signed up and packed his bags.

And so it happened that even before take-off, the coattails Fegler was planning to ride slipped out from under him. Five days later, on December 30, 2003, wearing the same clothes as when he left, he arrived clueless in Baghdad (via Paris and Amman) — his boss had been carrying all of the hotel and contact information. He spotted a handwritten sign with "Bearing Point" scrawled across it and went with the person holding it.

Soon he found his place

among the scores of civilian employees who have been displacing some military functions and helping American firms make a buck in Baghdad. About 150 private companies are taking part in the reconstruction of Iraq and Afghanistan representing a total of \$48.7 billion in government contracts, according to the Center for Public Integrity, a Washington, DC-based public policy research firm. That translates into about 15,000 to 20,000 civilian employees currently working in theaters of war, according to William Hartung, director of the dovish

to private firms. This strategy, first tested in the Balkans in the 1990s, marks a significant departure from previous military deployments.

“Soldiers are now too busy fighting to cook meals, wash dishes and do laundry,” says Frida Berrigan, senior research associate with the Arms Trade Resource Center. U.S. military enrollments have been in decline since the end of the Vietnam War, and a more deliberate downsizing began at the end of the Cold War, when Dick Cheney was secretary of defense under George Bush, Sr.

cies: \$2.5 billion in fiscal 2003 and \$18.6 billion for 2004. What’s more, the money was awarded with little oversight until congressional hearings held last September spotlighted contract abuses.

At the same time, companies operating in war zones also must face challenges that range from securing employees’ safety to working within bureaucratic parameters that, as Fegler points out, can look very arbitrary from the ground. A look into some of the risks and benefits of working in Iraq shows that contractors do pay a price, but they

**AN UNPRECEDENTED NUMBER OF PRIVATE COMPANIES  
ARE REAPING THE FINANCIAL BENEFITS OF THE  
PRIVATIZATION OF SOME ASPECTS OF THE MILITARY.**

Arms Trade Resource Center, a project of the non-partisan World Policy Institute.

Private military contractors are the second-largest member of the “coalition of the willing” in Iraq, after the United States and before the United Kingdom, Hartung pointed out at a June 22, 2004 presentation at the American News Women’s Club in Washington, DC.

Scores of private contractors are providing a stunning array of services. Design, construction and engineering firms rebuild damaged roads, buildings and oil fields, while business consultants try to institute economic reform. Other contractors on the ground provide tactical, logistical or intelligence support directly to the military. Many of these jobs were once strictly the domain of military personnel, but now are being outsourced

In 2002, the most current year for which data is available, the military boasted only 1.4 million soldiers, about half the 2.7 million soldiers who were enlisted in 1971. This decline, according to Berrigan, has set into motion the creation of a military that is totally dependent on contractors.

As a result, an unprecedented number of private companies are reaping the financial benefits of the privatization of some aspects of the military. (Berrigan is quick to point out that shortly after the downsizing of the military became government policy, Dick Cheney became chief executive of Halliburton, a huge recipient of government contracts.) The services of independent contractors are paid for with federal dollars authorized by Congress and doled out by Bush Administration agen-

expect to generate sizable benefits in return. Those risking their lives to do these jobs see their mission as a humanitarian enterprise and are glad to work for companies that can do well by doing good. But critics like Berrigan regard American firms that are cashing in by repairing the devastation wrought by American attacks as war profiteers. Their profiteering, according to Berrigan, is accelerating a costly and dangerous process of military privatization and global neo-liberal economics.

The risks that employees face, and the way they are protected and compensated, expose the contradictions central to the brewing controversies within the debate over privatization.

Between April 2003, when Saddam Hussein’s regime fell and President Bush declared the war over, and press

time, 207 contractor employees had been killed, mostly by anti-occupation insurgents, according to the Iraq Coalition Casualty Count. An additional 14 remain missing. Of these, 74 were American. Their deaths were caused by suicide bombers, convoy attacks and a spate of well-publicized executions.

Whenever a company sends employees into a war zone, "of course you're nervous," says Nicolas Masucci, President and CEO of The Louis Berger Group, an engineering firm, which is building the road from Kabul to Kandahar in Afghanistan and has six lucrative contracts in Iraq. "But what kind of supplier would we be if we only agree to go to nice places, but then said 'don't call us for the bad spots'? Our people are trained for this kind of work. We work in dangerous places all the time," says Masucci. A cadre of 2,000 subcontracted security guards constantly escorts Berger Group employees in Afghanistan, where one of its engineers barely survived a Taliban ambush in which she was shot four times.

Guards, who also secure worksites, contractor housing and hotels in Iraq, are themselves part of the privatization of functions once conducted by the military. The men who shepherd workers like Bearing Point's Fegler whenever they leave the heavily guarded area of closed-off streets in central Baghdad where U.S. authorities work, known as the Green Zone, come from private security companies.

Fegler described his daily commute from a hotel to the Green Zone as "the most vulner-

able portion" of the day, even though he wears a bullet-proof vest and rides with a heavily armed escort service in armored or high-performance sedans, which have special racing technology. "As we drive past the tanks and armed guards, through the barbed wire and 12-foot concrete walls lining the road, you can't forget you're in a war zone." Fegler wrote in a January 12, 2004 email sent to a growing list of family and friends 13 days after his arrival in Baghdad. "You're not allowed to leave the Green Zone area or the hotel without a PSD [personal security detail] accompanying you," he wrote.

Such protection does not come cheap. First, employees working overseas receive all the usual benefits, according to Masucci, as well as so-called "hardship differential and danger pay," similar to the 25 percent the State Department specifies for its civilian employees working in active war zones. Coupled with the usual location adjustments for expatriate workers, Masucci said the difference amounts to about a 50 percent pay increase. Then there's the high expense of security personnel.

"Some of the money given to a project now must go instead to security," says Susan Pittman, a USAID spokesperson. "Different situations have different security needs." Using a somewhat hypothetical example, Pittman says that for some projects in Iraq security makes up 20 percent of the project costs, while in others it could account for 40 percent.

Indeed, with so much being

spent on security, it's hard to say how much of the money the U.S. allocates for military contractors is actually going toward reconstruction, explains Daniel Politi, a researcher at the Center for Public Integrity, who worked on the Windfalls of War project, which tracks contractors, contracts and political contributions.

Peter Singer of the Brookings Institution went so far as to suggest, in a *Washington Post* op-ed last September, that even though the rationale behind privatizing some military operations was to reduce costs: "Hiring private employees in Iraq at pay rates several times more than what soldiers make, plus paying the overhead at the private firms, has never been about saving money. It's more about avoiding tough political choices concerning military needs, reserve call-ups and the human consequences of war."

In December, Contrack International, an Arlington, VA-based company, terminated its \$325 million contract overseeing rebuilding projects because of skyrocketing security costs. It was the first American firm to back out.

But a "mass defection" of American contractors is not likely, according to Michael O'Hanlon, senior fellow at the Brookings Institution. The motivation for contractors being there in the first place is a blend of economics and patriotism, he explains, as many of the companies line up with the Bush administration's economic philosophy and plan for reconstruction.

He adds: "It wouldn't be good for a company's corporate image to give up on a mission" when American soldiers are still there.

Still, he says, the bottom line is the bottom line: "There's no way anyone would go if they couldn't make money."

Nation building now makes up about a quarter of The Berger Group's revenue, according to Masucci, who adds that business from repairing conflict-ridden countries grew 15 percent to 20 percent during each of the last two years.

The Berger Group, a privately held engineering firm with 4,000 employees that is headquartered 15 miles west of New York City in East Orange, NJ, provides various types of engineering services from highway construction and aviation and energy services to environmental science and economic development advice. Almost

they get done.

In August, Berger Group was awarded two more contracts. One was a \$120 million contract for restructuring and privatizing state-owned enterprises and developing capital markets, trade policy and business management skills, according to USAID. The other was an \$88 million contract for providing vocational education, technical training and job placement to Iraqi citizens.

A third contract, awarded in September, to a joint venture between Berger Group and another engineering firm, URS, calls for long-term management and design of military construction, infrastructure rehabilitation and reconstruction. The first year base revenue is set at \$300 million and the contract is worth a total of \$1.2 billion over five years.

These well-paid contracts have contributed to Berger

not required to disclose any of its financial information to the Securities and Exchange Commission or the media. "There is no doubt that we have more business," concedes Masucci, attributing the increase directly to the company's work on behalf of the U.S. military in Afghanistan and Iraq.

Berger Group's involvement shows that it is not just Washington DC-based companies rebuilding Iraq (although a clear majority of all defense contractors are located in the DC metro area). Meanwhile, Fegler's employer, Bearing Point, illustrates how broad the definition of "military contractor" has become.

Bearing Point Inc., formerly known as KPMG Consulting, was formed in 1997 as the consulting division of the accounting firm KPMG LLP. An initial public offering on February 8, 2001 marked the first time one of

**"AS WE DRIVE PAST THE TANKS AND ARMED GUARDS, THROUGH THE BARBED WIRE AND 12-FOOT CONCRETE WALLS LINING THE ROAD, YOU CAN'T FORGET YOU'RE IN A WAR ZONE."**

all of its business is contracted through governments (local, state and federal) or international lending organizations like the World Bank or the Asian Development Bank.

Berger Group's six contracts for work in Iraq were awarded in 2004. The first three, begun in April, are for managing programs in three different sectors: transportation, security and buildings. Masucci says this involves evaluating project designs and plans, changing them if necessary and ensuring

Group's stellar financial performance in fiscal 2004. Revenues soared 64.7 percent to \$541 million and employee headcount grew five percent over the previous year's level. Masucci says the growth was spread fairly evenly across almost all sectors, except U.S.-based transportation work, which remained flat, but he would not provide details on exactly how much the company earned from work in Afghanistan and Iraq. Since the company is privately held, it is

the "Big Five" consulting firms separated from its tax and audit parent to become an independent, publicly traded company. After the Enron Corp. and Arthur Andersen scandal, KPMG Consulting acquired most of Arthur Andersen's worldwide consulting operations, and in October 2002 changed its name to Bearing Point.

Bearing Point's activities in Iraq revolve around finance. One of its contracts, worth \$20 million, is to "assist in reforming

tax, fiscal and customs policies, as well as developing an IMF acceptable monetary policy through building the capacity of Iraq's central bank," according to the Iraq Investment and Reconstruction Task Force of the U.S. Department of Commerce. "Under the terms of the contract, Bearing Point will also assist the Iraq Ministry of Finance to develop a modern, well-regulated banking sector."

Another contract, which was initially worth \$9 million, is for "economic recovery, reform and sustained growth in Iraq," under which Bearing Point will support the provisional government's efforts to create a competitive private sector, according to a USAID press release, which details that "the contract is intended to facilitate Iraq's regional and international economic integration, stimulate the country's international trade engagement and increase employment."

The Center for Public Integrity found, and a Bearing Point spokeswoman confirmed, that the total estimated value, including the two option years, of this contract is over \$240 million.

Fegler worked on the team overseeing the administrative transition of the controversial Oil for Food program from the United Nations to the Coalition Provisional Authority and ultimately to the Iraqis. He worked to help ensure that the remaining \$9 billion-worth of goods still in contract, which included foodstuffs, vehicles and building materials, would actually be delivered to the appropriate ministries. Considering the lack of basic infrastructure and over-

## EMAILS FROM THE FRONT

The following descriptions of life as a civilian employee in Baghdad, Iraq are culled from four different emails Jonathan Fegler sent home between December 31, 2003 and February 22, 2004, during the first two of his six months working at the Oil for Food coordination center there.

I'm not sure where to even begin. I've been in Baghdad for 13 days, and have perhaps just spent some of the longest hours of my life. There is no news story or book or documentary that could have prepared me for this. Iraq is a country fully immersed in a guerilla war. The daily security brief for incidents in country is a six- to seven-page laundry list of attacks, bomb findings and explosions.

We just had our second hotel security brief by our Italian guards in four days. We were informed where to go in case of a rocket attack, kidnapping situation, or terrorist threat on the floor. People who have been here for more than four or five months are drained and burned out.

Across the street from my office is the infamous Al Rasheed hotel where I eat my three squares a day. Formerly the best hotel in Baghdad, it later became the unofficial headquarters of Western journalists and diplomats. Because of the incident involving a few RPGs [rocket propelled grenades] pointed at Deputy Secretary of Defense Paul Wolfowitz while he stayed there, the 15-plus-story hotel has since been reduced to a cafeteria for the Coalition forces. There is something surreal about sitting in a hotel in Baghdad, eating cheeseburgers and fries, listening to Jay-Z and Beyonce sing about how crazy in love they are.

This is the most difficult environment I've ever been in. The inability to communicate, even in times of emergency, has been one of the largest adjustments. There is no freedom to even stretch your legs on a walk, and the reality that you are never safe at any moment, day or night, wears on you physically and mentally.

People are adaptable creatures. I must note how odd it is to become accustomed to the sounds of explosions and gunfire in the distance.

A number of folks have been gathering in the evenings to chit-chat and unwind. All of these guys talk about the years they've spent traveling the globe and working in interesting locations like Kosovo, Bosnia and Moldova. They all agree that this project, due to size and scope, is the poorest run and least organized project they have ever worked on. It is also the first time most people have worked in an active war zone.

For Super Bowl Sunday, I made arrangements to stay at one of the houses where we have people living in order to watch the game on ESPN Orbit. The kickoff time of 2:15 a.m. didn't discourage our hardy bunch. We only missed two touchdowns and a couple first downs due to power outages at the house, which are common everywhere in Baghdad. The biggest disappointment was that the usual Super Bowl commercials were replaced with local business advertising. Think "Haji's Auto Repair" and "Mohammed's Driving and Beauty School."

Within any given day I am interpreter, politician, diplomat, paper-pusher, financial advisor, job counselor, teacher, computer question "answerer" and ego manager. The experience is incredible, but I'm constantly under pressure from deadlines, expectations, the urgency of needs, and the recognition of how many zeros are behind the dollar sign.

sight, this was a monumental task.

Fegler worked with six state-owned enterprises within Iraq's Ministry of Trade, as well as with the Ministries of Youth and Sports, Culture and Higher Education. While the long-term goal of Bearing Point was privatization of all state-owned enterprises within these ministries, the short-term goal of Fegler's team was to ensure that the Iraqis would be able to oversee the Oil for Food contracts and delivery of the goods. June 30, the date chosen by the CPA to officially give power back to Iraqis, was Fegler's deadline.

To ensure a smooth transition, Fegler's team had to get basic infrastructure in place in the Oil for Food coordination center, which was set up in an old con-

became really frustrating." It was like "us against them." The CPA said the contractors had to finish their work before a certain date, for a ceremonial transition, and contractors like Fegler said they wouldn't be finished in time: "You become really frustrated with the dictums being handed down from the White House. You're the one on the ground; you're the one who knows what people need."

Part of Fegler's job was to oversee completion of various contracts by confirming delivery of goods at various ports of entry to Iraq. However, he says, there was never a way to track the goods' delivery once they passed through a border checkpoint.

"Trucks the Ministry paid for could have ended up anywhere

Kuwait that Halliburton employees stayed in despite Defense Department requests that they move to less plush accommodations; and the \$61 million in overcharges for gasoline," wrote Durbin.

The biggest reason for these abuses and others is the lack of oversight.

"There wasn't even any centralized listing of government contracts," says Daniel Politi, whose responsibilities on the "Windfalls of War" project included filing Freedom of Information requests to the various government agencies to find out about the contracts. "The Pentagon, the army, USAID — nobody knew what the others were doing."

Public scrutiny has forced these agencies to become more

**"YOU BECOME REALLY FRUSTRATED WITH THE  
DICTUMS BEING HANDED DOWN FROM THE WHITE HOUSE."**

vention hall's basement kitchen. They had to outfit it with printers, copiers, computers, Internet access and telephones. Upon Fegler's arrival, the office had eight computers, two with Internet access. Over the next two months, according to Fegler, the team managed to install 25 computers with LAN access on all of them, and international long-distance telephones bearing Virginia 703 area codes.

"The transition deadline was never in doubt in Baghdad," says Fegler. "But when you get to the nuts and bolts level [of what needed to be done on the ground], these deadlines and goals and transition dates

inside Iraq," he explains. This lack of oversight paved the way for many contracting abuses and private profiteering, an eventuality that is not unique to Iraqi companies, but is suspected of American ones as well.

"The war in Iraq has exposed the flaws in our contracting system," said Senator Richard Durbin (D-IL) in a statement on September 10, 2004, during a hearing on the contracting abuses in Iraq.

"We have all heard about the \$45 cases of soft drinks, the \$27 million for meals that Halliburton charged the government but were never served to troops; the luxury hotels in

organized, Politi explains, so perhaps in the future, with more rigorous oversight, private contractors won't be as eager to bid for government projects in a war zone.

But in the meantime, as long as the jobs exist, people will take them, often with the noblest humanitarian motives. "Everyone I met while working in Iraq sought out the opportunity," says Fegler. "This was the Superbowl of international development. This is what they live for." But not Fegler. "If I knew then what I know now, I don't think I would have gone," he says. D&S

# TRUANT OFFICERS

## Student Reservists Miss the Grade

BY AMY LOTVEN

During the winter of 2003, as the U.S. military was gearing up for Operation Iraqi Freedom, Erik Mayid was a full-time student at St. John's University diligently pursuing his lifelong dream of becoming a state trooper. But in early February he got a call from his Marine Reserves squad leader telling him to report for duty. So Mayid, 21, put down his books, put on his uniform and headed to Fort Stewart in Georgia.

After proving he was fit for service, Mayid and his troop mates, all chemical operations specialists, remained at the U.S. base continuing their response training and waiting for the expected transfer to Camp Doha in Kuwait. Meanwhile, the weeks of what should have been his last semester of college slid by. Finally, after three months at Fort Stewart, the military decided Mayid's unit would not be needed, and he was sent home. It was too late to pick up the classes he had missed.

When men and women sign up for the Marine Reserves, they understand that they must sacrifice one weekend a month and two weeks a year for training purposes and that in wartime, they can be called up for duty. Like Mayid, many of them figure that what they get in return — college tuition, skills training and less tangible perks, such as the honor of serving their country — makes for a good bargain. But now, as the Reserves are increasingly relied upon to bolster the thin ranks in the war in Iraq, these erstwhile weekend warriors are finding that rather than helping to pave the way, the military is becoming an obstacle on their path to a college degree.

Since the terrorist attacks of Sept. 11 and subsequent U.S. invasions of Afghanistan and Iraq, more than 23,000 reservists have been called to active duty, according to the Marine Reserves. Of these, 40 percent were enrolled in colleges or universities. The

Marine and Army Reserves do not track how many return to class after their tour is over, but even those who do go back to their books end up having to scrap a semester's (or more) work and retake courses they were already halfway through, and already had paid for once. They can encounter discouraging bureaucratic hassles from school offices that don't have clear systems for reintegrating reservists back into their programs. Worst of all, perhaps, is the feeling that while they have remained loyal to their pledge to their country, that loyalty is not reciprocated.

"They pulled us out of school and wasted our time," Mayid says, adding that he was glad his unit did not end up going to Iraq. But the stint caused him to write off a semester he had already partially completed.

That's the nature of military service, officials counter. "Of course, the mission at hand trumps the individual's needs," says Captain Patrick Kerr, a Marine spokesperson.

"We don't like to see our students miss school. It's unfortunate, but it's a reality."

Even so, in areas where they have plenty of discretion, the Reserves could at least try to accommodate those pursuing higher education, suggests Jennifer Blecher, a Baruch College junior and Marine reservist.

Blecher, 23, joined up in January 2001, and as part of the six-year service she promised, she is required to attend two three-week training courses each year. This year, she received notice that for the first time since she joined, the training may take place in early spring — during the middle of the school semester. "People said, 'It's just three weeks, it's easy to make up,'" she says with a scoff.

standing policy, should have dropped her from her courses and refunded her tuition. It hadn't — and never would have if Blecher had not spent months complaining to various college authorities. Once it was finally all sorted out and she was ready to sign up for a new round of courses, Baruch tried to charge her an extra "reenrollment fee."

Marine spokesman Kerr agrees that schools should be more cooperative and suggests that they be required to accommodate student soldiers, just as employers must give jobs back to workers who serve in the military. (The Uniformed Services Employment & Reemployment Rights Act signed by President Clinton in 1994 is not always

classes during their tours typically do not get their tuition reimbursed when they come back. Their semester ends up having been "a waste of time and money," he says.

If, institutionally, schools are sometimes less than supportive of students in the military, individual teachers are often quite sympathetic. "One professor at St. John's gave me an 'A' just for being in [the reserves]," says Mayid. Blecher says that when she was called up last year, "All my professors were like 'good for you.'"

But some professors express remorse over students who pull out of class for military duty. Penny Lewis, who teaches sociology at the Borough of Manhattan Com-

**That's the nature of military service, officials counter. "Of course, the mission at hand trumps the individual's needs."**

Blecher had already experienced what she calls the Marines' lack of respect for her educational pursuits. She is in the same unit as Mayid and recalls with disdain the three months she spent living in Fort Stewart's "disgusting" barracks waiting to be sent over. Blecher, like Mayid, missed a semester of school.

She may have avoided the war, but when she returned to Baruch, she had to do another kind of battle. Because she was called to duty, the school, according to CUNY's

honored, however, as Mayid found when he tried to resume his work at a Circuit City in Bayshore, near his home. "My boss was mad," Mayid recalls, and offered him an opening in a store in Hicksville, Long Island, half-an-hour's drive away.)

Kerr notes that some Congress members are currently working on a bill that would spell out a school's obligations to its military students, but no bill has been introduced yet. In Louisiana, where Kerr lives, he says students who miss

munity College, has seen two students go since the war started. Lewis finds the situation "horrifying." None of the students she knew were "gung-ho" military recruits. They joined for economic reasons — and to get a college education. Once they were called up, they felt it was their duty to honor their commitment, but they were very unhappy. She laments the irony: "It's an injustice that these kids join up to get a higher education, but the military makes it so they can't." D&S



# FAMILY MATTERS

## *A Military Wife Holds the Fort Upstate*

BY MICHELLE MCGIBBON

Each morning, as Staff Sergeant Devon McGibbon left his home on the Watertown military base in upstate New York, his two-year-old triplets, Olivia, Keila and Devin, would rush to the front window to watch their father, dressed in green military fatigues, as he headed to work.

They patiently stood there and waved their tiny hands until his car disappeared around the corner. With sunken smiles they strolled back to the living room and continued playing with their toys and watching cartoons. Later in the evening, as the sound of his car echoed back into the driveway, they would return to their post at the window. With their heads pressed firmly against the glass, they waited eagerly while he raced up the stairs to greet them. Nowadays, I often recall this image, vividly seared on my mind when I visited my brother and his family for a few days in June 2002. Today he is stationed in Mosul in northern Iraq.

Since the war began in March 2003, more than 984,790 American soldiers have been called

to duty, according to the U.S. Department of Defense. On Aug. 1, 2003, Devon, 24, became one of them by receiving his "warning order." This news came as no surprise as rumors of his unit being the next to leave had been already spreading for months. On Nov. 5, 2003, he shipped out. Before Devon's deployment, his wife Lauren McGibbon, 25, was a full-time business student at Jefferson Community College in Watertown, NY. She moved to Albany, NY to attend Albany College of Pharmacy, but later dropped out. "It was becoming overwhelming taking care of the kids, while keeping up with my classes," she says.

Beneath her calm surface, Lauren conceals her fears for Devon's safety and her uncertainty of when he will be relieved from duty. Her insecurities are stirred every time she listens to the news and hears of the 1,500 American fatalities already recorded in the war and of the extensions of tours of duty for soldiers like her husband, eager to come home. Nonetheless, for the children's sake, she says it's important for

her to remain strong. She exposes a hint of sadness as she whispers, "This has been nothing but an emotional roller coaster. Devon has never been away from home this long."

As a former member of the military herself, Lauren understands all too well Devon's commitment to the Army. In 1998, while stationed in Korea, she met and dated Devon who was also stationed there. In 2000, they got married. Shortly after learning she was pregnant with triplets, Lauren decided that it was time to leave the service.

"The only reason I joined the Army was for money. I needed money for college. I didn't join to make this a career. It's not worth it, being away from your family so long," she emphasizes. "That's crazy."

Now, functioning as a single parent leaves her with little time for herself. Satisfying all the demands of three toddlers on a day-to-day basis can be tiresome, stressful and depressing. Yet at the same time, spending time with her playful and inquisitive kids is the only thing that takes

her mind off her loneliness. "It just hasn't been the same without him," she mumbles. "When he was around it was easier to get things done. He was always around to help out. At times thinking about him in Iraq becomes extremely overwhelming."

On weekdays Lauren gets out of bed at 6 a.m. to prepare the triplets for school. One by one they turn and twist, trying to catch a glimpse of SpongeBob SquarePants, their favorite cartoon, while she tries to dress each of them. "It is frustrating at times," she says, as she misses having Devon to lend a hand. She does not complain. It is not the kids' fault that he isn't around to help.

Between Devon's salary and her income from the GI Bill, Lauren manages to maintain a comfortable life for herself and her kids in a split-level apartment in a modern complex called "The Mansions." But

passes, the kids simply understand that Daddy is at work. They don't know that the job is a war. Occasionally out of the blue they say, "I miss Daddy."

Lauren's cell phone is always close at hand during the day. Maybe, just maybe, Devon will call. She understands he has several miles to travel from his base in Mosul to get to the nearest phone, but that does not stop her from hoping. On occasions when he is able to call, their conversations are brief. He is not allowed to talk about the war or his role in it, and has just enough time to assure her that he is alive and safe and to send long-distance kisses to each of the children. Most times they just chat online through a free wireless connection available to them through the U.S. government.

Lauren does not regard herself as an emotional person. She doesn't cry and has no interest in attending various military family support groups, which

Jefferson Community College. Apart from them both being the oldest students in the class, they had other things to bring them together. Amy, too, has a husband in the military and has been left to take care of their three kids. "Military wives have so much in common," Amy says. They instantly became friends.

Amy's husband, Jason Harris, has served 14 years in the military, and was deployed to Afghanistan in August 2004. Five days a week Amy and her kids spend time with Lauren and her children: they have become an extended family. Living 25 minutes south of Albany, Amy packs Kirsti, 10, Kieren, 8, and Keeley, 5, into the backseat to drive to Lauren's home. "We try not to talk about our husbands, but stay involved with the kids and school," Amy says.

A year has now passed since my brother has been in Iraq and

**"When he was around it was easier to get things done. He was always around to help out. At times thinking about him in Iraq becomes extremely overwhelming."**

she'd rather have Devon home than his paycheck in the mail.

Often, Lauren recalls the day she drove Devon to the station where he was assigned to depart for Iraq. "The kids must have sensed he was going away for a long time. As they rode securely strapped in their individual car seats next to their dad, they cried all the way to the station. We were all crying, we were scared, we didn't want him to leave," she says. As time

she regards as too touchy-feely. But she does experience anger, loneliness, resentment and fear similar to other families with loved ones also serving in Iraq. Her parents live in California and most of Devon's family resides in New York City, so everyone extends their love and support only from afar.

One local friend, Amy Harris, has supported Lauren during this ordeal. Lauren met Amy, 29, in a sociology class at

as I gaze at Olivia, Keila and Devin, no longer babbling baby talk, I think back to the images of their tiny faces pressed against the window. I wonder if they remember the sound of his car approaching the driveway. I wonder if three smiling faces gazing down at him through his front window will greet him when he returns home. I wonder when "the emotional roller coaster ride" will finally come to an end. D&S

# DRAFT REDUX

## Is Conscription Making a Comeback?

BY DICKSON OLAYA

ILLUSTRATION BY ROBERT FUDJINSKI AND BOBBY RADU

Shortly before the 2004 presidential election, I found myself enjoying a relaxing game of poker in a neighbor's home. My chip stack had reached a modest height, I was in the company of friendly folks and all was generally well on earth until my neighbor, inspired by a few rounds of beer, remarked, "If Bush is reelected then there's no way to avoid a draft and you and me will have to go." I laughed out loud at his ignorance and before turning over a king high flush, I replied: "We're too old, dummy." We were 27 and 28, respectively, and I was reasonably certain that a draft of any sort would involve 18- and 19-year-olds. Without missing a beat he turned over a full house, queens full of tens, and said, "Well, if not us, then someone

we know and love will probably have to go." I changed the subject.

The next morning I couldn't shake ominous thoughts of an imminent draft. It was no secret that though the United States officially declared "mission accomplished" in its war in Iraq in May 2003, American troops continue to patrol the Middle Eastern republic. Also, as a result of the Pentagon's stop-loss program, many soldiers have found themselves still in uniform long after their tours were supposed to be over, prompting eight of them in December 2004 to sue the U.S. Army for postponing their discharge. More importantly, to date, more than 1,500 American soldiers have ended their tours with the ultimate sacrifice. And so, despite repeated pledges from the Bush

administration that no draft is planned, when troops are already stretched thin in a War on Terror with no foreseeable end, reinstating the draft seems like the logical, if unwelcome, next step. What's more, we might be already positioning ourselves for that eventuality.

"The United States military is too small for the responsibilities we are asking it to assume," begins a January 28 letter to Congress from the Project of the New American Century. Because the U.S. engagement in Iraq is a "generational commitment" (to quote former National Security Advisor Condoleeza Rice), the United States must "increase substantially the size of the active duty Army and Marine Corps," claim the members of the influential neo-conserva-



tive think tank. The authors urge Congress to “take the steps necessary” to increase active duty enrollments by 25,000 troops each year over the next several years.

While the letter stops short of an explicit call for a military draft, J.E. McNeil, executive director of the Center on Conscience & War, calls this the “handwriting on the wall” in the lead up to the return of the draft.

Desperate for soldiers, the military is trying anything short of a draft to swell its ranks. For example, on January 15, 2005, the Department of the Army initiated the Selective Reenlistment Bonus–Deployed Program, which allows deployed soldiers to reenlist while abroad for a chance to receive a tax-free bonus of up to \$15,000. Depending on soldiers’ pay and position, the bonus can reach \$30,000. Meanwhile, the Army launched hip-hop recruitment campaigns in urban neighborhoods. But if such schemes do not provide more than a few good men (and women), the United States may find itself pursuing the last resort.

A government draft would be fairly easy to instate. The Selective Service System (SSS) has been in place for decades and the U.S. Department of Defense (DOD) keeps it well oiled. Since the Military Selective Service Act went into effect in July 1980, all males—including non-citizen residents of the United States—born on or after January 1, 1960, have been required to register with the SSS within 30 days of their 18th birthday.

Currently, women are not required to register with the SSS and there are a few groups of men who are automatically ineligible for registration, including those already in the military; those who are in hospitals, psychiatric institutions or prisons; and those who are disabled.

The registration process is simple and can usually be completed in high school or at a post office. However, according to SSS, if a potential draftee fails to register before his 26th birthday, he can face up to five years in jail plus a \$250,000 fine—but that’s the worst-case scenario. At best he would no longer be eligible for federal student financial aid (including Pell grants), college work-study, federal job training, federal employment and, in the case of immigrants, U.S. citizenship. Thus, many college students who require federal financial support to complete their schooling have little choice but to register. Even for those who are fortunate enough to be able to pay for school on their own and have zero interest in working in a federal environment, the SSS has developed other motivators to ensure compliance.

On March 17, 2003, New York Governor George E. Pataki joined 31 states in a new Selective Service initiative by signing a law that requires male residents of New York, ages 18 through 25, to be registered with the SSS in order to obtain a state driver’s license. With these incentives in place, it’s little wonder the SSS reports that 93 percent of eligi-

ble men have properly registered as of September 30, 2003. That’s a grand total of 13.5 million potential draftees. That’s a lot of men to keep on standby in the event that they are needed—an event that many politicians, including the U.S. President, insist is unlikely.

During the 2004 presidential debates, the possibility of a draft was addressed by both President George W. Bush and Senator John Kerry. “I hear there’s rumors on the Internets [sic] that we’re going to have a draft. We’re not going to have a draft, period,” asserted Bush. “The all-volunteer army works.” Finding a subject they seemed to agree on, Senator Kerry asserted that he also was “against a military draft.” Such assurances did little to ease the fears of draft-age men.

“Politicians?” asks Franklin Romero, a 23-year-old student at APEX Technical School in New York City. “You’re going to trust these fucking politicians? Didn’t [Bush’s] father also say ‘no new taxes’ and made some anyway? If they want to put in a draft then they’re going to do it regardless of whatever they say on TV. They might have no choice.” Though Romero’s view may or may not be proven correct some day soon, SSS maintains that bringing back conscription is the furthest thing from its mind.

A military draft is hardly a new concept in the United States. In fact, conscription played a role in the country’s very birth. A type of draft was in effect during America’s Revolutionary War against

England. Since then the United States has implemented different draft processes during military times of need, with its last process taking effect during the Vietnam War. About two million men were drafted and sent to Vietnam during a nine-year period beginning in 1964. Tens of thousands of potential draftees evaded service by fleeing to Canada or Sweden, and untold thousands of others used deferments of various kinds to avoid the call. The draft was one of the sharp bones of contention during a time of social upheaval and mass protests against the Vietnam War and, as a result, the DOD ended the draft in 1973. However, though the U.S. Armed Forces have since been staffed by an all-volunteer military—currently boasting 1.4 million troops—the DOD retains its right to draft.

The establishment of SSS goes back to 1940 when President Franklin D. Roosevelt signed the first peacetime draft shortly before World War II. Since then, the SSS has been responsible for registering and

need for a draft at this time, the agency's Web site describes a detailed sequence of events should "a crisis occur which requires more troops than the volunteer military can supply."

The first step toward implementing a draft, according to the SSS, would be for Congress to pass, and the president to sign, legislation to start it. Next, using the SSS list of eligible men, a national draft lottery, which would involve pulling birth dates and numbers randomly out of a drum, would determine the order in which men would be selected, starting with 20-year-olds. If that lottery didn't yield enough soldiers, the process would be repeated for 21-year-olds, and so on up to age 40, and then, if necessary, down to 19- and 18-year-olds.

If after a series of tests—including physical, psychological, mental and moral evaluations—an inductee is found fit to serve, he would be granted 10 days to file a "claim for exemption, postponement or deferment." Otherwise, he must, the law states, immedi-

"It doesn't matter to me too much because I'm a student," says Jerry Morales, a 21-year-old junior at Hunter College, about his draft status. "I'm pretty sure I'm exempt until I finish school or something." Morales's understanding is only partly correct. Unlike the postponements allowed during the Vietnam draft, there are now very few men who—if found fit to serve for combat—qualify for any kind of deferment. According to SSS, only men who are still in high school can postpone induction as long as they are doing satisfactory schoolwork. For those attending college: freshmen, sophomores and juniors can postpone induction only until the end of their current semester. Drafted students who turn 20 during their senior year may postpone induction until the end of their academic year.

Those who believe that being an only son (think *Saving Private Ryan*) grants them exemption from the draft are also in for a surprise. According to the SSS, "the

**"IT DOESN'T MATTER TO ME TOO MUCH BECAUSE I'M A STUDENT," SAYS JERRY MORALES, A 21-YEAR-OLD JUNIOR AT HUNTER COLLEGE, ABOUT HIS DRAFT STATUS. "I'M PRETTY SURE I'M EXEMPT UNTIL I FINISH SCHOOL OR SOMETHING."**

keeping a list of all male U.S. citizens, aged 20 through 25, during times of peace. This list is continuously updated, and any male who is 40 or younger is probably on it.

While SSS asserts there is no

ately report to his assigned base and begin a 24-month tour of duty involving combat "unless released, transferred or discharged in accordance with procedures prescribed by the Secretary of Defense."

mere fact that a man is the only son does not qualify him for [exemption] consideration—he must be the survivor of one who died in military service." There's more: Even if one's parent died on a battlefield, or as a

result of a battle, it still doesn't mean he qualifies for exemption. The SSS states: "The surviving son (or brother) provision is applicable only in peace time. It does not apply in time of war or national emergency declared by Congress."

It seems that the only way to prevent a tour involving combat depends not on one's social or family situation, but on moral convictions.

Conscientious objectors are the largest group of men who may receive assignments that do not involve combat. In order to qualify for this status, a conscientious objector must convince a panel of SSS officials that he is morally or religiously against all forms of violence

that Defense Secretary Donald Rumsfeld has opposed the draft on numerous occasions and also points to the recent failure of H.R. 163, a bill that called for massive changes to the current draft process.

Officially called "The Universal National Service Act of 2003," bill H.R. 163 was introduced to Congress in January 2003 by U.S. Rep. Charles Rangel (D-NY) with the intention of creating a "universal military service" that would, in essence, be a perpetual, universal draft — one that would be in effect regardless of military need. A parallel bill was introduced on the Senate side by Sen. Fritz Hollings (D-SC).

"I'm going to introduce legis-

between low-income families, whose members make up most of the all-volunteer military, and affluent families, that have found a way around the draft process in the past.

But Rangel had a more important motive behind his proposal. A universal draft, he reasoned, would force Americans to hesitate and reflect before rushing to support a war. "I think if we went home and found out that there were families concerned about their kids going off to war, there would be more willingness to work with the international community than to say, 'our way or the highway,'" he told reporters.

The bill was defeated 402-2

**A GALLUP POLL IN OCTOBER 2004 FOUND THAT 85 PERCENT OF AMERICANS DO NOT BELIEVE A DRAFT SHOULD BE REINSTATED.**

and war. He must provide written and practical evidence, as well as character witnesses, demonstrating that his pacifism predates his call to duty. If the panel is convinced, he will be assigned a tour of duty in a non-combat setting such as healthcare or education.

But it's not just pacifists who are opposed to a draft. A Gallup Poll in October 2004 found that 85 percent of Americans do not believe a draft should be reinstated. Politicians, most of whom rarely stray too far from public opinion, also seem to be against the draft. The SSS notes

lation to let everyone have an opportunity to defend the free world against the threats coming to us," Rangel said as he prepared the bill. With very few exceptions, "everyone," according to Rangel, would include all men and women in the United States between the ages of 18 and 26. Like the young men of Brazil, China and Greece, all draftees would be required to serve the armed forces in some capacity, either in combat or community service, for a pre-determined period, even during times of peace. Rangel reasoned that a universal system would level the field

by the House of Representatives in October 2004 prompting SSS to remind worriers that "without congressional support the draft cannot be reinstated." But despite reassurances by Congress, SSS and even the president, the concern of a possible draft still burns up chat rooms on the Internet. Whether one would be a draftee, or know someone who would be a draftee, the reinstatement of conscription will loom as a frightening possibility as long as the War on Terror continues. We'll just have to see where the cards fall. D&S



EXPLOITING FEAR IN TIMES OF WAR  
 BY CHRISTOPHER KOESTNER      ILLUSTRATION BY DONG SUN CHOI

**F**ear is sometimes fun: Horror movies and roller coasters take us out of our nine-to-five doldrums and put us into a heightened and enthralled anxiety that is at once threatening and secure. But in a post-Sept. 11 world, a more menacing fear has settled on the country like a noxious mist. Americans have always lived with fear — of taxes, Communism, death. Yet fear has rarely pervaded our culture as ominously as now.

Some detractors charge that the Bush administration exploits people's fears, announcing heightened alerts every time a new misconduct comes to light or their policies face critical scrutiny. Time will tell whether the president's War on Terror will be remembered as a testament to his resolve in the face of unspeakable adversity, or as utter folly, an exaggerated display of force against nations that resist

imperialism masquerading as the gift of democracy. One thing is sure: Fear is an indispensable component of war.

Corey Robin's new book *Fear: History of a Political Idea* (Oxford University Press) traces the provocative and disturbing trajectory of fear as political weapon and cultural gearshift, exploring recurrent themes of anxiety and intimidation throughout the ages. He draws on the observations of such humanists as Thomas Hobbes and Montesquieu. Fear has been a prevalent influence in world affairs since the darkest days of the French Revolution, and, as Robin observes, has embedded itself in the frontlines of our current predicament. He identifies fear in the unlikeliest places, from Hollywood of the 1930s to the American workplace of today. The book deconstructs the dysfunctional relationships between worker and manag-

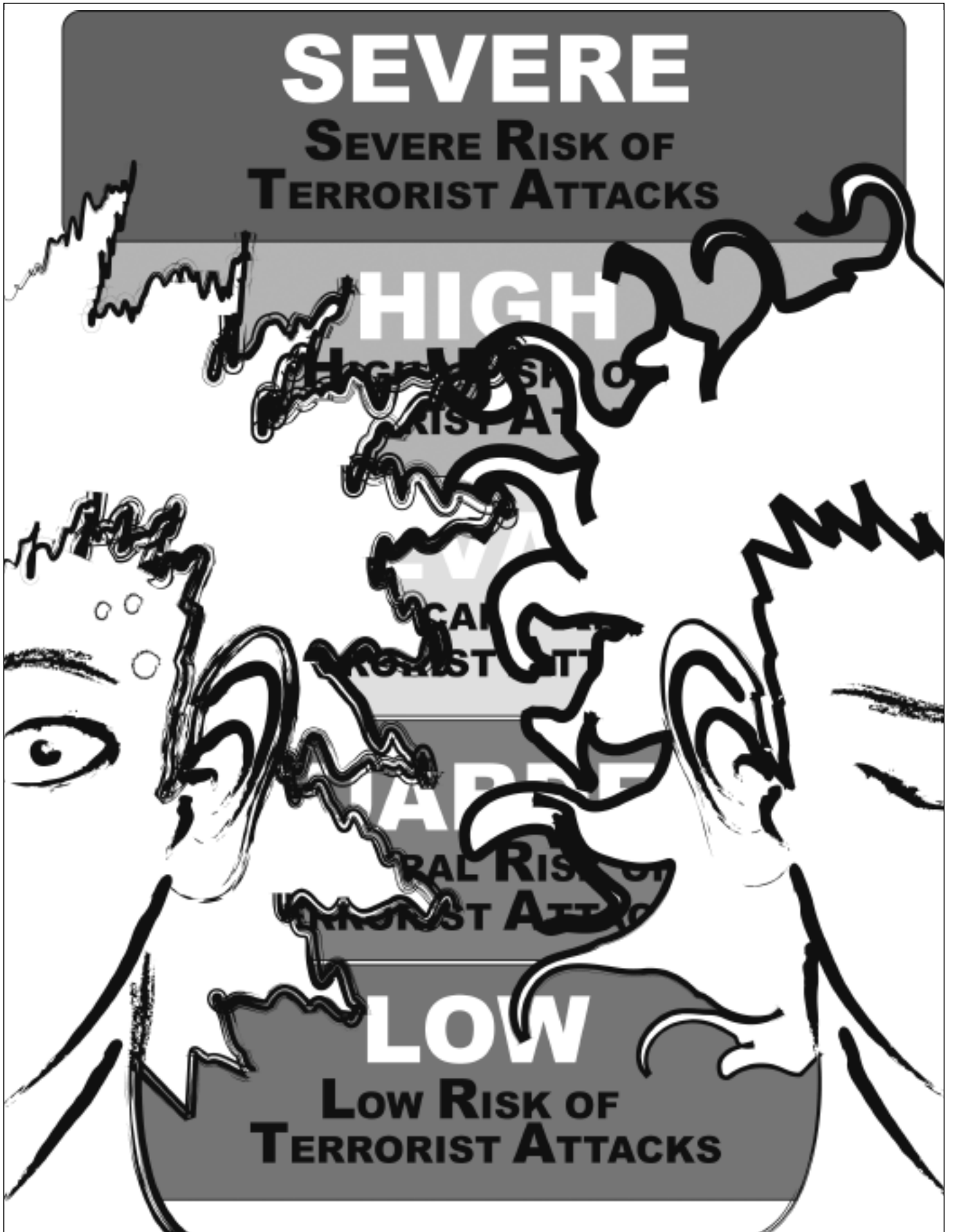
ment, union and studio, and the role fear plays in these relationships, while condemning mainstream media's decision to largely ignore these stories.

*Dollars & Sense* discussed fear and its repercussions with Robin, focusing on the War on Terror, the present political landscape and what it all means for Americans.

**D&S:** Is there a difference between fear and terror?

**Corey Robin:** Historically, philosophers and writers have thought there's a difference. They've argued that while fear is a focused apprehension of a specific thing, terror is a paralyzing state, where you're not really focused on any one thing, but are overwhelmed by what may or may not happen to you. In the book, I challenge that distinction. I think it tends to a conceit of intellectuals rather than a





**SEVERE**

**SEVERE RISK OF  
TERRORIST ATTACKS**

**HIGH**

**HIGH RISK OF  
TERRORIST ATTACKS**

**LOW**

**LOW RISK OF  
TERRORIST ATTACKS**

reality. After all, the point of terrorism is not to make people afraid to the point of paralysis, but to make them fearful of certain things so that they will change their behavior.

**D&S:** *Is there anything to be learned or gained from fear? Positive aspects?*

**CR:** It depends on who's defining the positive. I think the people who do use it certainly think it's positive. There's an awful lot of evidence that J. Edgar Hoover, the FBI and specific members of Congress felt they needed to create a sense of nervousness in the American public. They thought that if people were afraid, they would support the Cold War, and that that was a positive thing. The downside, of course, was that the fear they helped generate helped shut down political discussion in this country, so that people were too scared to raise questions about American foreign policy. Other people have thought that fear re-galvanizes a society. Many claim that Sept. 11 had such a positive effect, though there's really no evidence to support that. Enlistment rates went down, volunteerism decreased. But there's always this fantasy that certain people have: that fear will transform a society in positive ways.

**D&S:** *Is the War on Terror a logical outgrowth of things you discuss in the book, or a sane response to the Sept. 11 attacks?*

**CR:** A lot of the War on Terror is an exercise in political theater. First of all, no one actually believes you can declare a war on terror. Terror is a tactic, used by people over the years, and it

will never go away. Second, most of the actual measures to defeat Al Qaeda involve domestic intelligence and law and order agencies. The biggest coups against Al Qaeda have been in Europe, through domestic intelligence. What the Bush Administration loves to emphasize — bombs in Afghanistan, war on Iraq — is not really the centerpiece of an effective strategy for going after Al Qaeda. Not to mention that a real effort to subdue Al Qaeda requires reformulating American foreign policy, something the Bush Administration has not been willing to do, except in ways that reinforce previous policies that helped arouse terrorism in the first place.

**D&S:** *Do you think Americans would continue their lifestyle if they knew it was often contingent on our global indiscretions?*

**CR:** I don't know. What I do know is they haven't been offered the choice. The media, the two parties have worked very hard to make sure nobody ever presents them that choice. If you raise these issues, they label you as anti-American. They successfully translate a fear of a foreign enemy into a fear of speaking out on issues at home. My belief is we're all going to suffer for that. There are reasons why terrorists are doing what they're doing — and some of those reasons are real problems that need to be dealt with. One of the big issues for these terrorists is U.S. support of certain Mideast regimes. The CIA says a major reason people join Al Qaeda is because of U.S. foreign policy. Now you can support U.S. foreign policy

all you want but you have to at least recognize that.

**D&S:** *Do you think people are more afraid of asking the tough questions or of finding out the truth?*

**CR:** I think the two things are actually quite related, the reprisal and the fear of what you find out. It's not one or the other — they're mutually reinforcing. People are always willing to make certain sacrifices when they believe the payoff is there, whether it be success, or change for the better. But when you feel nothing good will come of your sacrifice or of your enduring the reprisals that are being leveled at you, it's awfully hard to make that sacrifice. The goal of politics is to make people realize they can do something about it.

*The question of sacrifice has yet to be fully considered in the context of the War on Terror. There is scant mention of the possibility of draft reinstatement, or the nightmare of another Vietnam looming in the desert. The United States has already lost more than 1,500 soldiers and conservative estimates put the loss of Iraqi civilians at over 15,000. The staggering costs of the war — rapidly approaching \$200 billion and counting — will certainly have repercussions on government spending in other areas. In his book, Robin summarizes our position on this new horizon by confronting the fear that may shadow us at the polls, or in the office: "Only in the face of fear will we be roused to action and believe that there is something in the world justifying our efforts to stay in it." D&S*

# CIVICS

## 05

SPIN CONTROL  
STATE OF CONFUSION  
BALLOTS WANTED  
DREAMS DEFERRED  
PRACTICE UNDER FIRE



# SPIN CONTROL

## Ten Ways to Improve Election Coverage

In 1942, Henry Luce of Time, Inc., urged that scholars evaluate the condition of the press in the United States and make recommendations for its future. He provided some \$200,000 to support a group of preeminent intellectuals of the day, led by Robert M. Hutchins of the University of Chicago, to develop this early landmark in the history of media analysis and criticism. Their findings were published in 1947 in the 133-page *Report on Freedom of the Press* (often referred to as “The Hutchins Report on a Free and Responsible Press.”) The Commission found that the freedom of the press in America — a pillar of democracy — was in grave danger of crumbling under the weight of concentrated media ownership, on the one hand, and irresponsible journalistic practices, on the other.

Now, more than five decades later, in the wake of an election marred by media manipulations, lazy journalistic practices, false equivalences and incomplete reporting, among other problems, students in a fall course called *Elections, Spin and the Media*, concluded that the United States needs a new set of recommendations focused specifically on election coverage.

Though the students did not have a \$200,000 grant from Henry Luce, they had a semester of following and analyzing election coverage from a wide range of sources, which enabled them to identify some key problems and to suggest some solutions.

Throughout the campaign season, polls of voters revealed that they were poorly informed and had little interest — and less trust — in what journalists were telling them. A January 2004 study by the Pew Research Center for the People and the Press found that Americans between the ages of 18 and 29 relied just about as heavily on TV comedy shows for their campaign information as they did on daily newspapers. In September 2004, a University of Maryland study by the Program on International Policy Attitudes showed that Americans who planned to vote for President Bush were frequently wrong about his foreign policy positions. For instance, large majorities of Bush supporters erroneously believed that Bush favored including labor and environmental standards in trade agreements, U.S. partici-

pation in the Comprehensive Test Ban Treaty and the International Criminal Court. Clearly the media weren't doing their job — and the public wasn't expecting them to — as a Gallup poll in December confirmed, when it revealed that reporters scored lower on honesty, ethical standards and integrity than car mechanics.

It's time to scrap mainstream media's current approach to campaign coverage. Here are our recommendations for what they should do instead.

### **1. Focus on the issues.**

Too much campaign coverage stays inside the loop of candidate barnstorming and remains slavish to the idea that stories must be driven by events rather than ideas. While little changes from stump speech to stump speech, day-to-day stories report on things that seem new — the setting, a candidate's haircut or tie, a poll number. Certainly journalists need to follow candidates on the campaign trail, but the staged road-trip should not be the main locus of election-related articles. Nor should the strategies of the campaigns themselves — the horserace — be the primary focus of election coverage. Instead, the public needs more articles addressing candidates' stances on issues: not their sound bites or slogans, but their actual plans, and how they measure up under the scrutiny of experts. As for change, reporters should compare what candidates are saying with what they've done in the past, noting whether the

shift smells like hypocrisy or represents an honest development of an opinion or response to shifting circumstances.

### **2. Value accuracy over speed: Check the facts.**

The 2004 campaign may well be remembered for one of the lowest moments in broadcast news: the airing on CBS's *60 Minutes Wednesday* of a story based on unauthenticated documents. The September 8 story, which claimed to show gaps in President Bush's commitment to his Vietnam War-era service in the Texas Air National Guard, was based on documents said to have been written by Bush's commander, the late Lt. Col. Jerry Killian. But Bush campaign officials, as well as a cadre of bloggers, pointed to typefaces in the memos that hadn't existed at the time they were alleged to have been written, and CBS was forced to conduct an independent review of the producers' decision-making process. In January, the network concluded that its staff had shown "myopic zeal" in racing to get the story on the air without sufficiently authenticating the documents. Three news executives and a producer were fired — and the credibility of all journalists was tarnished.

The race to be first often perverts what could be good reporting. Perhaps no one took this compulsion to as absurd an extreme as the Associated Press, which posted a story covering one of the candidates' debates *before* it had taken place. In this Internet age when news is ubiquitous and updat-

ed so quickly and regularly that being first has lost much of its meaning, news outlets should concentrate, instead, on beating the competition by being the most accurate and the most thorough.

### **3. Be skeptical — about the right things.**

As partisan views proliferate — on blogs, Fox News, talk radio, Web sites — straight news media need to sort through the cacophony of clashing voices and give the public un-spun information. Adam Nagourney of the *New York Times* made a noble gesture when he decided to forgo “Spin Alley” after the Miami debate between President Bush and Senator Kerry and watch the contest at home. Thus, he covered what he saw and heard instead of what handlers for each side told him he’d witnessed. Similarly, taking an aggressive “gotcha” attitude toward every utterance of a candidate can go too far. The giddy replays of Howard Dean’s “scream” did not illuminate anything about his candidacy or the race. Muckraking is great — but only when genuine muck is raked up.

### **4. Practice journalistic solidarity.**

Journalists labor in a commercial, and therefore competitive, environment. Nonetheless, there are times they should cooperate rather than battle each other. Presidential or candidate press conferences are clear cases for reporter solidarity. If a reporter asks a ques-

tion and the candidate fails to answer it, journalists should agree that each will continue to press that same question until it is answered. If certain reporters do not get called on because the candidate — or the president — has pegged them as too pesky, then other reporters should pose their questions for them. True, all journalists have to serve their own publications, but their first obligation — especially when it comes to something as important as the leader of the most powerful country in the world — is to truth.

### **5. Don’t make campaign ads the story.**

Don’t let campaigns shape the story line. When campaign ads become the story — as in the case of the “Swift Boat Veterans for Truth” attack on Senator John Kerry — they essentially get a lot of free exposure that does nothing but drum their message more insistently and widely into the minds of the public. Though the “Swift Boat Veterans” bought airtime in only a handful of states, the National Annenberg Election Survey reported at the time that more than half the country had heard about or seen the TV ads attacking Kerry’s war record on the news. Even when stories focused on the controversy surrounding the ads themselves, what came across to the public was the notion that Kerry had lied about his war record. Coverage of political ads proves the adage that there is no such thing as bad publicity. A story in *Newsweek* that was based on exclusive inside ac-

cess to the campaign — provided on the condition that none of the reporting would be published before the election — described how delighted Bush strategists were with stories that criticized a TV ad, which showed Sept. 11 footage of a dead fire fighter being carried out of the World Trade Center, for being exploitative. The controversy had knocked the faltering economy off the front pages.

### **6. Make the principle of balance meaningful again.**

By treating the Swiftboat ads as a legitimate story — one that often got front-page coverage — journalists also illustrated the problem of aiming for balance rather than truth. Journalists who concluded that the Swiftboat accusations were false should have framed their coverage accordingly. Instead, many journalists treated the Swiftboat accusations as a valid story, quoting the Swiftboat veterans, as well as denials from the Kerry camp, which only legitimated the accusations.

Similarly, “if one quotes a critic of the administration, then one must quote a member of the administration,” write Katherine Jamieson and Paul Waldman in *The Press Effect*, describing the standard operating procedure: “Particularly when placed within a strategic frame, ‘balanced’ coverage implies that all claims have equal merit.” Journalists need to be willing to make judgment calls aimed at reporting the truth, rather than settling for balance.

### **7. Avoid buzzwords and common frames.**

As Jamieson and Waldman point out, journalists tend to give shape to stories by providing narrative frames that help make sense of a jumble of details. Quickly, these frames come to determine what gets covered and how. Kerry gets labeled a “flip-flopper” by his opponents. Not only do journalists start repeating this loaded buzz-word until it acquires the weight of fact, they start shaping stories around it, looking for cases where Kerry changed his opinion about an issue. Such stories rarely consider the possibility that Kerry might have changed his mind about something because, for instance, new evidence had come to light. Journalists would have served the truth better if they had not let attack ads frame their coverage.

### **8. Ask follow-up questions.**

How can the public trust journalists who seem asleep at the switch, or at least afraid to pursue a question? During the vice presidential candidate debates, moderator Gwen Ifill asked Vice President Dick Cheney and Senator John Edwards to address the AIDS crisis in the United States. She specifically asked them not to address the epidemic in Africa, but to explain their plans for stemming the disease in America. She cited a shocking statistic: that African American women between the ages of 25 and 44 are 13 times more likely to die of AIDS than their white counterparts. Cheney ad-

mitted he was unaware of the impact of AIDS in black communities, but did not answer Ifill’s question. When Edwards drifted even farther away from the question, going right to AIDS in Africa and then segueing to a discussion of ethnic warfare in Sudan, Ifill failed to bring Edwards back to the subject. Nor did she press Cheney on the Bush Administration’s “abstinence only” sex-education policies that deny funding for programs that discuss condom usage. She simply moved on to the next topic. Agreed-upon debate formats are no excuse: Candidates should not be the ones setting the terms.

### **9. Enforce strict ethics rules and don’t run material without checking its provenance.**

In the months following the election, the Bush administration was caught paying pundits to promote its initiatives. *USA Today* reported that the Education Department paid the conservative columnist Armstrong Williams \$240,000 to shill for the No Child Left Behind program, especially to communities of color. (Williams is African American.) Then the *Washington Post* revealed that the Department of Health and Human Services had paid \$21,000 to the syndicated columnist Maggie Gallagher to push the president’s marriage initiative. A day later salon.com uncovered another marriage advocate on the HHS payroll: Michael McManus, whose column “Ethics & Religion” appears in 50

newspapers. None of these writers disclosed that they were in the employ of the Bush administration, but presented themselves as independent journalists. Equally pernicious are videos, produced by public relations firms to promote specific government policies, masquerading as news reports; videos on everything from the Iraqi occupation to aviation security have been run by broadcast stations as ready-to-run “news” segments. Editors and producers must not let their pages and airwaves broadcast government propaganda.

### **10. Repeal pieces of the Federal Telecommunications Act of 1996. Restore the Fairness Doctrine.**

Few of our recommendations are likely to be implemented as long as laws continue to favor big media conglomerates. The 1996 overhaul of telecommunications law relaxed restrictions on the number of media outlets a single company may own. The results? According to *Columbia Journalism Review*, a “historic, unprecedented torrent of mergers, consolidations, buy-outs, partnerships, and joint ventures that has changed the face of Big Media in America.” Now, the U.S. media are dominated by what Ben Bagdikian, author of *The New Media Monopoly*, calls a “cartel of five giant media conglomerates”: Time Warner, Disney, Murdoch’s News Corporation, Bertelsmann of Germany and Viacom. In this media landscape, stories that run counter to the interests of media conglom-

erates, or any of their farflung subsidiaries, are often stifled. To boost profits, media conglomerates also have slashed news budgets. And, the elimination, in 1987, of the Fairness Doctrine, which had required broadcast licensees “to carry some balanced coverage of controversial issues of public importance, led to a substantial decline in public affairs reporting, according to the Citizens for Independent Public Broadcasting. “What did increase were right-wing talk shows and religious right ministries, now free to editorialize against their favorite demons without fear of contradiction,” concluded the report. With passage of the FTA in 1996, such stations only proliferated. As Bagdikian warns, democracy itself is at stake. D&S

#### RECOMMENDED READING

[www.campaigndesk.org](http://www.campaigndesk.org)

Daily analysis of political coverage; affiliated with *Columbia Journalism Review*

[www.mediachannel.org](http://www.mediachannel.org)

Media watch organization

[www.bigmedia.org](http://www.bigmedia.org)

Rocky Mountain Media Watch

[www.fair.org](http://www.fair.org)

Fairness and Accuracy in Reporting

[www.tyndallreport.com](http://www.tyndallreport.com)

Weekly monitor of television coverage

<http://journalism.nyu.edu/pubzone/weblogs/pressthink>  
Media blog by NYU Professor Jay Rosen

[www.slate.com/id/2106797/](http://www.slate.com/id/2106797/)

Today's Papers: daily round-up

[www.newseum.org/todaysfrontpages/](http://www.newseum.org/todaysfrontpages/)

Daily display of front pages of papers from around the world.

[www.poynter.org/column.asp?id=45](http://www.poynter.org/column.asp?id=45)

Romenesko column on media industry news

## Ten Ways to Improve Election Coverage

1. Focus on the issues.
2. Value accuracy over speed: Check the facts.
3. Be skeptical — about the right things.
4. Practice journalistic solidarity.
5. Don't make campaign ads the story. Don't let campaigns shape the story line.
6. Make the principle of balance meaningful again.
7. Avoid buzzwords and common frames.
8. Ask follow-up questions.
9. Enforce strict ethics rules and don't run material without checking its provenance.
10. Repeal pieces of the Federal Telecommunications Act of 1996. Restore the Fairness Doctrine.

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# STATE OF CONFUSION

## NEW YORK STRUGGLES TO AUTOMATE THE VOTE

BY JULIANA COOLS

After the fiasco of hanging chads and punch cards in Florida in 2000, Congress allocated funds for modernizing voting technology across the country through the Help America Vote Act of 2002 (HAVA). Representatives who supported HAVA touted electronic voting machines as an easy fix for antiquated systems. The 2004 elections revealed that computerized voting was not the panacea everyone had been hoping for. In Franklin County, Ohio, for example, machines infamously recorded 4,000 votes for George W. Bush in a district with only 2,000 registered voters. Nonetheless, 80 percent of the states that extended the HAVA implementation deadline to 2006

now are pushing to install such machines before the off-year elections. One of them is New York.

But New York's State Senate and Assembly — which are responsible for determining how to implement HAVA — have been stuck in legislative gridlock ever since the federal government delegated this task to them. As *Dollars & Sense* goes to press, legislators are still squabbling over how to put voting machines properly in place. And no one can predict whether they will come to an agreement before they adjourn on June 23.

The state's two legislative bodies have been unable to agree on a number of provi-

sions. "They have been hashing out this process for the past two years," says Sherri Davis, chief of staff to Assembly member Keith Wright, Assembly chair, Committee on Election Law. "We're not prepared. We are behind."

At issue have been such practical matters as what kinds of identification voters will be required to show and how voting booths will accommodate people with disabilities. What seemed to be simple questions became a tangled mess in Albany, and created divisions between upstate and New York City. Some legislators proposed that polls allow voters to show any state-issued ID, such as a gun or a driver's license, but

others objected, charging that this strategy favors rural and suburban voters and disadvantages residents of New York City, who typically neither hunt nor drive. Legislators also have been divided over whether all the machines in every polling station should be outfitted with devices that

implement HAVA] and will likely ask for another waiver" to extend the deadline. "This is a huge project," he adds. Rosenstein is heading up the Coalition's efforts to lobby Albany to include citizens in the decision-making process. The Coalition includes a range of civic groups from the Asian

Elections, expressed concern over a number of urgent preparations that can't be pursued until Albany acts. For example, the City can't secure warehouse space until it knows whether they will be storing the kinds of machines that require electronic hookup hile warehoused. The Board can't

Some legislators proposed that polls allow voters to show any state-issued ID, such as a gun or a driver's license, but others objected, charging that this strategy favors rural and suburban voters and disadvantages residents of New York City, who typically neither hunt nor drive.

make them accessible to people with visual, motor or other impairments, or whether one such machine in each polling station (as HAVA requires) is enough: Some legislators object to segregating voters with disabilities, while others insist that the state cannot afford to outfit every single machine. New York is one of three states that has not even issued a request for proposals — the first step in the competitive bidding process for developing the Statewide Voter Registration Database, one of the primary requirements under HAVA.

If politicians don't hash out their differences before the June adjournment, they stand to lose the \$200 to \$250 million from the federal government earmarked for new voting technology. But even if they do, says Neal Rosenstein, co-facilitator of the New York State Citizen's Coalition on HAVA Implementation, they still "will not have enough time [to fully

American Legal Defense & Education Fund and the Brennan Center for Justice at NYU School of Law to the New York Immigration Coalition and New York Lawyers for the Public Interest.

Representatives of both the City and State Board of Elections expressed frustration over the inability to move forward. Various vendors have demonstrated their machines to legislators over the last year, but the State Board of Elections cannot certify one of them until the legislature agrees on the kind of machines they want. As for who gets to choose the vendor — the legislature or the State Board of Elections — that also has to be decided. Anna Svizzero, the State Board's director, worries that whichever vendor is selected won't have time to build the machines to specifications. At the local level, Lucille Grimaldi, who is in charge of electronic voting systems at the New York City Board of

even contract trucks to transport the machines because different models need to be transported differently. Training workers also will have to wait.

One point on which the legislatures have agreed, according to Davis, is that the machines New York will use must provide an internal receipt that would allow voters to view their ballot on screen before finalizing their vote, and that should allow poll workers to verify votes if necessary. But no decision has been made yet, on whether or not the machines will have paper receipts. Still, Steve Natoli, legislative council to Senator Thomas Morahan Senate chair, Committee on Election Law, hopes that legislation might be passed in this current session.

Even if it is passed, come next fall, New Yorkers will be yanking those antiquated voting-booth levers for at least one more election cycle. D&S

# BALLOTS WANTED

## NYC Immigrants Aspire to Make Their Voices Heard

BY EUGENE SWEENEY AND CARLOS MACIAS

**L**u Liu, a 30-year-old Chinese immigrant living in New York City, was granted her unconditional Permanent Resident Card (the coveted “green card” that permits her to remain in the United States indefinitely) in late 2004 after living in the United States for almost seven years. She has a Social Security card, a driver’s license and a license to practice her chosen profession as a manicurist. She files a 1040 tax form. Yet she cannot choose the political representatives whose decisions directly affect her life. “It’s not right,” she says. “I can pay taxes to them like everyone else, but I can’t vote for them?”

Liu’s objections to current policy sound familiar: “No taxation without representation” has been a central idea in American politics since the signing of the Declaration of Independence. This is in essence the argument used by New York City and State legislators for trying to pass new laws that would allow non-citizens to vote in local elections.

New York City Council mem-

ber Bill Perkins is currently working on a bill that would grant non-citizens the right to vote in municipal elections. As *Dollars & Sense* was going to press, Folea Fadahunsi, a Perkins aide, said that Perkins and his legal team were working on drafting legislation for introduction later this year.

At the state level, in May 2004, Senator Martin Dilan (D) submitted to the New York State legislature a bill granting the right to vote in local elections to alien residents who have earned permanent legal status in this country. Though several other Democrats have signed on as co-sponsors, a year later, Senator Dilan’s bill is still pending. A similar bill also has been raised in the State Assembly by Assembly member Vito J. Lopez (D), but has yet to move forward.

The State Senate bill reasons: “In order to ensure that all persons who permanently and legally reside in our state have a voice and a stake in the decisions made by the political process, it is necessary and proper to extend the right to

vote in elections for offices and issues which affect them.”

In New York City alone, census data indicates that one million immigrants would become eligible to vote if the bill is passed: one-fifth of the city’s current voting population. Elected officials who accomplish this change could radically alter the face of city and state politics and possibly gain a new sector of grateful supporters. The issue will likely play a central role in New York City’s mayoral race next year, predicts Ron Hayduk, a professor of political science at Borough of Manhattan Community College and an authority on citizenship and voting rights. “Candidates will try to use it to gain more support from minorities,” he claims. Democratic contenders, such as Fernando Ferrer, are already on the record supporting non-citizen voting, while Mayor Michael Bloomberg has not clearly declared himself on the issue. “Unfortunately, if you set your position against this issue, you will be called ‘anti-immigrant,’” says

Stanley Renshon, a professor of political science at Lehman College, who supports non-citizen voting for school boards, but not for other offices. "This slogan will be used like a hammer and you will be hit with this over and over again."

The U.S. Constitution does not require that one be a citizen in order to vote in state and municipal elections. That decision was left to local and state governments. Among the states that allowed it, non-citizens amounted to about half of those states' voters for the first 150 years of the nation's history. It was not until after World War I that a national anti-immigrant attitude swept through American society and denied non-citizens the right they had previously possessed, Hayduk recounts. This was a result of a swell in patriotism and a parallel, generalized mistrust of immigrants. According to Hayduk, many native-born Americans began to see immigrants as a threat to their position of power.

Atypically, New York State began requiring citizenship as a qualification for voting as far back as 1804, though scholars argue to this day over whether the law means voters must be citizens of New York or of the United States. In any case, non-citizen residents of New York City whose children attended public schools were permitted to vote for, and serve on, school boards from 1969 until the boards were abolished in 2002 when Mayor Bloomberg restructured the school system.

Those opposed to enfranchising non-citizens regard voting

as a privilege, not a right. "I believe that the right to vote is a sacred principle reserved for citizens," says Renshon. Because the right to vote distinguishes citizens from non-citizens, Renshon regards it as a "gold standard" attributed only to people who were born here or who have earned the privilege to vote through the naturalization process. Offering voting privileges to non-citizens, he says "would discourage legal residents from applying for citizenship." Furthermore, he adds, "A new legal resident with one or two years in the country cannot make an informed decision when it comes to voting. People need time to get acquainted with the customs, culture, language and all sorts of new standards."

However, those advocating non-citizen voting, at least in local elections, point out how long and arduous the process of becoming a citizen is — it can take up to a decade. In addition, the process has gotten more bureaucratic in recent years. ("It's a privilege worth waiting for," counters Renshon.) Supporters argue that since non-citizen green card holders may pay taxes and even serve in the military, they should have a voice in local affairs, as the proposed bill states. Renshon still is not convinced. "There are several ways for non-citizens to participate in democracy," he reasons. "They can write to local and federal officials, they can demonstrate in any rally, they can promote and lobby their proposals and projects in Congress."

Hayduk sees things differently. "The United States of America is a nation of immigrants," he says, "and denying the right to vote to those people who live, work and contribute daily to the greatness of our country is going against the principles on which this nation was founded."

In other areas of the country, lawmakers are showing they agree. In Chicago, Takoma Park, MD and Cambridge, MA, non-citizens may vote in local elections, according to the Immigrant Voting Project, a New York-based resource network dedicated to promoting discussion of resident voting. And legislative efforts are underway in California, Connecticut, Maine, Minnesota, North Carolina, Texas, Washington, DC and Wisconsin. The year-old New York Coalition to Expand Voting Rights is supporting the bills in both the City Council and the state legislatures.

Senator Dilan states, "This issue is a very important part of the election process," and promises to continue to push to make it a top priority for the State Senate. But unless it is approved, residents like Lu Liu will continue to have no say in even the most local branches of their government.

From Hayduk's point of view, that would be a terrible irony. "Today our nation is expanding democracy all around the globe," he says. "Here at home, a project like non-citizen voting could be the best example of really expanding democracy for all." D&S

# DREAMS DEFERRED

## CONGRESS REVISITS A BILL TO LEGALIZE THE STATUS OF UNDOCUMENTED STUDENTS

BY CARLOS MACIAS

ILLUSTRATION BY DONG SUN CHOI

Cynthia just graduated from North Babylon High School in Suffolk County, NY. Now she is ready to enter the job market, apply for financial aid to continue her education and maybe get her first car. But all these goals are out of reach for Cynthia because, while she grew up like any American child, she is an undocumented immigrant. Like tens of thousands of other young people in the United States, Cynthia discovered this unwelcome surprise when she started to look for jobs and dream of international travel. Until she wanted to apply for a Social Security card, driver's license or a passport, she had never known that her parents,

who brought her to this country from Peru when they immigrated 13 years ago, had never found a way to regularize their status. A law pending in Congress could alleviate the plight of child immigrants like Cynthia.

According to the Yearbook of Immigration Statistics released by the Department of Homeland Security, the United States legally admitted 705,827 new immigrants in 2003. But the Yearbook reports that at least four million people enter the United States every year looking for a better future for themselves and their families. Among them are between 50,000 and 65,000 students who have been living more than five

years in the United States without legal papers, and who graduate from U.S. high schools each year.

Cynthia — who because of her status requested that her last name not be used — sat down with her parents one evening over a homemade Peruvian ceviche to discuss her options. Despite her dream of becoming a nurse or a doctor, or perhaps a veterinarian because of her passion for animals, her father Santos suggested that a better career would be “anything related to business.” One reason is that going to medical school would be prohibitively expensive because Cynthia is not recog-



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The new law would allow an undocumented student to apply for a six-year conditional residency if he or she entered the United States before age 16.

nized as a legal resident of New York. Though she has lived in New York since she was a toddler, Cynthia is required to pay out-of-state tuition at local schools. Nor is she eligible for governmental financial aid.

The proposed law — called the DREAM Act in the Senate, and the Student Adjustment Act in the House of Representatives — could reopen possibilities for Cynthia. But the family had not heard more than a mention of it on a local Spanish-language news program and was not aware of ways to support it.

The DREAM Act (short for Development, Relief, and Education for Alien Minors Act) and the parallel House bill had been in the works for several years and, after the typical legislative back-and-forth among congressional committees, almost made it into law in 2003. It was passed by the Senate Judiciary Committee on October 23, 2003, by a 16-3 vote, with some amendments. The House's Student Adjustment Act had 66 cosponsors from both parties and was on a similar trajectory. But congressional leadership was reluctant to bring up a major piece of immigration legislation for a vote in an election year. But after the

November elections put a new Congress into session, the old bills became moot and supporters had to start over again. "We are now working with the newly elected Congress members to try to gain their support," says Ana Maria Archila, executive director of the Latin American Integration Center, an immigrant advocacy and support organization in Woodside, Queens.

Original sponsors in the Senate and the House said, as *Dollars & Sense* was going to press, that they planned on reintroducing the bills, but that they could not say when — or how. The House version "is still in the hopper," said Charles Isom, press secretary to Representative Chris Cannon (R-UT), an early proponent of the act. Isom added, "There is no timeline yet." Meanwhile, Senator Orrin Hatch (R-UT), an original sponsor, "is definitely bringing this forward, but he is not sure yet whether it will be as an individual piece of legislation or as part of a comprehensive immigration package he has been working on," his spokesperson Peter Carr said in early March. "We have no set date yet."

Whatever forms they take, the new proposals will sustain the main objective of the

DREAM Act, first introduced by Senators Hatch and Richard Durbin (D-IL) in August 2001: "adjustment of status of certain alien college-bound students who are long-term United States residents."

The new law would allow an undocumented student to apply for a six-year conditional residency if he or she entered the United States before age 16; has been accepted into a two- or four-year institution of higher education and has a high school diploma or equivalent; is living in the United States at the time the law is enacted; and has "good moral character" as defined by immigration law, and no criminal record. After the six-year period, the student can remove the conditional status and obtain permanent resident designation if he or she has earned a degree, maintained good standing for at least two years at an institution of higher education while working toward a bachelor's degree or higher or served in the U.S. Armed forces for at least two years.

These students would remain ineligible for federal financial aid, such as Pell Grants.

As Cynthia sees it, "This law will help me to play an active part [in] my community and to

“This law will help me to play an active part [in] my community and to have the conditions to study and to work, so I won’t feel discriminated against anymore.”

have the conditions to study and to work, so I won’t feel discriminated against anymore.” But the law’s impact will extend beyond the personal level, and also produce dramatic positive fiscal effects, according to the National Immigration Law Center, a non-profit pro-immigrant group based in Los Angeles. Students benefiting from the DREAM Act will likely increase their average future earnings and consequently, the amount of taxes they will pay, an NILC assessment shows. Because they will be able to attend school and take jobs, costs in the criminal justice and social services arenas will be reduced. The NILC predicts that these fiscal contributions will pay back the educational investment in three or four years, and that tax payers will continue to profit from the DREAM Act for decades to come.

Meanwhile, Federal Reserve Board chairman Alan Greenspan and other economists and demographers have said that the United States will face a long-term labor crunch that threatens the American economy in coming decades in sectors such as teaching, nursing, the service industry and other occupations; according to the

NILC, the beneficiaries of the DREAM Act are part of the solution.

But not everybody sees a positive impact from giving illegal immigrants access to education and the chance to acquire permanent resident status in the United States. Groups that favor immigration restrictions, such as the Center for American Unity and militant anti-immigrant websites such as VDARE.com and Deportaliens.com denounce the DREAM Act for creating a burden on American taxpayers. These organizations argue that a law rewarding criminal behavior — entering or staying in the country without a visa or any valid permit — would also increase the threat of terrorism and the number of criminals along American borders, and encourage illegal immigration. They say that rewarding children of illegal immigrants discriminates against American-born youngsters whose parents must pay taxes and out-of-state tuition rates if their kids want to study away from home. They also contend that after graduating, immigrant students will exacerbate what they call “American Workers Displacement,” the increasing percentage of new jobs taken by immigrant work-

ers. These coalitions argue that if the bill is approved by Congress and signed by President George W. Bush, thousands of new legally documented workers will enter the work force and displace American citizens and foster social inequality and disrespect for American immigration laws.

Cynthia sees it differently: she wants to work hard and contribute to society. She is fully bilingual and had some accounting training at high school, so she could already pursue the business career her father recommends, if the government approves the proposal. In the meantime, Cynthia has to stick with an entry-level position at a local McDonald’s, working under the name and Social Security number of a cousin who is about the same age. Her dad just added a nighttime job cleaning office buildings to his full-time position in daytime landscaping to earn the \$4,000 needed to pay the out-of-state tuition for her first semester at Suffolk Community College. From Cynthia’s point of view, working hard to make opportunities is what living in America is all about.

Cynthia just wants the chance to make her dreams come true. D&S



**PRACTICE  
UNDER  
FIRE**

**NEW YORK PROVIDES  
SAFE HARBOR FOR  
FALUN GONG FAITHFUL**

BY TAKENORI KANEDA

At the corner of 34th Street and Broadway, one of Manhattan's busiest corners, protesters armored in yellow jackets gather in the middle of the afternoon. Against the current of people passing by, a woman holds a poster with pictures of people covered in blood and bruises. Against the din of the city, meditative music drones from a stereo while a handful of protesters quietly meditate.

For more than a year, these "anti-torture" demonstrations — a peaceful weapon against the alleged persecution of the Falun Gong by the Chinese Communist government — have been staged throughout Manhattan. Falun Gong (also known as Falun Dafa) is a physical and spiritual practice that was developed in China in 1992; it incorporates meditation exercises with a philosophy that regards truthfulness, compassion and forbearance as the nature of the universe. Practitioners strive to perfect these virtues. The practice was banned as an "evil cult" in China in 1999.

Such "anti-torture" demonstrations are occurring in most big cities globally. However, Manhattan draws practitioners from around the world sacrificing their own money and time, believing that New York

City has something special to offer when it comes to public protest.

Sarah Lee, a former TV reporter who has been practicing Falun Gong for nine years, came from England to New York in January to take part in the demonstrations by asking people on the street to sign petitions. Lee, 38, says that the protests have more significance here than they do in her adopted country. "There is something special about New York," she says. "The spirit of this country is freedom."

Indeed, the United States has offered freedom to members of Falun Gong, first of all by permitting them to practice their discipline openly. At various levels, the U.S. government has backed the Falun Gong cause. Though some practitioners find that support uneven and at times merely symbolic, Chinese officials have objected to the United States taking issue with their efforts to repress what they regard as a "quasi-terrorist" organization and have warned the United States to stay out of Chinese local affairs lest it risk souring U.S.-China relations. For its part, the U.S. State Department consistently mentions Falun Gong in its regular, critical reports on China's human rights record and

Congress has passed several resolutions denouncing China's crackdown — even as the Bush administration pursues cooperation with China in trade policy, anti-smuggling efforts and the War on Terror.

The Chinese government considers the Falun Gong a cult and a threat to stability in China. "Given the Falun Gong's ability to mobilize its supporters and its alternative claims to a higher truth and legitimacy, it is not surprising that the communist rulership perceives of the Falun Gong something of a threat," explains Barend J. ter Haar, a professor of Chinese history at Leiden University, Netherlands, on his Web site presenting his research on the group. Baruch College historian Murray Rubinstein, who specializes in popular religions in China, adds that Chinese communism's long-standing disdain for religion also fuels the crackdown against Falun Gong.

China has sent 125,000 Falun Gong members to re-education-through-labor camps, according to the U.S. Department of State's Annual Report on International Religious Freedom for 2004, and has murdered more than 700 Falun Gong members, according to Amnesty Inter-

"There is something special about New York.  
The spirit of this country is freedom."

national's 2003 report, "People's Republic of China continuing abuses under a new leadership—summary of human rights concerns." Falun Gong claims that as of February 2005, the death toll has reached 1,343. Now, as practitioners demonstrate in the streets and make their case in the American press, the U.S. Congress passes resolutions condemning China's crackdown, and Falun Gong sues Chinese publications for allegedly libeling the spiritual practice, the battle between China and Falun Gong has moved to the United States.

Le Min Sheng, a practitioner since 1993, who claims he was arrested four or five times in China for his association with Falun Gong, is among those who have embraced the Statue of Liberty as a symbol of freedom, while rejecting Beijing's Tiananmen Square as the symbol of restriction. The infamous plaza was the site of the 1989 crackdown on the pro-democracy movement and where Chinese and non-Chinese Falun Gong members were arrested for peacefully meditating or displaying their yellow banners nearly a decade later. After several months of confinement and abuse in 2000 in what he calls a Chinese "brainwashing center," Sheng managed to get a student visa in Malaysia, and from there, made an appeal to the United Nations High Commissioner for Refugees. He was granted refugee status — the UNHCR, like U.S. asylum law, recognizes that Falun Gong adherents fleeing China require safe

## FROM TIANANMEN TO LIBERTY

Le Min Sheng was working as a teacher's assistant for physics in a middle school when the Chinese government invited him, in October 2000, to come in for a "talk." He agreed and went to the police station, where he was forced to stay overnight. The next morning, Sheng, along with 40 other Falun Gong practitioners, was transported in a van to Hui Xian Mountain, the "brainwashing center." He says he was targeted when the government began its hunt for those it considered important to the movement. "I was one of the earliest people to practice," Sheng acknowledges. "I was also young and had some education."

The center charged him for board, food, water and an "educational" fee of 100 Yuan (\$12 per day or around \$360 per month). The fee, according to Sheng, was "very high priced" because China's GDP—per capita is \$417 per month. Inmates can be confined in the center for months. Authorities confiscated the salaries and personal possessions, such as cars and televisions, of those who could not pay the fee.

Sheng received "enough food" to stave off hunger. However, the rations consisted of "only a little vegetable." Sheng says that the only meat he ever had there was pig lung because "lung is very cheap." Sheng was not allowed to take showers for weeks at a time. One day, Sheng recalls, the inmates smelled so foul that the instructors begged the guards to let them bathe.

The brainwashing "teachers" worked for the government, according to Sheng, and taught the Falun Gong to renounce their beliefs. The methods included anti-Falun Gong lectures by the "teachers" and readings of anti-Falun Gong material by the practitioners. The books, which had titles like, "We must struggle with Falun Gong," contained about 50 articles denouncing the spiritual movement.

Sheng stayed at Hui Xian Mountain for four months, and for the first month was not allowed to leave the complex. Additionally, he suffered some hearing loss in his right ear. "A guard one day beat me here," Sheng says as he claps his right palm against his right ear. The guards boxed Sheng's ears continuously while grasping his hair and holding him down, he says. Now he is not able to hear high-pitched sounds.

Other Falun Gong practitioners were physically abused as well. One of Sheng's roommates was caught practicing Falun Gong exercises during the night. The roommate was dragged outside in the middle of November, while it was snowing, and was tied against a tree with rope for a few hours. "They beat him so everyone would not practice," Sheng says.

Including the physical abuses, what made Sheng suffer the most was isolation. "You feel very lonely in there," Sheng says with a glum voice. "When practitioners give up practice and you see every one leave one by one you feel very sad." Sheng says that renouncing his faith or pretending to renounce his faith was cheating himself.

After his release from Hui Xian Mountain, Sheng thought it best to leave China immediately. He secured the student visa and studied for almost three years at a private college in Malaysia before receiving his refugee status and, eventually, coming to the United States. — T.K.

haven in other countries — and last year Sheng was able to come to the United States, where his parents received green cards in 1999. But he has not forgotten his ordeal in China. (See sidebar.)

Since stepping foot on American soil in February 2004, he has not been harassed by China or the Chinese consulate. Other practitioners, however, have claimed that

If the Chinese government is defending its crackdown on people like Rachlin and Zhang by describing the group as violent and seditious, in the United States at least, Falun Gong proponents are fighting back against such assertions. In New York, the Friends of the Falun Gong are suing two Chinese-language newspapers published in New York, but controlled by China. The attor-

petitions: “Stop the persecution in China” and, more specifically, “Rescue Charles Li, the U.S. citizen who is in jail in China.” These petitions are sent to the U.N. and to the U.S. State Department. “It’s difficult to say exactly how effective they have been,” Chinn says. However, with the resolutions and State Department condemning the persecution, Falun Gong supporters feel

A House concurrent resolution passed in October 2003 ... charges that followers in America have been physically beaten and harassed by Chinese government employees.

persecution has followed them to American shores. The U.S. Congress agrees: A House concurrent resolution passed in October 2003 defends Falun Gong members as a peaceful group and charges that followers in America have been physically beaten and harassed by Chinese government employees.

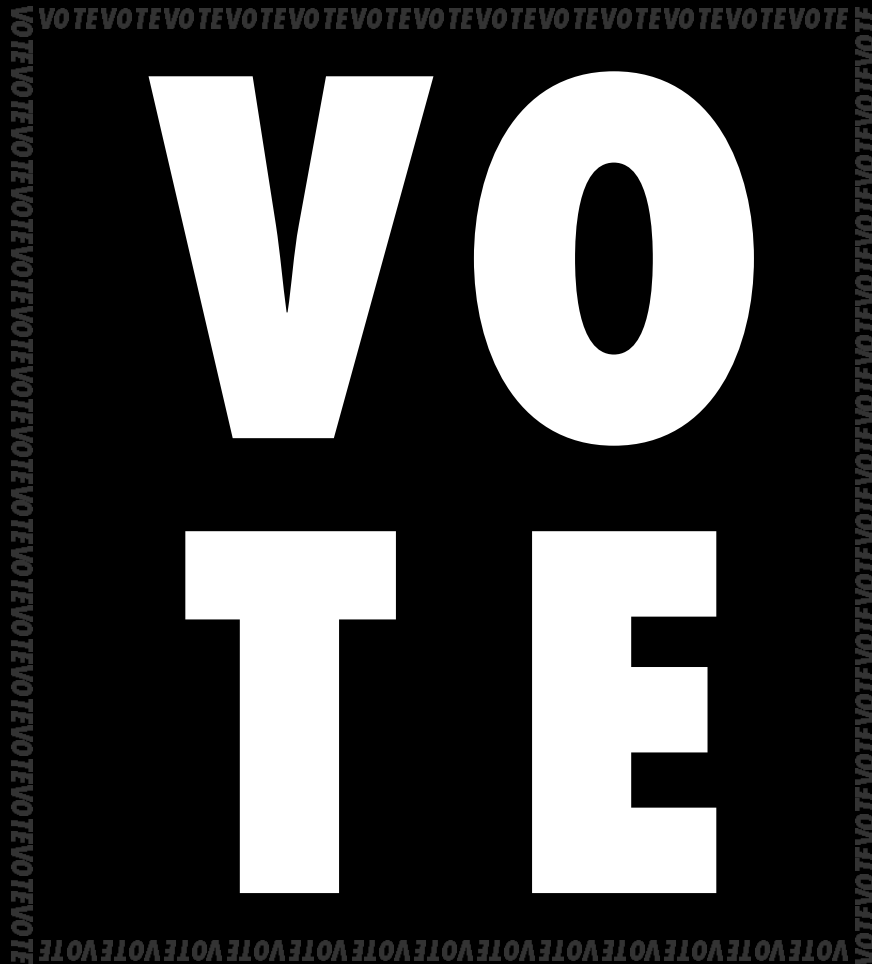
Furthermore, as was the case when Sheng was in China, prominent practitioners were targeted in the United States by the Chinese government. According to the House resolution, Gail Rachlin, a spokesperson for the Falun Gong in New York, had her apartment broken into five times by “agents of the Chinese regime.” Another spokesperson for the Falun Gong, Erping Zhang, received two death threats from Chinese government employees as well.

ney representing Falun Gong pro bono, Lana S. Han, has been practicing law since 1998 and Falun Gong since June 1999. She claims that the defendants, *The China Press* and *Sing Tao Daily*, published more than 300 libelous articles on the Falun Gong within three years — a pace of one article every three days. By email, Han said that *Sing Tao Daily* has, “intentionally published false materials against Falun Gong, including publishing an article a few days after the Sept. 11 tragedy, linking Falun Gong to terrorists and the worst criminals.”

Such cases might not catch the attention of the average New Yorker. However, the anti-torture demonstrations and petition signings do. According to Scott Chinn, a spokesperson for the Falun Gong in New York, the group is currently circulating two

their efforts are paying off.

On a chilly February day, Falun Gong members stretch out their yellow banners that read “Truthfulness, Compassion and Forbearance” and move through their slow-motion exercises across from the Chinese consulate. Shirley Liu, a practitioner from Hong Kong who has come to New York to swell the ranks of demonstrators, says that she sees New York as a Mecca of hope where the “VIP people” — those from the United Nations, the U.S. government and important non-governmental organizations — are located. As a dozen or so practitioners quietly meditate against the cold, fierce wind, Liu explains why she traveled half the globe: “I want the people to know the truth. We ask for justice.” D&S



There was a plethora of campaigns surrounding the 2004 election. From **Rock the Vote!** to **Vote or Die!** the message was loud and clear: if we do not exercise our right to vote, we lose our right to participate in the decisions made about our lives. Without a voice, we have no choice! Professor Terry Berkowitz's Print Production class at Baruch College also created a campaign to get people to vote. The assignment involved the creation of a small gift shopping bag with tag and tissue paper. The target market was first-time voters; the solution had to be non-partisan.

Graphic designers make their point through the use of subtle psychological manipulation or persuasion; or they cajole, plead, or hammer. The young designers used all of these methods in their solutions.



**SWCF**

Age: 23  
Body Type: Average  
Height: 5' 7"  
Eyes: Brown  
Hair: Light Brown  
Ethnicity: Caucasian (white)  
Political Views: \_\_\_\_\_

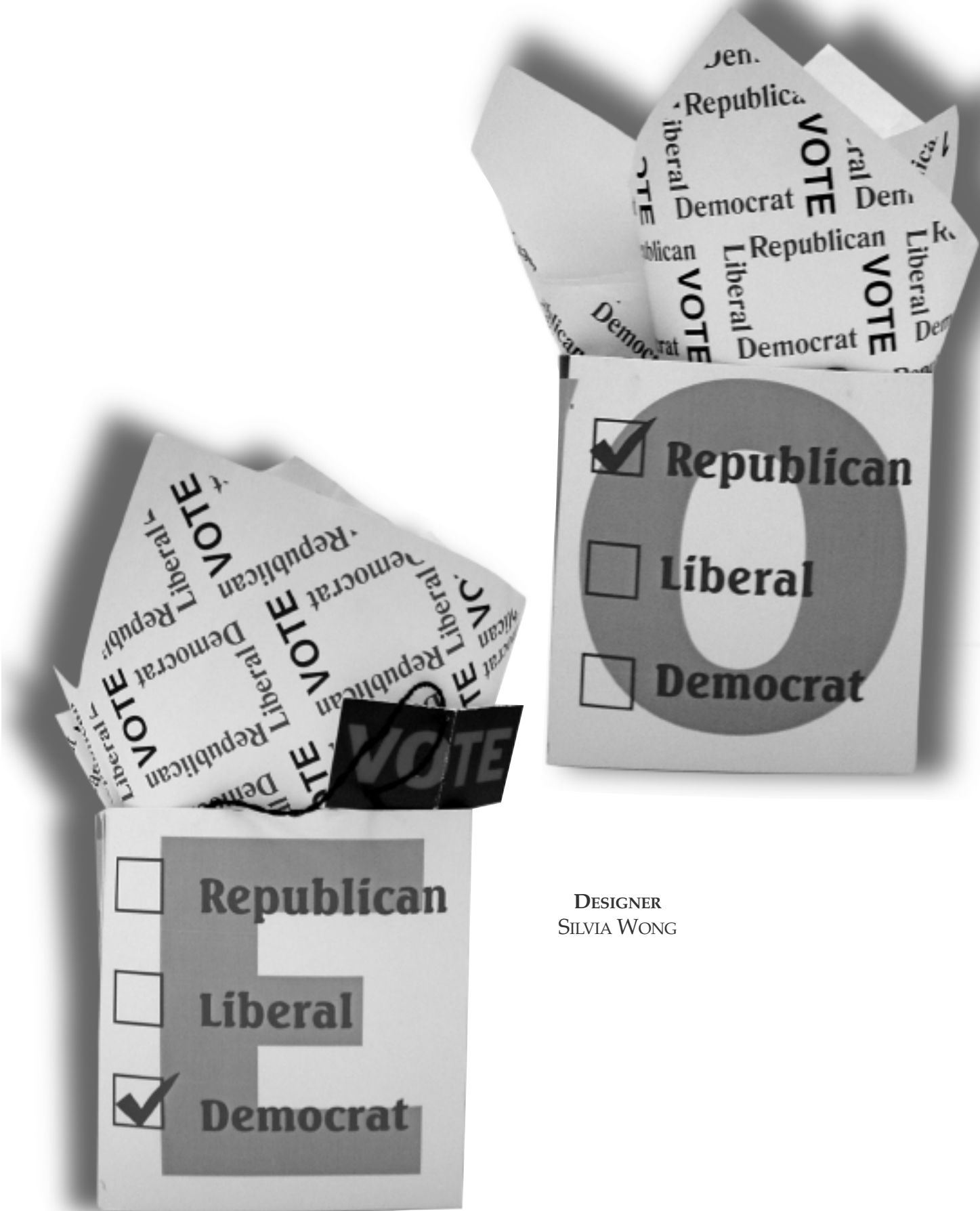
**Speak your mind *vote***

**DESIGNER**  
**DAIRO CHAMORRA**



DESIGNER  
DAWIT ADMASU

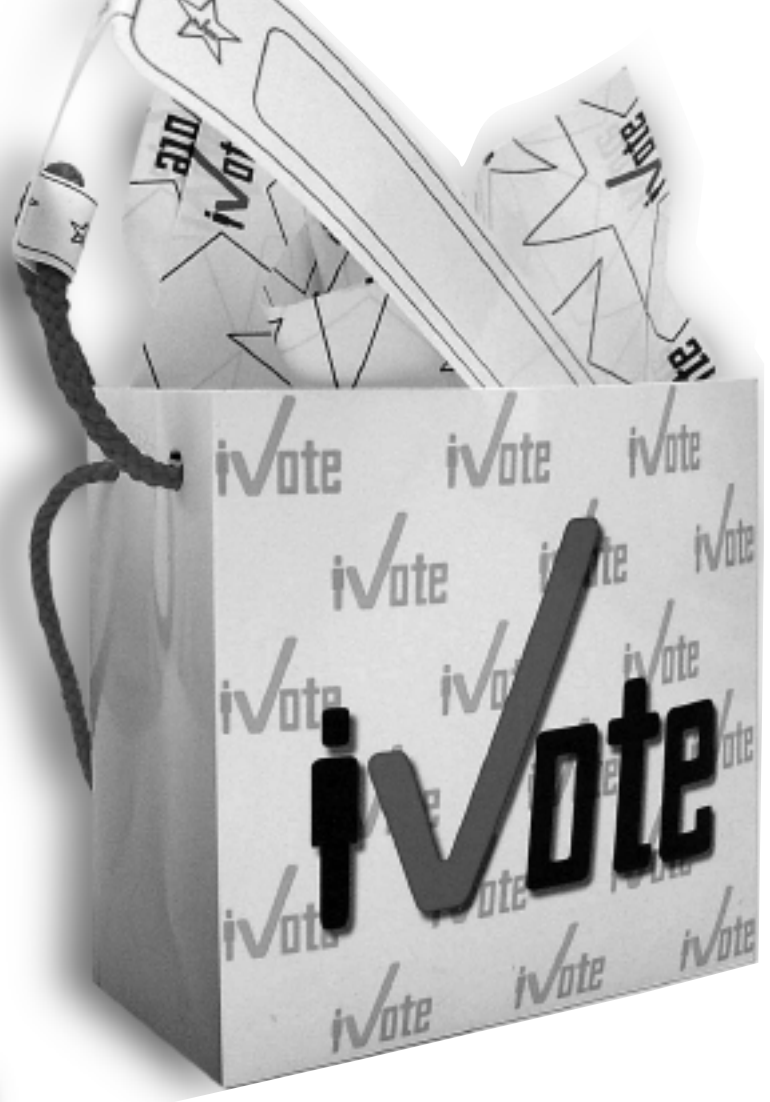




DESIGNER  
SILVIA WONG



DESIGNER  
DIMITRI ZAK



DESIGNER  
JI YOUNG PARK

DESIGNER  
PINKY KARELIA



DESIGNER  
DIANA PELUSO





DESIGNER  
BLAKE WOO

# CULTURE & CRITICISM

KID VICIOUS  
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AMPING UP THE FAN BASE



**KID**



**VICIOUS**

REPACKAGING PUNK FOR PRE-TEENS

BY KORENNE HALLER

ILLUSTRATIONS BY DÓRA CZÖVEK AND ROBERT FUDJINKSKI



The air was hot and suffocating at a Long Island club, The Sahara, as hundreds of people packed the venue last March for a sold out punk show featuring the Bouncing Souls and The Arsons. The crowd battled through the heat singing and dancing carelessly in the mosh pit and sang along enthusiastically with the band. As The Arsons reached a rare moment of calm between songs to quickly swig some water and wipe their faces, lead singer Ernie suddenly drew the audience's attention to a young boy standing among the crowd in front of the stage.

"Whoa," he said, "How old are you?"

All eyes turned to the boy. He looked a little bit uncomfortable as he shyly looked up and answered, "Twelve."

"Twelve years old!" Ernie exclaimed incredulously. "I was collecting baseball cards when I was your age!"

The audience laughed and Ernie assured the boy, "That's awesome though," before dedicating the next song to him.

Ernie couldn't help but be taken aback. As a veteran musician in the hardcore and punk scene since the 1980s, he was used to looking into the crowd and seeing his peers staring back at him — not a child who could be his son. Still, the boy's presence at the concert is not entirely surprising. Younger kids coming to punk shows aren't exactly an uncommon sight nowadays. More and more often, a young boy sporting a Mohawk or a young girl dressed in a baby doll band tee is seen wandering around the dance floor. Often, their mother or father is trailing close behind.

"When we first started [playing], the audience and us were the same age," says Greg Attonito, 34, singer for 16-year-old punk band, the Bouncing Souls. "I first started noticing a change about five or six years ago. There was a whole bunch of new little scenes springing up and I didn't know where I fit in among these younger kids."

The influx of pre-adolescents into the punk scene is surprising considering punk was never meant for 12- or 13-year-olds. When punk rock emerged in New York City's Lower East Side nearly 30 years ago, it was geared to alienated twenty-somethings, according to *Please Kill Me*, a documented oral history of punk by Legs McNeil

and Gillian McCain. When bands like the Dead Kennedys and Black Flag were wailing about lynching the landlord, nervous breakdowns and political unrest in Cambodia, they certainly weren't singing to disenfranchised 13-year-olds.

Punk's sudden popularity among pre-adolescents has its roots in marketing and the runaway success of MTV, the music cable station. With the help of hip fashions, song lyrics for younger kids and music videos aired on MTV, record companies have cultivated a generation of younger punk fans. They also have created a punk retail industry, estimated to be worth millions of dollars. In his article, "Video Created the Revenue Star," music critic Bill Aicher examines how MTV successfully markets specific images to youth as a way of popularizing certain music or fashions. Of the 40 videos that MTV deemed "buzzworthy" between January 1994 and May 1996, 75 percent had become certified gold or platinum. Therefore, record labels work closely with MTV to ensure exposure for their artists. Island Records founder Chris Blackwell told Aicher, "We're all in the fashion business. You used to be able to sell records purely on music and musicianship. Now it's packaging, media, television, and video."

The importance of image and MTV certainly isn't lost on many punk bands, which often go out of their way to cater to a younger set of fans. Unlike in videos by artists like Jay-Z and J. Lo, one sees bright colors and often-juvenile antics in the videos of "pop-punk" bands, like those by New Found Glory, Blink 182, Good Charlotte and Simple Plan. Blink 182's video for "Josie" features the twenty-something band members in high school, chasing around the girl on whom they have a crush as jocks make fun of them. Their song "Stay Together for the Kids" confronts the anguish of divorcing parents, and "Adam's Song" captures the feelings surrounding a young teenager who contemplates suicide. In "I'm Just a Kid," Simple Plan sings, "I'm just a kid and life is a nightmare/I'm just a kid and I know it's not fair." Good Charlotte laments how much they hate school in "The Anthem."

Even more surprising is the success of punk artists who aren't yet out of their teens themselves. In 2002, at 17, Avril Lavigne burst into popularity as the media-hyped "punk princess". Her debut album, *Let Go*, landed at No. 3 on the charts

and sold almost 4 million albums. Sum 41, a group of snot-nosed teens who gained notoriety for their silly antics as well as their music, went platinum. Perhaps a younger audience is drawn to heroes who aren't much older than they are.

Adolescent rebellion also helps explain the popularity of tattooed punk artists. "Maturity is coming earlier," concedes Dr. John Rossland, a child psychologist in New York City, and with it rebellion. Attonito voices a similar view: "The truth of it is kids are kids. They are looking for a good time and a foothold for some meaning in life. I don't think that ever changes."

As children grow up faster, kids also are rebelling sooner—at age 12 or 13, instead of 15 or 16. This is especially true for younger music fans, who reject the squeaky clean image projected by artists like Backstreet Boys and Mandy Moore. Instead, they prefer the "edgier" acts that appeal

or NSync," Gracie reveals. "She can play guitar and I like the way she dresses."

One popular retailer catering to Gracie and the rest of the teen punk set is Hot Topic, a \$443 million nationwide chain based in City Of Industry, CA. They provide all the hair dye, spiked necklaces and fishnets kids want. Hot Topic's management, which acknowledges a debt to MTV in its 2001 Annual Report, relies on the strategy that "fashions and products associated with popular music artists have a significant influence on teenagers today, who often want to emulate their favorite artists."

For punk purists who have long enjoyed the genre, this consumerism is nothing less than nauseating. Rinaldo Morelli, 23, who has been going to punk shows for eight years, insists, "I don't mind them being there, I just wish they were there for the right reasons." He bitterly recalls that the



"We're all in the **fashion business**. You used to be able to sell records purely on music and musicianship. Now it's **packaging, media, television, and video.**"

more to their rebellious appetites—the chain-wallet-wearing, spiky-haired bands that sing about how much school sucks.

Punk marketers, however, are selling more than music to a legion of affluent young fans. With the 32 million teenagers in the United States each spending an average of \$91 a week, according to a 2004 study by Teenage Research Unlimited, retailers are cashing in on the punk trend that includes clothes and accessories.

Wearing an oversized Less Than Jake T-shirt and a studded bracelet, Gracie, a 13-year-old concertgoer who sometimes attends shows in New York City with her older sister, epitomizes what has been commonly referred to as "mall punk." The relatively new term has emerged to describe young teens whose concept of punk is largely defined by the way their favorite bands dress — Dickies, fishnet stockings, studded belts and Converse sneakers are all staples of punk rock fashion. Once Avril Lavigne was splashed all over MTV and magazines wearing a man's tie, it didn't take long for many young girls to start mimicking her.

"I like Avril cause she's not like Britney Spears

easiest way to spot pre-adolescents at a local show on Long Island was by the way they attempted punk fashion.

"They are the kids who are the most overdressed," says Morelli. "Kids with bondage pants two sizes too big, kids with anarchy patches, the ones that have the patches of every punk band that ever existed, yet they probably don't own any of their albums."

Punk fashion and marketing run counter to the ideals punk once stood for. The original Punk ethic, which prized anti-commercialism, promoted do-it-yourself principles and questioned the establishment, is largely absent from the major label bands featured on MTV. Nor does it resonate with young teens who buy punk accessories and overpriced CDs at the local mall.

While some kids move on from mainstream punk to discover underground bands, such as Dillinger Four and One Man Army, the truth is that many will never see past punk marketing. Punk's newest and youngest recruits may simply discard their spiked bracelets and band tees for whatever accessories become trendy next. D&S



# STEAL THIS DOWNLOAD



## EVERYTHING YOU WANTED TO KNOW ABOUT FILE-SHARING BUT WERE AFRAID TO ASK

BY CHRISTOPHER KOESTNER AND LAURA RAMIREZ

College students are perpetually broke. So it's no surprise that the bulk of law-defying file-swappers are college students. Who can blame them? CD prices surge even as the quality of music deteriorates. Although the recent furor over illegal music-sharing has much of the industry distraught about lost profits and artists' royalties, some companies like Universal Music Group (UMG) and Future Shop have actually dropped prices in an appeal to fans. UMG's suggested retail price for its top-line CDs dropped as low as \$12.98 from previous prices of \$16.98 to \$18.98.

Still, should you pony up your meager earnings for that which can be gotten for free with some spirited cyber-snagging? The choice is yours, but be warned: The shadow of anonymity that once masked the World Wide Web is fast disappearing. New, invasive technologies can expose the identities of traders who once could hide safely behind aliases and rigorous passwords while they illegally downloaded with abandon.

Then, too, file-sharing may hurt recording artists whose revenues are partly based on CD sales. In truth, illegal downloading isn't likely to impoverish pompous-but-popular no-talent skills like Creed, who will always be able to cash in on concerts, merchandising and other promotional perks. If your conscience prickles, limit downloading activity to successful artists and avoid "borrowing" music files from the kinds of bands that typically play local dives for \$3 per head. If you believe in the music, support it. Go to

the shows, buy the CDs and refrain from tossing your beer onstage unless prompted to do so. Chances are these guys are counting on your \$3 to eat for the next few days.

If you're still determined to be a music scofflaw, be sure to choose your weapons carefully. Popular downloading programs such as Imesh, Kazaa and Limewire are a recording artist's worst nightmare, and also can be a music buff's biggest mistake. Prominent file-sharing programs such as these can land a downloader with a subpoena. As of 2003 more than 800 people had been subpoenaed, and could face fines up to \$250,000 and five years in prison for criminal penalties. (Most have chosen to settle out of court.) For civil penalties you can be fined for each illegally shared song. Yet despite the crackdown, file-swapping remains popular in the United States, where the chances of getting caught remain slim.

Where aggressive law enforcement has failed to stamp out file-sharing, the industry now is relying on persuasion. The Recording Industry Association of America (RIAA) has launched an aggressive campaign to spread the word that downloading is piracy, plain and simple. Theft is theft, they claim, whether online or off. The message may be sinking in, as organizations like Napster, which thrived during the heyday of file-sharing as a massive, albeit illegal, exchange server, go legit. Today, the company offers a service allowing users to choose from an all-inclusive monthly plan or to select individual tracks for 99 cents per download.

If you balk at paying for music, but want to stay on the right side of the law, visit sites that offer streaming audio content, which is very much like Internet radio. It's also free. But if your tastes run the specialized route, you may prefer sites like [launch.yahoo.com](http://launch.yahoo.com), which offers music selections to fit almost every preference. Since these Web sites have already paid for the license to play the music, these downloads are completely legal. However, be aware that downloading a song legally and then sharing it on the Web may be illegal, in the eyes of the law, since the extra copies

have not been purchased.

If you are still hell-bent on downloading beyond the boundaries of the law, the following DOs and DON'Ts for file-sharing, as well as our eight-easy-steps guide for beginners, can reduce the risks and hassles of your illegal music downloading and file-sharing experience. But before you begin, heed this warning: There is no guarantee that following this advice won't land you in trouble with the law. And, if it does, *Dollars & Sense* takes no responsibility. D&S

**DOs**

- Use file-sharing programs such as DC++, which are not common, because they are less likely to attract attention from music companies and law enforcement authorities.
- Download from people in other countries.
- Use firewalls and preferably more than one; these prevent unauthorized users from gaining access to your computer.
- Download songs from friends; the chances of getting caught are decreased.
- Do know that everyone can get caught; avoid mainstream programs to minimize your risk. If you would rather not risk it, borrow CDs that your friends have burned, and copy them. However, the RIAA, in its ramped up anti-piracy crusade, has started branding newer discs with anti-duplication/download technology—so use with discretion.

**DON'Ts**

- Avoid common file-sharing programs like Imesh, Kazaa, Kazaa Lite, Limewire, Morpheus, Grokster, etc. These programs are so popular they have attracted the

intense scrutiny of litigious music industry zealots. These programs also are often riddled with malevolent viruses and evil spyware. Spyware is bad news, and its grief can range from sluggish PC performance to full-blown identity theft.

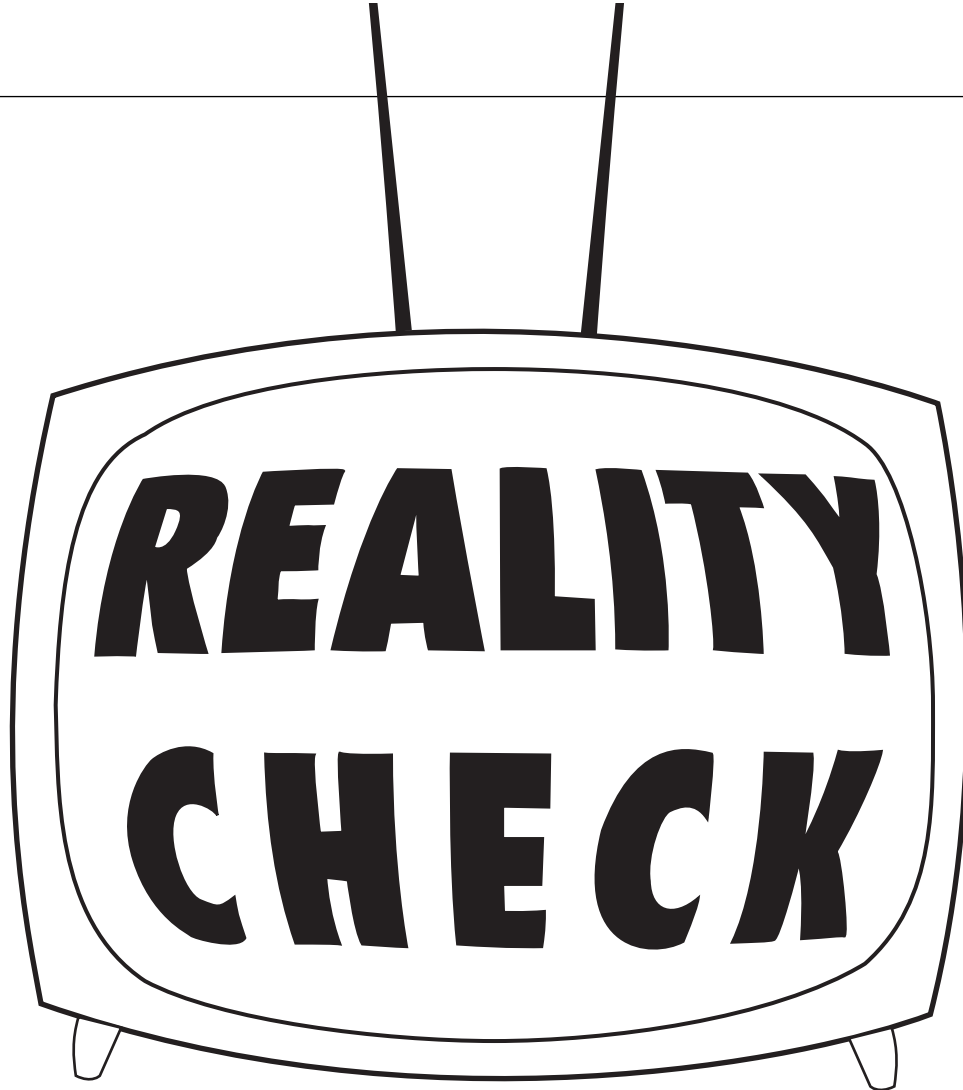
- If you insist on tempting fate and must use a common downloading program, be sure not to share what you've downloaded. Instead, move the file to another folder so others can't access from you, because the traffic can be spotted by The Man.
- Stay away from chat rooms when searching for music from other people. Using chat rooms is an easy and stupid way to get a virus that can, and will, put a smack down on your PC.
- Do not download from wares/warez sites (Web sites that store files, sort of like an online warehouse). They are often packed with viruses or fake files.
- If you live in a dorm, refrain from on-campus sharing networks, which are easy targets for authorities and also can contain viruses. Plus, if one person gets caught, everyone gets caught.

**EIGHT EASY STEPS FOR BEGINNERS**

1. Do a search on [www.google.com](http://www.google.com) for DC++ (a less common file sharing program).
2. Once you find the latest version, download and install it. Just follow the steps once the installation window pops up.
3. After the program is installed change the connection settings to suit your preferences in terms of appearance and connection speed.
4. Pick a hub list (a hub is like a chat room, so a hub list is a list of chat rooms). Usually by

default there is already one in place; if not, pick one based on your music preferences.

5. Some hubs require you to share files in order to download.
6. Connect to the hub that you like best.
7. You are now ready to download. Simply search for the name of the song or artist that you want.
8. If you are still confused, or need visuals to illustrate these steps, do another search on [www.google.com](http://www.google.com) for "how to use DC++." You will find some helpful guides.



## TV CRAZE CASTS ACTORS IN A LOSING ROLE

BY JACK BETHKE

ILLUSTRATIONS BY MICHELLE CORTES AND DÓRA CZÖVEK

Jessica Simpson, Paris Hilton and Joe Millionaire have turned spouse swapping, hot-tub hopping and eel eating into national spectator sports. In the process, they have contributed to a crisis for professional television actors, as these celebrities and the reality shows that have made them famous have transformed television programming, leading to a sharp decline in sitcoms.

"It's been clear for some time that reality television [is] having an adverse impact on the number of opportunities available to working actors,"

says Melissa Gilbert, president of the Screen Actors Guild (SAG).

Reality-based television got its start over 12 years ago with MTV's first episode of *The Real World*. But the genre blasted off five years ago with ABC's *Who Wants To Be a Millionaire?* By the end of last year, the Nielsen Ratings ranked four reality shows among the top 20 programs. The six major networks, which include UPN and PBS, aired 19 weekly reality-based programs, making up 20 percent of evening programming in the 2004-2005 season.



Of course, reality shows represent a bonanza for the networks. A handful of shows still offer a cash prize, but network execs have discovered that being on television is prize enough for most contestants. Because reality shows do not employ actors, the network pays the creator only for the right to air the program. NBC's *The Apprentice* costs just under \$2 million per show to produce, a tiny fraction of the \$1.5 million per episode the network paid each of the six cast members of *Friends* for their last season. And the program garners an average \$287,300 per 30-second ad spot; with about 16 minutes of advertising, no wonder Jeff Zucker, president of NBC, calls *The Apprentice* "the single most valuable show" on the network.

Due to the onslaught of reality-based programming, the number of sitcoms produced last year slowed to a trickle. Aside from viewers who must now tune in to watch reruns of old favorites, such as *Friends* or *Seinfeld*, it is television actors who have suffered the most from the change in programming. Working actors, already accustomed to vying for a few precious roles, find they must return to bartending and waiting tables to make ends meet. To add insult to injury, reality TV shows have stopped looking for real people and now are using out-of-work actors who play themselves, working their real-life day jobs, but without added compensation.

Take Todd Gearhart, whose Clark Kent good looks won him occasional roles on *Law and Order* and the now defunct *The Education of Max Bickford*. Since reality television began to dominate the airwaves, things have changed for him. In 2001, Gearhart was going out on several auditions a day. Now, weeks go by between television auditions. "2002 was really going to be my year," he says with a certain amount of detached amazement. "There is less opportunity in a field that is small enough already."

And, for TV actors, the squeeze is only getting tighter. LaMont Craig, casting director for *As The World Turns*, says now the networks don't even want actors who look like real people. "We're only allowed to cast beautiful people," he says. "Character actors? Regular-looking people? They're out."

Ironically, producers are using actors to play themselves as real people in reality programming.

And it suits the bottom line. Because the actors are filmed working at their real-life jobs, they don't have to be paid. In a funhouse-mirror image of reality, struggling actor Topher Goodman was a featured waiter on the reality program *The Restaurant*. In the most realistic aspect of the program, which chronicled the trials of opening up a New York restaurant, Goodman worked a 36-hour week at the restaurant industry standard of \$3.70 an hour plus tips. He spent an additional 10 hours a week in front of the camera for additional taping. "Rocco got rich," laments Goodman, referring to Rocco DiSpirito, the chef and creator of the program. "NBC got rich. I barely paid my rent, and got to look for another job when it was all said and done."

A number of 'wannabe' actors audition for reality programming with the belief that the programs open the door to fame. Gearhart says becoming a famous actor via reality TV is as likely as an actor in the porn industry making it big in the mainstream. "It hasn't happened yet," he says. Mike Yurchak, another working actor, agrees. "I think it's a mistake to think that being on a reality show is the road to becoming an actor. But, it's a life in show business and some people like that."

Though actors are suffering, tech crews and behind-the-scenes people are doing well. Chloe O'Connor has been working in television for nearly 20 years. "There has been a steady decline of work in the biz for NYC as it becomes increasingly more and more expensive to shoot here with the exception of reality TV. [It's] cheap to make and keeps the crews working," she says.

Reality TV also offers a lucrative venue for product placement. American Express and Coors Light were the main sponsors of *The Restaurant*, and the show resembled an hour-long commercial for those products. Reuters reports, "NBC did not have to pay for the show, it only had to commit to air it because the advertisers funded it."

Even as television roles are drying up for struggling actors, advertisers exacerbate the drought by hiring big-name actors in their commercials. Listen to voice-overs — more and more often, the voice is a familiar one. In addition to being the voice of Goodyear Tires, Patrick Stewart has also signed to be the official voice of Hotwire.com. Stockard Channing is the voice for AIG, while Gene Hackman can be caught selling AllState



Insurance. James Earl Jones is behind the familiar voice of Verizon. Famous name actors are sucking up the roles from the trickle of new programming as well. Martin Sheen and Channing star in *The West Wing*. Charlie Sheen replaced Michael J. Fox on *Spin City* and now stars in *Two and a Half Men*. Lili Taylor, Catherine O'Hara and Kathy Bates can be seen on *Six Feet Under*. "There is no interest in new talent," says Gearhart.

Figures released by SAG indicate the worst may be behind for Yurchak and his associates. While 2003 saw a 1.6 percent overall decline in TV and theatrical roles, the rate of decline is itself ebbing. In 2002, the number of TV and theatrical roles dropped by 6.5 percent compared to 9.3 percent in 2001. Though this is a positive shift, it's too soon for actors to breathe a sigh of relief. "Overall, this data ought to be a wake-up call to the industry," says Gilbert.

Yurchak would like to see the unions get involved, but isn't sure what they can really do about it. "It would be nice if there were some recognition that there is less work and have that be reflected in the necessary earnings for

health insurance, etcetera," he says. "I was informed the other day that my level of insurance through SAG no longer covers a yearly physical exam. It's really appalling."

While reality television may always be with us, its popularity is bound to wane. If there is anything shorter than the American memory, it's the American attention span. Just as the variety shows from the '70s, the hip, fast-talking dramadies from the '80s, and the stand-up comic driven sitcoms from the '90s were relegated to the back burner of rerun television, so too will reality TV shows be replaced by something new.

These days, young people are increasingly tuning into programs with quirky Japanese animation. Just as the children who grew up watching the O.J. Simpson trial have made reality TV a staple, perhaps the popularity of Japanimation will lend itself to other forms of programming in the years to come — interactive television, viewer-controlled content and more. Whether this trend will make more room for live actors remains to be seen. D&S

# AMPING UP THE FAN BASE



## ROCKERS SELF-PROMOTE CYBER-STYLE

BY THOMAS ZADVYDAS  
ILLUSTRATION BY BRIAN SIERRA

**M**ore than 40 years ago, Ed Sullivan, a diminutive man with rigid, hunched shoulders and sharp, bloodhound-like features, made music history. On February 9th, 1964, the variety show host whose eponymous program was the highest rated program ever on American television, introduced his prime time audience to a new band that would become the most famous foursome in 20th-century music history — the Beatles.

By launching the Beatles, the *Ed Sullivan Show* created a new marketing platform for the burgeoning art form that was rock 'n' roll. After the Beatles' first tumultuous appearance, the *Ed Sullivan Show* helped nurture and popularize the loud, ferocious music. Until the show's run ended in 1971, it also became the most sought-after marketing venue for up-and-coming rock and soul acts that wanted to make it to the Top 40.

Now much the way the *Ed Sullivan Show* transformed rock 'n' roll, the Internet is revolutionizing the marketing of hard rock and other musical forms. For example, George Michael, the pop singer, has said that, in the future, he plans to bypass music labels altogether and release music only via the Internet.

Similarly, struggling artists who once had little hope of gaining anything more than a local following unless they were signed by a record label, now can reach new audiences via the Web. By establishing Web sites, selling their music over the Internet through file-sharing sites and burning their own CDs, struggling artists can reach a far wider audience than ever before.

"Really, the Internet is probably the best way to promote," says Candace Barbieri, 23, of Bergen Beach, Brooklyn. "It ups the chances of people finding out about you." Barbieri is the rhythm guitarist of a Brooklyn-based hardcore/industrial band called With Vengeance. Lou "Dean" LaRocco and John Henry Sheridan, members of a metal quartet band called Level Six, agree: "It allows you to contact the rest of the world from your basement in Brooklyn, you know?" says LaRocco, 23, the rhythm guitarist and lead singer of the band ([www.levelsix.net](http://www.levelsix.net)).

For unknown bands, the first step to establishing a presence in cyberspace is to set up a Web site. For example, a search for With Vengeance, Barbieri's industrial band, will turn up [withvengeance.com](http://withvengeance.com). The site has a fierce and fire-like red color scheme with a large W and V superimposed over each other, the band's logo. Band information, member biographies, show reviews and song downloads are all accessible from the Web site.

Internet music sites like MP3.com and Garageband.com also offer a way for unknown bands to gain a broad following. Guitarist Andrew Guertin, 21, says his band Just One Chance has made contacts all over the country and even has a tiny foothold in Europe. "It travels a lot further than you think. Out of 50 states, we have to be in at least 35," he says, identifying the number of states where he hopes to garner fans via the Internet. A hardcore/metal fan as far away as Belgium has found the band via a music site.

But even with Internet support, new bands cannot afford to give up old-fashioned marketing. Web site or no, they still must play gigs for little pay, develop savvy methods for reaching out to potential fans and even offer promotional give-aways.

On a cold, windy night last March at a small Manhattan dive called Arlene's Grocery, Level Six is trying to attract a crowd. At 8 p.m. the performance room still seems desolate. The four members of the band, Brooklyn boys all in their 20s, solicit patrons from another room in the bar. Most people express polite disinterest. The four band members let these reactions bounce off them like raindrops off a poncho and head back to the stage area to hammer out a blistering live set for their faithful, a small group of 10 or so close friends.

The show at Arlene's Grocery was the band's fourth appearance. The band continues to play intense live sets to hone its live act, work on new material and, of course, make itself heard. The band promotes via live appearances, distributing copies of a demo CD and press kit and word-of-mouth.

For Level Six and other local groups from Brooklyn, promotion is very much a grassroots operation. "Mainly word of mouth is my promotional [tool for the band]," says Sheridan. "I make phone calls a couple of days before the show. I tell anyone when I see them on the street—always mention the band whenever you see someone you don't normally see—and I send emails," he adds. LaRocco, as the singer, says the spotlight shines a bit more brightly on him and that he



**"I make phone calls a couple of days before the show. I tell anyone when I see them on the street—always mention the band whenever you see someone you don't normally see—and I send emails."**

must carry the weight of extra scrutiny from his band's audience. "I'm the singer/guitarist so I kind of have to go out of my way to be a little more noticeable," he says. "You have to know your role and have to kind of play into it."

These bands often can spot potential fans by what they are wearing. Things like a chain wallet, a band patch or T-shirt or certain types of jewelry (such as a pentacle worn around the neck) will send a flag to someone promoting a band that says "he or she would like our music," says Barbieri, the guitarist for With Vengeance. She and her band mates look for such markers on people before approaching them.

That's also why many bands, such as With Vengeance, sell and give away merchandise. T-shirts and stickers are an important source of promotion, according to Barbieri. "T-shirts are awesome because when other people wear your shirts, they're promoting your band," she says.

Promotional expenses can add up, which is why unknown groups also have to function as small business operations. "It's like playing a game of Monopoly," quips LaRocco. The goal for an unsigned group like Level Six is to keep the operation self-sustaining.

Live shows are one small source of income for unknown bands. For live performances, the band pulls in between \$100 and \$200 a night, depending on the crowd. LaRocco expects the draw from nightly performances to edge up to \$500 or even \$1000 if a band promotes a show well enough.

Keeping a group funded is a challenge for young musicians. They do this both by keeping expenses down and by working odd jobs on the side. LaRocco, for example, works as a counter clerk in a local pool hall and Sheridan gives guitar

lessons to fund his activities. Being in a band becomes another living expense for these musicians. "It's just like another bill," says Sheridan on band expenses like rehearsal time in a studio or recording costs. "It's a necessity... not quite like food but almost."

The expenses can add up. Level Six spent \$600 for its Web site and pays about \$120 per month for its upkeep. Two-hour rehearsal sessions twice-a-week at a local Brooklyn studio called Electric Plant costs the band \$320 per month. Variables, unexpected problems like blown speakers and general maintaining of equipment costs around \$120 a month. Communications bills like cellular phones or Internet access can run as high as \$120. The band produced a few promotion T-shirts, but decided that it could not afford the \$7 per piece cost to turn out greater volume.

The group also produced a debut EP—a CD with roughly half the number of tracks of a standard 12-track LP. *On The Inside*, which was released last summer, cost the band about \$3,500. Each CD cost about \$3.50 to produce and the band is selling them at a 50 percent mark-up, or for \$5 each.

The band tries to divide expenses among its four members. Sheridan, as the band's treasurer, maintains a ledger, collects receipts and monitors the band's income and expenses.

For all the potential of self-promotion—especially over the Web—most unknown bands still need the financial muscle of a major recording company to break into the open. "We want to make this our livelihood," says Level Six drummer Longo. Getting signed by a major music label is still the best way to do that. D&S

# WHAT'S

# HOT? /

# WHAT'S NOT?

BLAH BLAH BLOGGING  
BOW TO THE RIGHT  
WANNABE WASABI  
IMPROVING ON NATURE?  
A PASSAGE FROM INDIA  
WIPED OUT  
VOYAGE TO OBSOLESCENCE



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# **BLAH... BLAH... BLOGGING**

## **A NEW MEDIA PHENOM KICKS UP CONTROVERSY**

BY COLLEEN BARRETT

**A** new four-letter piece of slang topped Merriam-Webster's list of the 10 Words of the Year for 2004. Selecting the most researched word on its Web site, the dictionary company gave the honor to "blog" – short for "Web log," or, as Merriam-Webster defines it, "a Web site that contains an online personal journal with reflections, comments, and often hyperlinks." More than entering the lexicon of everyday speech, this year blogs ignited a revolution in journalism — for good and for ill.

No one can pinpoint the exact birthday of the blog phenomenon; media experts identify the date as sometime between 1994 and 1999. One thing is sure: today, hundreds of thousands of blogs exist on virtually any topic, ranging from drugs and sports to technology and sex.

**B**logging hit its all-time peak during the 2004 presidential election, as political bloggers broke stories and offered commentaries that then made their way into mainstream newspapers and network news programs. Bloggers were given media credentials for both parties' conventions over the summer, and they became frequent guests on the Sunday morning pundit shows. Meanwhile, throughout the campaign, they provided non-stop rants, raves, comments and facts on their constantly updated sites. They gave conservatives, liberals and anyone in between a chance to see their views confirmed or challenged, and they also gave readers an opportunity to post their responses, and often — on sites like *Andrew Sullivan's Daily Dish* (conservative), and the *Daily Kos* (liberal) — to receive replies from the blogmasters themselves.

Like any new phenomenon, blogs don't come without critics and controversy. Many bloggers present new material daily, even hourly, functioning in some ways like traditional news reporters who seek out information to convey to the public. Unlike journalists, bloggers express, and even promote, their personal opinions, and they work without editors and publishers. Some critics charge that the information bloggers post is not as credible or accurate as the information published by mainstream news reporters. "I think blogging is antithetical to what makes journalism succeed, which is getting out of your room and reporting," says Samuel G. Freedman, a journalism professor at Columbia University and reporter for the *New York Times*. "Blogging is just popping off the top of your head after, at most, making some phone calls or cruising some Web sites. On blogs, attitude, rather than original research, matters."

Ward Harkavy, who writes the "BushBeat" blog for [www.villagevoice.com](http://www.villagevoice.com), agrees that much of what passes for political analysis on blogs is "self-indulgent, diary-style b.s." But, he adds, "Thank God for the Internet; it's harder and harder to get information out of the government, and mainstream media are pretty hopeless. I wouldn't criticize anyone who is blogging, even if most of their stuff is unreadable, because there are many nuggets of good information — and tips to important documents and stories — in all the crap, if you're willing to dig through it. And if people blog on political topics, more power to

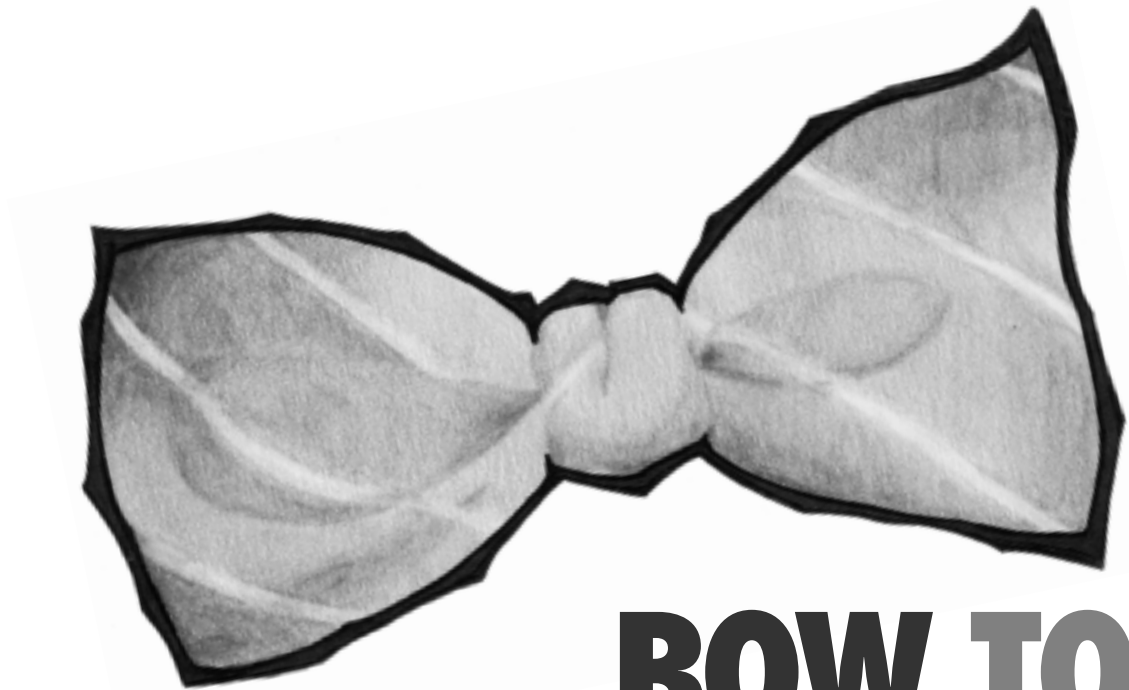
them. At least they're interested in the world around them."

Sometimes, even if bloggers don't produce great journalism, they help to keep journalists on their toes by watching and commenting on every move made in media. When Dan Rather displayed documents on *Sixty Minutes* purporting to show that President Bush had reneged on some of his National Guard service during Vietnam, it was bloggers who revealed that the documents were fake. "Blogging does affect mainstream news as the Dan Rather-Bush case indicates," notes Bryce Nelson, director of Journalism at the Annenberg School for Communication and former reporter for *The Washington Post* and *Los Angeles Times*. "I am positive about blogging, but the ethics and verification required of mainstream journalism are much less developed in much of blogging."

**"ON BLOGS, ATTITUDE,  
RATHER THAN ORIGINAL  
RESEARCH, MATTERS."**

Robert Niles, editor of *Online Journalism Review* ([www.ojr.org](http://www.ojr.org)), says that readers should understand that bloggers and journalists are different people. "In the right hands, a blog allows a journalist, or any other informed writer, an unprecedented opportunity to inform a global audience, and to engage them in an insightful conversation," he says. "In the untrained hands, it's just an online diary — at best, boring, and at worst, misleading and destructive." Niles adds, "Journalists can look to bloggers to find better ways to better connect with and serve our audience."

Whether or not one agrees or disagrees with blogging, the fact is that popular Web sites such as Slashdot, Instapundit.com and Boing Boing, get thousands of readers a day, which means they are indeed reaching an audience. In the end, critics and fans of the blog phenomenon are almost all in agreement that bloggers will not stop writing anytime soon. As Bryce Nelson predicts, "Blogging is very big and will only get bigger." D&S



**BOW TO  
THE RIGHT  
MUST-HAVE ACCESSORY FOR  
THE COOL CONSERVATIVE**

BY BRYAN HALL

ILLUSTRATION BY MICHELLE CORTES

**P**aisley. Muted plaid. Cherry red. Business blue. No matter the pattern or color, the strip of cloth gift-wrapping a man's neck like the flourish on top of an expensive package, the bowtie has emerged as the wearable symbol of staunch conservatism. As surely as long hair and faded jeans once stood for opposition to war and the embrace of sex, drugs and rock and roll, the bowtie today signifies support for tax cuts, traditional marriage and preemptive war.

The poster boy for this fashion trend is, of course, Tucker Carlson, the erstwhile co-host of CNN's *Crossfire* and host of his own half-hour of commentary on PBS. Though teased aggressively on his own program by the liberal comedian Jon Stewart last October ("I'm not suggesting that you're not a smart guy, because those [bowties] are not easy to tie.") Carlson refuses to abandon this time-honored emblem of elegance and wealth.

Menswear is getting more conservative, and sharply so, as the political mood has shifted rightward, according to Peter King Hunsinger, vice president and publisher of *GQ Magazine*. Hunsinger describes this trend in men's fashion as moving toward "personal style, dressed up with an attitude." He reasons, "As the economy

growth in men's business attire in the last year. As reported in its 2003 annual report, Brooks Brothers' parent company, Retail Brand Partners, has seen a dramatic 60.5 percent increase in revenue, largely driven by bigger ticket, formal and business wear. Barneys New York reported that in 2003 men's fashion and men's suits were two of its six largest sales areas, displacing categories of women's wear and reversing a generation-old trend.

But the bowtie has other important connotations for conservatives, too. As the all-important final touch on formal attire, it asserts upper-class grace and civility. Today's conservatives are far from embarrassed to be associated with the high end of an ever-widening income gap.

And, as Hunsinger says, the bowtie will never lose its crowning place in luxury wear. (Is black tie *ever* really "optional"?) *GQ Magazine's* December 2004 issue features an article on "The Dos and Don'ts of Formalwear," which lists learning to tie a bowtie as one of the top 10 essentials of today's successful man. Rival *Menswear Magazine's* fall 2004 issue features the new rules for black-tie formalwear. Among these, the bowtie remains an essential, appropriate piece of the elegantly dressed man's wardrobe.

## The new conservatism, says Hunsinger, is "a reaction to casual Fridays."

got a little rough, the pendulum swung backwards" from the casual dress associated with the boom years of the 1990s. The political rejection of permissiveness — whether around sex, diversity, iconoclasm or civil liberties — has been expressed, as values often are in America, in the way people dress. The new conservatism, says Hunsinger, is "a reaction to casual Fridays."

"Men want to look professional now," says Hunsinger, describing the workplace rejection of the chinos and floppy polo shirts — and the non-conformist, anti-establishment ethic that went with them — that famously graced offices during the dot-com boom.

Flagship menswear retailers, such as Brooks Brothers and Barneys, have seen strong sales

Last fall, fashion designers unveiled their spring 2005 collections, which included more tailored suits than skateboarding hoodies; and when a model did sport a designer's T-shirt, it was as often as not partially concealed under a stylish blazer.

The fans of casual workplaces and "jeans on Friday" may mourn their loss — of the election, as well as the opportunity to wear sneakers to work. But if they want the next big promotion, at least in a red state, then they are probably already out shopping for a new Saville Row-inspired suit. No one should be surprised if the next business whiz kid is even seen wearing a bowtie. After all, 2005 is ushering in four more years of American conservatism. D&S

# IMPROVING ON NATURE?

## SUPERCHARGED WATER MAKES A SPLASH

BY AMY LOTVEN

ILLUSTRATION BY DONG SUN CHOI

**C**oke is not it anymore. Neither is Pepsi or Sprite or any other standard, carbonated soft drink. Now, a whole bevy of strange new beverages are vying to quench the thirst of today's post-Atkins, calorie-conscious, energy-obsessed Americans.

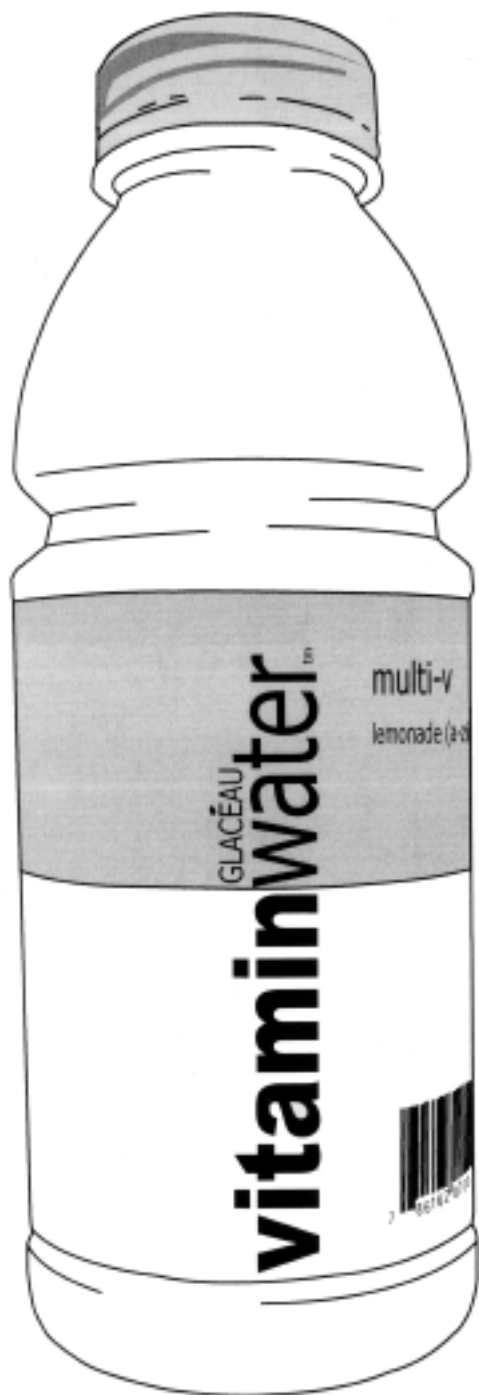
The cool new refreshment is enhanced water, a flavored, colored, nutrient-supplemented variety of H<sub>2</sub>O. "Being as healthy as I am — I don't drink alcohol — VitaminWater helps me live a healthier lifestyle and control what goes into my body," announced rapper 50 Cent last October, after

teaming up with Energy Brands, a leading maker of enhanced water sold under the Glaceau brand to create "Formula 50" a new grape-flavored variety. The new drink promises to provide "50 'cent" of the body's daily vitamins.

All enhanced water is distilled water souped up with vitamins such as C and B6 and flavoring. Like vitamin pills, the drink can serve as a dietary supplement. But, "the bottom line is that food is the best source for most vitamins," says Dr. Linda Van Horn, editor in chief of the *Journal of the American Dietetic Association* who advises people

"Being as healthy as I am — I don't drink alcohol — VitaminWater helps me live a healthier lifestyle and control what goes into my body."

"It tastes good, and it's more refreshing and less syrupy than stuff like Gatorade or Snapple. I have no idea whether I'm benefiting from the vitamins."



"to drink vitamin supplemented water along with healthy nutritious food," such as fruits, vegetables and whole grains.

Super water has certainly been good for the beverage industry. While enhanced water commanded just .7 percent of the carbonated drinks market in 2003, that was up from .5 percent a year earlier. Moreover, enhanced waters can cost as much as \$2.50 per 20 oz. bottle in Manhattan, nearly twice as much as a comparably sized carbonated soda.

The market potential represented by enhanced water is formidable. Last November, the American Soft Drink Association announced that it's changing its name to the American Beverage Association to better reflect the wide variety of beverages on the market. PepsiCo, Snapple, Veryfine and Coca-Cola are among the companies with fancy waters on tap.

Behind the water revolution is Queens-based Energy Brands, the maker of Glaceau's Vitamin Water, which was founded in 1996. Energy Brands, which currently offers 14 flavors of Glaceau Vitamin Waters, has grown into a multi-million dollar business.

Vitamin Water is distributed nationwide, but its largest markets are the New York region and California. "It's everywhere," says John Tapper, co-owner of the Garden, a popular health food store in the Greenpoint section of Brooklyn, which was one of the first stores to carry the product.

And everyone is drinking it. Rock group Velvet Revolver, pro skateboarder and DJ Chad Muska, fashion designer Kenneth Cole and singer Usher all claim to be VitaminWater aficionados.

"I drink it for the water," Dylan Keeler, a 29-year-old Brooklyn denizen says. "It tastes good, and it's more refreshing and less syrupy than stuff like Gatorade or Snapple. I have no idea whether I'm benefiting from the vitamins." D&S



# WANNABE WASABI

## FAKE PASTE SPREADS THE HEAT

BY MARTINNE GELLER  
WITH LALI DZHANASHVILI  
PHOTOGRAPH BY RAJANI RANGSIRATANAKUL  
ILLUSTRATION BY ROBERT FUDJINSKI

In the quarter-century since Hatsuhana first began slicing up its raw-fish delicacies, the upscale New York restaurant has seen an evolution in the tastes of its patrons. Hatsuhana's self-proclaimed "no frills" sushi used to be the draw for many of its customers, while sashimi was ordered only by Japanese or the most adventurous American diners.

Now the low-carb craze has spurred demand for the riceless dish. But, after years of watching American diners slather their sushi and sashimi with enough wasabi to bring tears to their eyes and overpower the flavor of the fish itself, Hatsuhana manager Takaaki Miyamoto insists that Americans don't really like the taste of raw fish. "Americans use much more wasabi than Japanese," says Miyamoto. "I think the enjoyment people get out of eating sushi comes from the wasabi and the ginger."

Indeed, that small dollop of scorching green paste, which once was reserved just for Japanese

dishes, is increasingly taking center stage in American cuisine.

While wasabi has been a Japanese staple for centuries, usually served alongside raw fish or in the dipping broth for cold noodles, today, the popularity of Asian cuisine and fusion menus has made the spicy paste a household ingredient. Wasabi is being incorporated into everything from marinades for chicken and lamb to salad dressing and mayonnaise. As a staple American condiment, it might soon come close to rivaling mustard and ketchup.

"Within a year, we ship about 24,000 pounds," of wasabi and wasabi-flavored products across the country, says Bridgett Klingler, of Pacific Farms, based in Florence, OR. The tiny company says that it has doubled its sales of fresh wasabi during the past five years and has become a leading U.S. purveyor of the combustible condiment.

Ironically, what Americans know as wasabi is usually an inexpensive imitation of the real thing.



*Ready-made wasabi paste in a tube.*

Authentic wasabi, a.k.a. *Wasabia Japonica*, or *Eutrema Japonica*, is a perennial plant from the cruciferous family, which also includes horseradish, cabbage and broccoli. Wasabi is native only to Japan, where it grows in cool mountain river valleys, along streams. Wasabi plants, which take 18 to 24 months to mature, must be kept very moist and out of direct sunlight in a temperate climate. A mature plant grows 18 inches high, producing heart-shaped leaves and shoots, which grow at the top of a bumpy green stem and are sometimes pickled or fried tempura-style and served with white rice.

Difficult to cultivate, the Wasabi rhizome — the thick stalk that is grated into paste — can fetch \$75 per pound wholesale, and \$100 to \$150 retail, according to Brian Hashizume, co-owner of Los Angeles-based Foodies, Inc., a specialty produce grocer and one of the few U.S.-based companies that sells fresh rhizomes imported from Japan. Foodies sells about 5,000 pounds of wasabi a year mostly to “white tablecloth” American restaurants.

Nor is authentic wasabi cultivated in the United States. Pacific Farms began a large commercial growing operation in 1995, but stopped in 2001 because it was too difficult to maintain. Now, in addition to selling fresh wasabi paste, which is imported from Japan and contains preservatives, Pacific Farms also sells wasabi salad dressing and grows a small number of plants, selling the seedlings and seeds to customers who want to grow their own.

Wasabi’s price and limited shelf-life — less than two weeks once it’s peeled — have led chefs in all but the highest-end restaurants to use imitation powdered wasabi in place of the real thing. The paste most commonly used is made from white horseradish, mustard powder mixed with water and food dye. It costs just \$8 for a two-pound bag.

Wasabi connoisseurs say that real wasabi tastes nothing like its more commonplace impostor. “The actual wasabi has a unique flavor, which is actually less fiery than the powdered mix,” says Hatsuhana’s Miyamoto. Authentic wasabi is more chartreuse than neon, and its spiciness is accented

by a slightly sweet and pungent fragrance that distinguishes it from the horseradish paste served in most restaurants.

"Most Japanese people eat wasabi very often, so we can tell the difference between wasabi powder and real wasabi," claims Ryohei Yamazaki, a 31-year-old Japanese reporter who lives in New York.

Indeed, wasabi has deep cultural and culinary roots in Japan. The first documented use of wasabi was in 10th-century Japanese literature, at a time when the condiment was thought to possess curative powers. Legend has it that wasabi made its first appearance alongside raw fish because its heat was thought to cure food poisoning and kill bacteria and parasites present in raw fish. Scientists have since found that wasabi does, in fact, have anti-microbial and anti-carcinogenic properties. It is high in vitamin C and anti-oxidants. Studies also suggest that wasabi's chemicals have anti-asthmatic properties, and may be beneficial to people with high blood pressure and heart disease, because of its ability to prevent blood clots. One study has even shown that small amounts of wasabi can prevent tooth decay. These health benefits, however, are associated only with real wasabi.

In the United States, high-end restaurants often rely on a combination of freshly grated wasabi, wasabi paste and fake wasabi powder. For example, Hatsuhana, located near Grand Central Terminal in Manhattan, where dinner easily runs more than \$20 per person without drinks, tax or tip, uses real wasabi paste only for soba, a cold-noodle dish that depends on the wasabi aroma. For sushi, the kitchen dilutes the real paste with the horseradish mixture. Restaurants that use the powder might serve fresh wasabi to special customers or to those who ask and are willing to pay extra for it.

However, the demand for authentic wasabi now extends beyond Japanese restaurants. For example, Michael's Restaurant on 55th Street in Manhattan, an upscale bistro that buys wasabi paste from Pacific Farms, featured a seared hamachi and sweet potato fritter served with trout roe and wasabi crême fraiche on its Winter 2005 menu. Houston's, a nationwide chain with two restaurants in Manhattan and a reputation built on burgers and spinach

## WASABI 101

### Freshly-grated wasabi

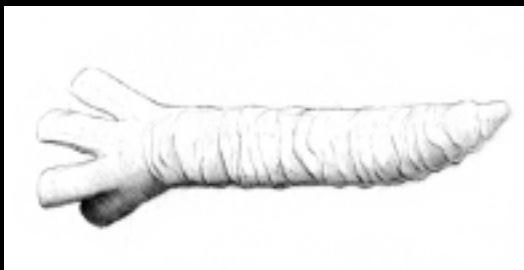
*Retails for \$100 to \$150 per pound, and lasts less than two weeks in the refrigerator once it's peeled because it oxidizes quickly, like an avocado. It is traditionally grated against a piece of sharkskin to produce a yellowish-green paste with a delicate flavor.*

### Fresh wasabi paste

*This ready-made paste sells for \$4 to \$5 for a 1.5-oz tube. It is made from real wasabi with added preservatives and once opened, can last a month in the refrigerator.*

### Wasabi powder

*Made from white horseradish and food coloring, this powder sometimes contains tiny amounts of real wasabi. As inexpensive as \$1 per ounce, this imitation wasabi is mixed with hot water to produce the familiar neon-green paste that Americans are used to.*



*The thick stalk where wasabi begins.*

and artichoke dip, now serves sushi rolls, accompanied by Pacific Farms wasabi.

"Freshly grated wasabi is like freshly squeezed orange juice," says Buddy Gillespie, the kitchen manager at Houston's Park Avenue South location. "It tastes different. But if Tropicana is all you ever drink, then to you, Tropicana is what orange juice tastes like."

Pacific Farm's Klingler notes that many chefs say they can't justify the cost of real wasabi. "They say that their customers are used to the powder, so why should they change?" she says. But Klingler is counting on the growing connoisseurship of American wasabi-lovers. She's hoping that once they taste the real McCoy, they'll never settle for the fake stuff again. D&S

# A PASSAGE FROM INDIA

## Saris Fade in the East and Inspire Fashion in the West

BY TABITHA SUKHAI

ILLUSTRATION BY DONG SUN CHOI

**A**s every New York fashion maven knows, what's haute today is out tomorrow. Only a few classic items can stand the test of time: the little black dress and black leather pumps, for instance.

For fashion-conscious South Asian women, that short list of classic garments would, until recently, also have included the sari. For the past 5,000 years or so, Indian women have been able to don the sari, a simple design of five to six yards of rectangular unstitched fabric, creatively wrapped over a petticoat and a matching, snug-fitting blouse known as the *choli*, and know that they were always in style.

Now, for the first time in millennia, the sari's dominance is under attack. The cross-cultural forces of globalization, which are infusing American culture with Asian influences in everything from food to fashion, are having the exact opposite impact on India, the birthplace of the sari. Even as American fashionistas don Asian-influenced styles, from chandelier earrings and henna body art to Indian fabrics and even the *bindi* (the dots on a woman's forehead that connote her marital status in some regions of India, and elsewhere are purely decorative), the sari itself is undergoing an identity crisis. Young, newly affluent Indian women are shedding their



*The sari is undergoing an identity crisis.*

traditional dress and are looking, instead, to the West for inspiration.

"There is something empowering about knowing that you can wear what you want to attain your own level of comfort," says Lali Sardessai, a 24-year-old graduate student who was born in India and now lives in Jamaica, Queens, and often wears jeans and a T-shirt. (Her favorite is a vintage Curious George T-shirt that she has had since high school.) "I like to throw Indian jewelry into the mix sometimes, or a top with an Indian pattern for everyday wear," says Sardessai, who notes that when she attends church services she prefers the looser fitting *shalwar kameez*, a long blouse worn over loose-fitting trousers, traditionally worn by Muslims in India and Pakistan, or the *lengha*, a more modern-looking two-piece, top and skirt. "Why wrap yourself like a mummy?" she asks.

Even more worrisome, for traditionalists, are the liberties that women and fashion designers —

both in the United States and in Asia — are taking with the traditional sari. For example, Indian designers now are creating the *shalwar kameez* with bell-bottoms and trendy colors. The sari is even disappearing from Bollywood movies; unless a young female character is at a wedding or a religious function, she often dons tight-fitting boot-cut jeans and a midriff-baring top. Americans are even transforming intricately embroidered saris into window treatments. "I fear that the sari will soon fall prey to Western vulgarity and casualness," says an 82-year-old matron attending a recent *puja* (prayer meeting) in Jamaica, NY.

In response to the drop in the sari's popularity among younger Indian women, the Indian textile industry and traditional sari weavers sponsored Sari 2004, a convention held in New Delhi last October. The gathering brought together national craftsmen in an effort to reintroduce the sari to the public as a versatile women's fashion garment

and to boost the ancient Indian silk weaving business, which has been devastated as a result of imports of Chinese silk.

The sari is also threatened by the global textile trade. Chinese manufacturers are glutting the Indian market with cheaper silk fabrics. Many weavers who were known for their extraordinary skill, which was often passed down from generation to generation, are now poverty-stricken. Some weavers are said to be so poor that they have resorted to selling their own blood and even their children.

The sari is deeply imbedded in Indian tradition, tracing its origin as the Indian national dress to

India are not permitted to wear a sari until they reach marriageable age. Thus, usually, a young woman's first sari is worn at age 13 when her grandmother or mother teaches her to wrap it.

This association with marriage, which traditionally has taken place much earlier in a girl's life in India than in Western countries, is one reason that young Indian women view it as physically restrictive and a symbol of subordination. The modern poet Jayaprabha wrote a poem entitled "Burn this sari!" and referred to the garment as a chastity belt.

The design of the sari also serves as a status symbol. Saris can range in cost from a few hun-

"The sari brings out the inner goddess of every wearer."



the legend of Draupadi in *The Mahabharata*, a 5,000-year-old epic. In the legend, Draupadi, lone wife to several brothers named Pandava, was lost, following a gambling duel, to an evil band of brothers known as the Kauravas. The Kauravas took Draupadi to their camp and attempted to unravel her sari, only to find that the fabric magically went on infinitely and could not be undraped from her body. The Hindu demigod Krishna, according to the legend, had intervened to save the dignity of Draupadi, one of his favorite mortals.

Draupadi emerges as one of the only ancient feminists in Indian literature. She is a fiery character often found fearlessly debating with the patriarchs around her. Thus, the sari became a symbol of dignity and the virtue of women. "The sari brings out the inner goddess of every wearer," says Datha Singh, a collector of saris in her 40s, who lives in Miami, FL, and frequently travels to India.

However, these days, the sari is more likely to be seen as a symbol of conservative values, rather than liberating ones. Traditionally, young girls in

dred dollars for one with relatively little detail or embroidery to several thousand dollars for a silk sari, richly embroidered.

There are various ways of wearing the sari. Typically, the classic sari's single strip of cloth is draped at the hips and excess fabric is pleated to suit the size of the wearer. There must be enough fabric remaining to be draped over the left shoulder of the wearer, hanging freely behind. This free-falling piece of fabric, which is called the *pallav*, often displays an intricately designed border that extends along the entire stretch of fabric. The most elaborate and expensive designs are stitched in hand-pounded, genuine gold thread, and are a sign of a woman's social status.

It is hard to imagine that the traditional sari, rooted in ancient Indian culture, will survive the combined effects of globalization and fashion without change. Yet globalization already has transported this historic fashion staple across borders. The intricately designed Indian motifs and the demure sensuality of this elegant style is likely to continue to provide inspiration for the fashion industry world over for years to come. D&S

# WIPIED OUT

## Markers and White Boards are Erasing Chalk

BY JAMIE CASSERMERE & KORENNE HALLER

ILLUSTRATION BY HELEN CHU

**T**he moment captures the very essence of what it used to mean to sit in a classroom — its tedium, its routine and then the inevitable moment of sudden surprise. The teacher, wielding a stick of white chalk, writes an equation on the blackboard that, to her students, seems to contain every mathematical symbol known to humanity. Every rapid stroke against the board produces a fine white cloud of dust that seems to suck the life out of the class.

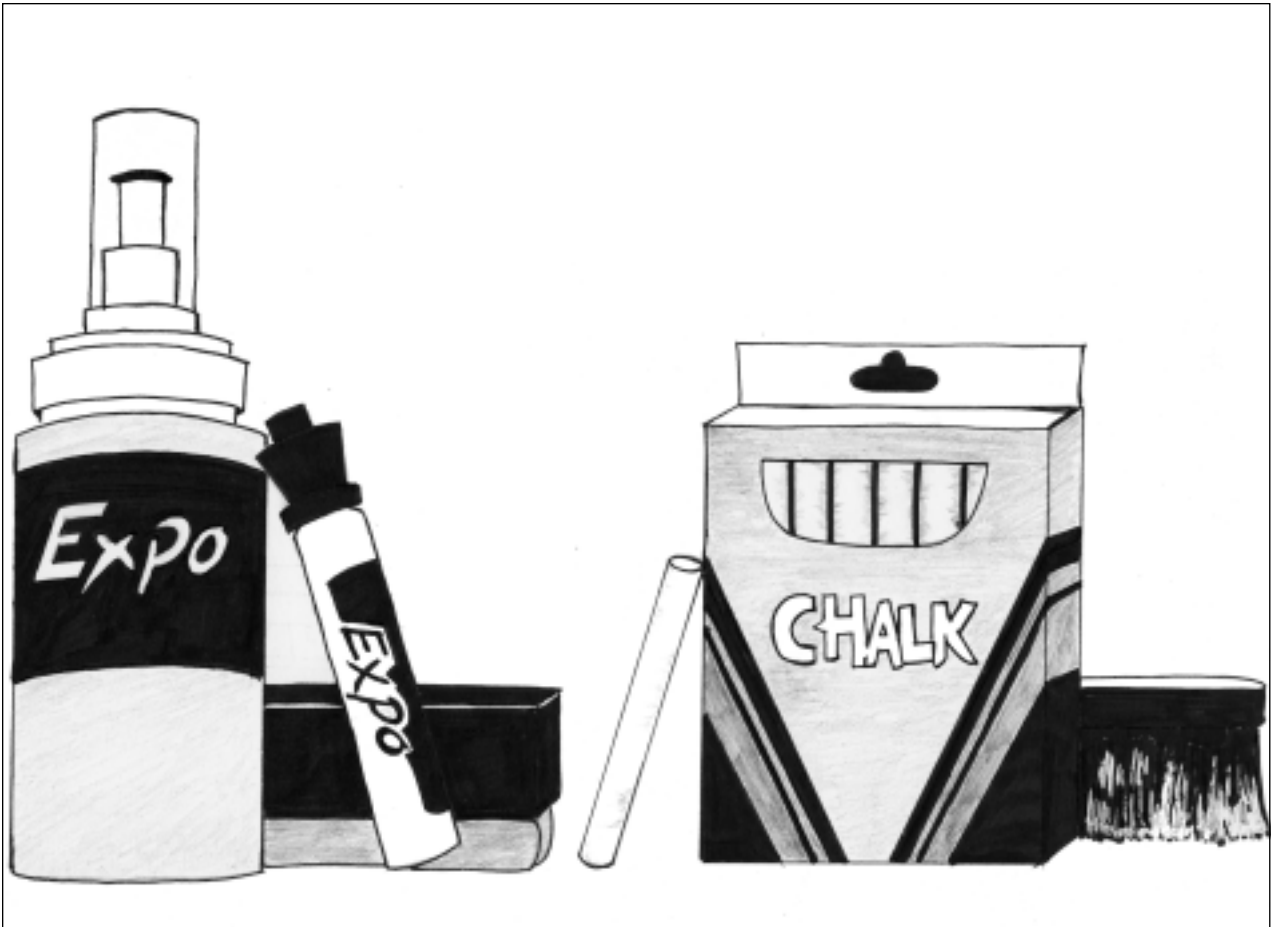
Suddenly, the teacher's hand moves too quickly, and the point of contact between the chalk and the board produces a deafening screech. Heads, listless just moments before, snap to attention. Hands fly over ears in an effort to block out the painful sound.

Only a fork scratched across a plate can produce a similar sound. Yet children and adults everywhere recognize it, a sound fondly reminiscent of childhood and the classroom, but one their own children might never hear. "I remember when I was in the fourth grade, every time my music

teacher broke a stick of chalk, he would start singing 'Another One Bites the Dust,'" recalls Victoria Polidoro, a law student at Pace University. "Of course we didn't get it then."

Blackboard chalk was an important pedagogical innovation when it was invented in Sandusky, OH, in 1835, by the American Crayon Co. (The company is now known as Dixon Ticonderoga and continues to make chalk.) The new writing implement made it possible for teachers to instruct larger groups by writing notes on a blackboard that many students could see and that would reinforce the lesson. Before the introduction of chalk, teachers lectured to students who scratched out rudimentary notes on slate boards.

Then, too, chalk is cheap. Ossining High School in Ossining, NY, spent less than \$50 on 80 boxes of chalk (12 sticks per box) last fall and expects that supply to last the entire school year, according to Lisa Chiero, an administrator at the school. By contrast, Ossining High spent \$80 for just six boxes of markers (12 markers per box) for the



*Endangered species? New markers threaten to erase chalk from schools.*

electronic white boards that have been installed in eight classrooms. In Ossining and elsewhere, electronic whiteboards, which store notes on a hard drive for later retrieval and editing, are muscling blackboards out of the classroom.

Yet Binney & Smith, the parent company of Crayola, and a leading chalk manufacturer, still produced 90 million sticks of chalk in 2003, the last year for which the company could provide statistics. Binney & Smith makes two different types of chalk: A relatively modern extruded variety that uses water-based clay and calcium carbonate, most commonly associated with antacids like TUMS, to make both colored chalk and a white anti-dust chalk that promises, well, less dust. Molded chalk, the old-fashioned, dusty variety, is made of calcium sulfate, also known as gypsum, combined with color pigments and water.

Indeed, for all its mundane usefulness, blackboard chalk is a perennial classroom nuisance. In

addition to the occasional screech emitted when chalk meets board, the dust clings to fingers and clothing and hangs in the air. "We like to see how far we can blow it," says Eli Tuttman, a sixth grader at Anne M. Dorner Middle School in Ossining, referring to the dust that accumulates at the bottom of the blackboard, in the tray that holds the erasers. "And how much we can clap out of the erasers."

The invention of "dustless" chalk by Crayola in 1902, did little to solve the problem.

Chalk may be going the way of inkwells and eyeshades, but it has a way of making students, and former students, nostalgic. "I learned with it and I love teaching with it," says Andrea Carson, a newly certified teacher in Ossining who says that her students break the big sticks of chalk into little pieces "to see if I [can] write with them." Still, she hopes her classrooms always will be equipped with a blackboard and chalk. D&S



# VOYAGE TO OBSOLESCENCE

## **ONLINE BOOKING** BUMPS **TRAVEL AGENTS**

BY MICHELLE MCGIBBON

ILLUSTRATION BY BRIAN M. SIERRA

**N**ot long ago, if you were planning a vacation, you'd consult with a travel agent. After listening to your plans, the agent would put together the best package to meet your needs. Several days later you'd stop off at the agent's office to pick up your tickets, hotel vouchers and several colorful brochures outlining popular tourist spots to visit, the best restaurants and a list of things to do.

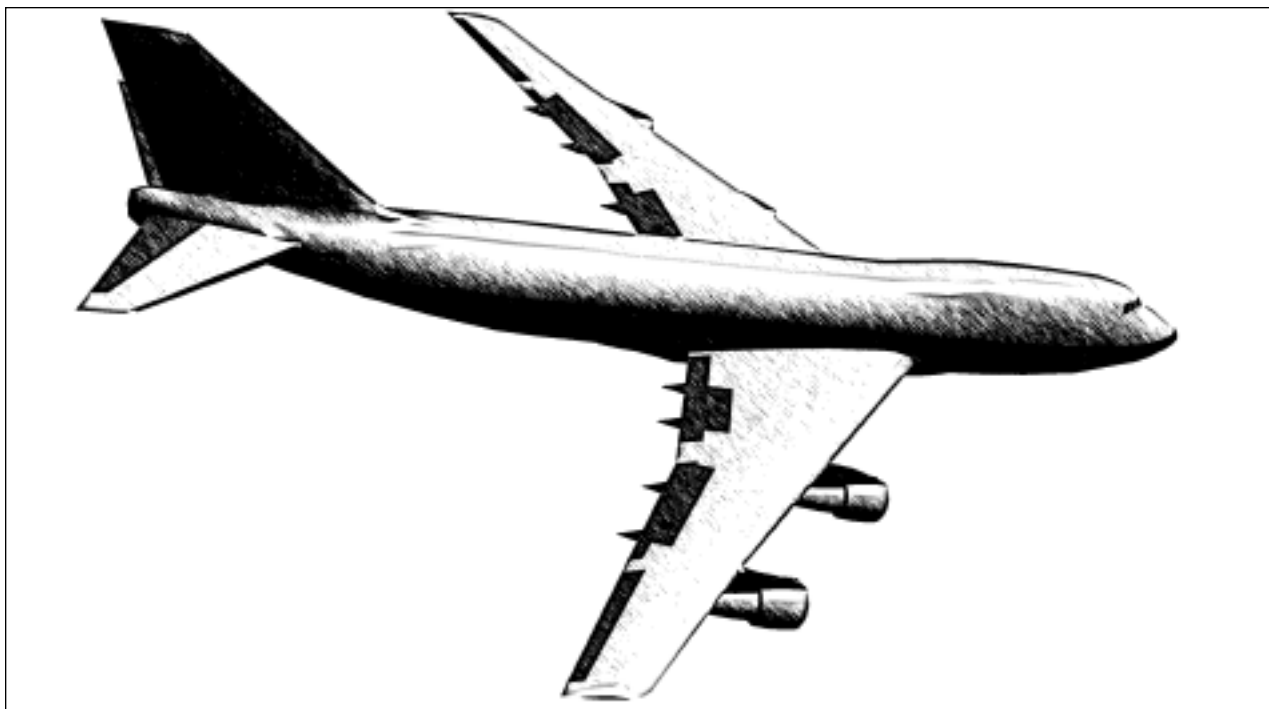
Nowadays you can arrange everything without ever consulting an agent. By logging onto a travel site on the Internet you can pick destinations, purchase tickets, reserve hotel rooms, book a car rental and locate all the hot spots your destination has to offer. You can even arrange your vacation activities in advance by reserving anything from jet skis to concert tickets.

Today, travel agencies are competing neck and neck with Web sites such as Expedia.com, Cheaptickets.com and Travelocity.com. These sites offer high quality pictures and even video clips of lodgings and tourist resorts — and they're immediately available, unlike the brochures once commonly supplied by travel agencies. Large airlines like American, Continental and Delta also have made Web sites available where travelers can click on their mouse to compare prices, check arrival and departure times, as well as reserve

hotels and transportation. "They don't need us anymore, so they have cut the middle man," says Olga Gracey, a travel consultant for McVeigh Associates in Amityville, NY.

Statistics by the Airlines Reporting Corporation (ARC) support Gracey's assessment. Overall sales for travel agents dropped by nearly a quarter to \$65 billion in 2004 from \$83 billion in 2000. Meanwhile, the number of retail travel agencies has plunged by more than one-third to 20,876 last year from 33,594 in 1995. As of last year, nearly 45 million people booked travel over the Internet, according to Cathy Keefe, manager of media relations at the Travel Industry Association of America.

But it's not only Internet sales that have cut into travel agencies' business. "One of the factors that affected sales was that airlines have eliminated the base commission," explains Nadine Godwin, editor at large for *Travel Weekly*. Deregulation of the airline industry not only subjected airfares to free market competition, it also eliminated mandatory commissions for agents. Travel agencies, which once relied on a 10 percent commission from the airline for each flight they book, now make their profits by adding fees to each ticket purchased through the agency. These fees may range anywhere from \$40 to \$100 per ticket. The decline of the economy in 2001, following



*Into the sunset: Internet travel sends traditional agents packing.*

Sept. 11, and the reluctance of many Americans to travel overseas following the terrorist attacks, also depressed travel revenues.

With dwindling opportunities to earn ticket commissions, travel agents are trying to retool their businesses. Trade Wind Associates, Inc., which has been in operation for more than 30 years, has found new ways to grow its retail business, which accounts for 10 percent of the company's sales, by creating its own Web site, [www.mitravel.com](http://www.mitravel.com), where the company offers its best hotel and air bargains. "We realized that we had to grow with the business the way the Internet is growing. We are doing this through our Web site," says Astad Clubwala, Trade Wind's vice president of administration, in New York City.

But Trade Wind Associates survived in large part because it does not rely on individual sales. The focus of the business — making up 90 percent — is consolidating wholesale sales that come from other travel agencies. However, individual retail-centered agencies are struggling just to stay afloat. Pat Conway, owner of Travel Innovations, a small 10-year-old mom-and-pop agency, specializes in niche vacation packages and cruises, as well as corporate sales. In 2003 when her agency was in decline, she decided to relocate her New Jersey-based business to Coco Beach, FL, with the

hopes of acquiring more leisure sales. But the plan did not work. "Little by little, I lost what little business I had," she comments. "I just didn't have enough to keep it going as most of my leisure business was now booking online." Today her business just barely hangs on.

"Most agencies that in the past dealt only with vacation packages had to close up shop," says Gracey who has worked in the travel field for 30 years. The businesses that have managed to hang on have come up with new services. One strategy has been to lean more towards larger corporate travel: setting up everything from car services to the airport to dinner reservations in the travel destination for executives who don't have time to surf the net. However, "more travel agents have gotten out of the airline based business," says *Travel Weekly's* Godwin.

Although today's customers have more choices and control in how they book their travel, on the whole, doing so online is more time-consuming and less individually tailored. "People don't get personal service anymore, it's so automated," comments Conway, noting that small agencies have been absorbed into big ones that are themselves more computerized and remote. To put it simply, "They don't care about people anymore," says Conway. "You're just a number." D&S

# MAKING ENDS MEET

VENTURES IN BABYSITTING  
FROM PATERSON WITH LOVE  
FOR WHOM THE DELL TOLLS  
SCABBING FOR CREDIT  
CLASS OF '05  
WIND IN THEIR SALES  
RETIRING SOCIAL SECURITY  
STANDING TALL



# VENTURES IN BABYSITTING

HISPANIC WOMEN  
START THEIR OWN BUSINESSES

BY JULIANA COOLS



In Ana Muñoz's Hillside Avenue apartment in Washington Heights, seven toddlers were sleeping in her living room-turned-playroom one afternoon last winter. "Be very quiet," she whispered to a visitor in Spanish as she tiptoed across the room to pick up a little girl seated on a sofa. "She is new," Muñoz whispered to explain why the little girl was not partaking in the ritual afternoon nap.

Muñoz, 52, is a self-employed, licensed child-care provider, working out of her home. Having started her day care center four years ago, she is part of a growing number of minority and immigrant women who are opening their own businesses. While becoming an entrepreneur is often the final step on the career ladder for successful executives, for minority women like Muñoz, a former live-in housekeeper, it is often a first step to gaining a surer foothold in society and a better balance between their home-lives and work-lives.

For Spanish-only speakers such as Muñoz,

Davenport, New York Regional Director of the Minority Business Development Agency.

The increase in businesses owned by women like Muñoz also is the result of a boost in start-up funding. The number of loans to Hispanic businesses swelled by 75 percent since 2003, according to the New York district office of the Small Business Administration. The number of loans to women jumped 29 percent over the same period. According to John Miller of the district office, most of the loans were for new business start-ups. And many involved what Miller calls aggressive outreach through economic development organizations within minority communities.

Muñoz, for example, benefited from the help of Hermanas Mirabal Family Center, based in the Bronx, which was established in 2001 to help minority women set up home-based businesses and to fill the growing need for affordable child care in minority neighborhoods. "Women are

**"Hispanics are finding that the best way to get ahead is to own their own businesses."**

owning a business in a minority neighborhood also can help immigrants around the language barrier that prevents them from finding higher paying jobs. "Hispanics are finding that the best way to get ahead is to own their own businesses," says Professor Hector Cordero-Guzman of the Black and Hispanic Studies department at Baruch College.

Whatever the reasons, Hispanic women are opening businesses in record numbers. Firms owned by minority women grew 31.5 percent over the five-year period ending in 2002, more than double the growth rate for all women-owned firms, according to a study by the Center for Women's Business Research, based in Washington, DC. Hispanic women have enjoyed the largest increase in business ownership rates. The trend is part of an overall surge in minority-owned businesses, according to Dr. Heyward

finding that it is better [being self employed] than working in a factory or as a housekeeper," says Rosalba Polanco, executive director of Hermanas Mirabal. "They are making more money and also providing a much-needed service to the community."

This year, Hermanas Mirabal will train about 1,000 women, up from the 300 when it first opened. The Center is funded by the SUNY system, the New York City Council and private donations.

In 2001, Muñoz became one of the first women to enroll in Hermanas Mirabal's 15-hour training program. The curriculum includes Child Development, CPR and First Aid. Graduates are eligible for a \$2,000-a-year allowance from SUNY for further training, which can be done at the center or at any SUNY college. The center provides further courses in money management, child

“I have time for my family and  
I am providing care and love  
to children who need it.”

nutrition, shaken baby syndrome, SIDS, child abuse and domestic violence. It also provides training in stress management.

Upon completing the program, Muñoz — like all Hermanas Mirabel graduates — received a \$500 grant to start her business. As a result of the grant and of the low cost of starting the business, Muñoz says that she did not need to put up any of her own money. As the number of children in her care increased, she invested earned revenue to buy what was necessary. Basics include cots and blankets, toys and books and a first-aid kit. Furniture, such as small desks and chairs, were added later.

The training and funding provided by the agency helped Muñoz escape a stressful, low-paying job as a housekeeper. Before starting her own business, Muñoz, who is from the Dominican Republic, spent her first two years in New York employed as a housekeeper for a family in New Jersey. She was able to come home only on weekends. As a single parent, Muñoz can attest to the difficult and anxious nature of not being able to care for her three children. Furthermore, she says she felt very uncomfortable leaving her youngest daughter Joana in the care of her older sisters. Now, “I have time for my family and I am providing care and love to children who need it,” says Muñoz, speaking in Spanish, through an interpreter.

The business also has been an economic boon to women like Muñoz and their families. Today Muñoz grosses about \$800 per week in revenue, about double what she made as a housekeeper at \$375.00 per week. “Things are much better, thank God!” she exclaims.

Muñoz does not have the additional expense of providing meals — a social service agency provides \$35.00 per child for food weekly. Parents provide diapers and extra clothing.

Another Hermanas Maribel graduate, Raysa Ramos, who lives on 136th Street in Spanish Harlem and heard about the program at church,

finished a year after Muñoz and now brings in about \$1,000 a week — four times the \$250 she earned per week at a packing factory in Fairlong, NJ. Ramos says that she supplemented the \$500 seed money from Hermanas Mirabal with an additional \$6,000 culled from savings and loans from friends to buy kindergarten-sized furniture, blankets, books, toys and a first-aid kit.

These home-based child care centers also fill an urgent need in New York immigrant communities. Most of the parents who place their children in centers run by women like Muñoz and Ramos are working minority women who pay for child care with the help of state social service vouchers and food aid. Muñoz charges about \$123.00 per week to provide all-day care for an infant — a fraction of what it would cost to hire a full-time nanny. She charges about \$70 per week for school-aged children, who receive care from 3 p.m. to 6 p.m. Muñoz says that for women who do not qualify for state vouchers, she often will negotiate a lower cost.

Although New York is one of the most difficult states in which to maintain a small business, Hermanas Mirabel's Polanco says that the failure rate among her clients is relatively low. When women do give up on their businesses it is usually because of space issues. For example, a husband might complain about the conversion of the family living room into nursery and day care center. Or her children will complain about nursery charges playing with their toys.

Muñoz, however, is delighted with her new business. Her daughter Joana, now 21 and studying for her GED with hopes of attending college, has opened up her own day care business. Muñoz's dream for her daughter is that after obtaining a college degree she will expand her own business on a much larger scale. Muñoz encourages anyone thinking of going it alone to pursue that goal and not settle for a boss telling them what to do. “Get an opportunity to become independent,” she recommends. D&S

# FROM PATERSON WITH LOVE

## Turkish Immigrants Send Earnings Home

BY CEMIL OZYURT

ILLUSTRATIONS BY MICHAEL SULLIVAN

**B**efore arriving in Paterson, NJ four years ago, Ertan, a 30-year-old undocumented immigrant, led a migratory existence in Turkey, a lifestyle familiar to young people from his native Alaca, a small, impoverished town in the north. For years, Ertan traveled around Turkey, working as a steel worker near his hometown, as well as in Istanbul and Ankara. In 2001, a cousin who works as a truck driver in New Jersey lent him enough money to come to the United States.

Today, Ertan (he did not want his last name used) is one of five cousins in Paterson, all of whom are undocumented. They are part of a growing community from Alaca who have moved to Paterson over the past 10 years.

About 8,000 Turks have settled in Paterson, part of an emigration wave that has brought an estimated 180,000 Turks to New York and New Jersey, over half the number of Turkish immigrants to the United States during the past decade.

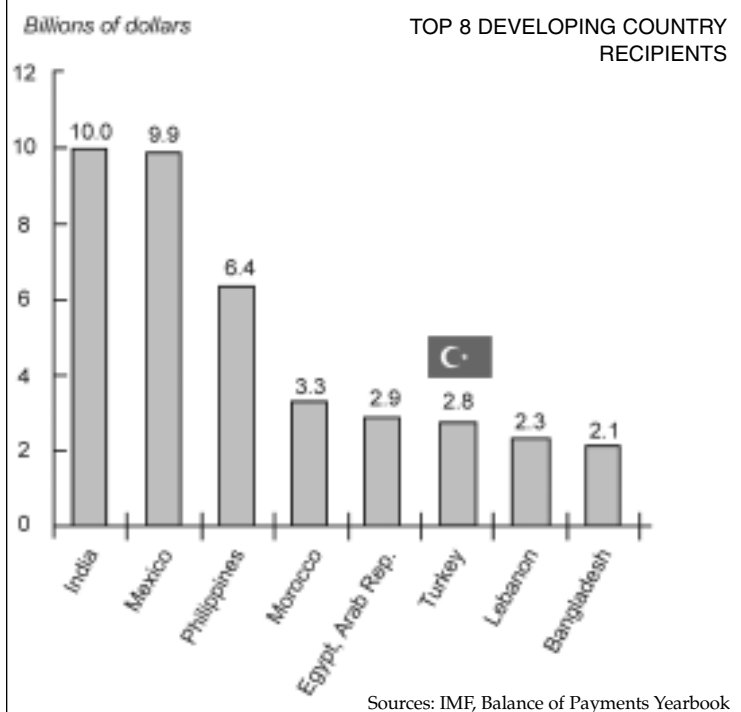
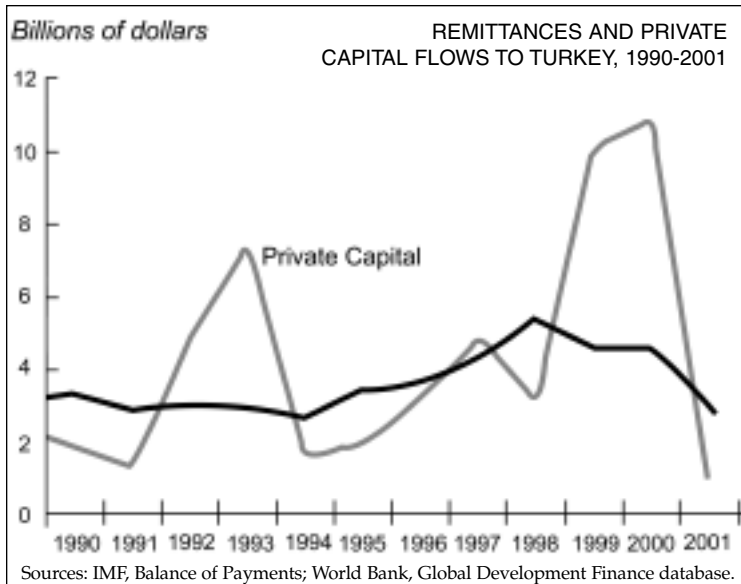
Paterson isn't Istanbul, but it has become a hub of the Turkish émigré community. Signs in Arabic and Turkish grace most storefronts, and Turkish flags decorate the town's barbershops, restaurants and cafes. Turkish is one of the languages most often heard on Main Street. And, perhaps most importantly, Paterson has become a source of eco-

nommic assistance to the townspeople back home.

Among the storefronts on Main Street, some of the briskest business is done at Alp Financial Services, a three-year-old company that transfers remittances from local immigrants back to Turkey. In the tri-state area alone, Turkish immigrants are expected to send \$40 million in remittances back home this year, according to Adnan Karabulut, general manager with Alp Financial Services. Close to a quarter of that amount will come from Paterson.

The growth of remittances from towns like Paterson, and Turkish emigration to the United States, have been fueled by the recent economic crises in Turkey. Political instability, including the high costs of fighting the Kurdish insurgency in the southeast, and three military coups between 1960 and the '80s, have resulted in decades of economic uncertainty and the emigration of four million Turks, mostly to Europe.

Since the late 1980s, efforts to join the European Union have led to more trade between Turkey and Europe. But the most recent political crisis in 2001, sparked by a public fight between the president and the prime minister, caused foreign investors to pull \$8 billion out of Turkish banks. This sparked a banking crisis during which 21 banks closed, and a correspondent sharp increase



in unemployment, to 10.3 percent from 6.6 percent. In 2003, foreign direct investment plunged to \$500 million, down from \$1 billion in 2002, as foreign investors declined to put money into Turkey, and switched instead to countries such as Bulgaria, the Czech Republic and Poland.

The slump in foreign direct investment has highlighted the importance of remittances to the Turkish economy. Worldwide remittances, which totaled \$2.8 billion in 2001, the most recent year for which figures are available, are

almost triple the average annual rate of foreign direct investment.

Alaca is typical of depressed rural communities in Turkey that rely on remittances. First settled in 7000 B.C., Alaca is known as the oldest settlement in Turkey. A town of 25,000, it is an agricultural community with no industry. Some 2,000 people have emigrated from Alaca to the United States since the early 1990s, many of them settling in Paterson. These emigrants followed a much earlier migration from the nearby town of Yaglidere, population 18,000, which has an émigré community of 10,000 in Paterson, as well as in towns in Pennsylvania and New York.

Ertan fled Alaca at the height of the most recent economic crisis. Like many of the newcomers from Alaca, Ertan left his family — a wife and young daughter — at home. He now works at a gas station and sends \$1,500, the bulk of his monthly paycheck, back home. That is more than three times as much as he made in a good month working in Turkey.

Even the former mayor of Alaca, Ugur Okur, has moved to Paterson. Okur has lived in Paterson for 10 years, ever since losing his bid for reelection in 1994. He, like Ertan, also works at a gas station, together with one of his former officers in the municipal government of Alaca. Okur says he makes more here than he did as mayor. He, too, left a wife and children behind.

In recent years, remittances have begun to have an impact on Alaca. After working five to 10 years in the United States,

some of the earliest émigrés have gone back home and opened small businesses. One of Erkan's cousins, for example, left Paterson after eight years and opened a photo studio in Alaca. Other émigrés have purchased real estate and built homes. Even the cars on the street are American, says Erkan. "Some immigrants bring their cars from New York," he notes. Erkan hopes to move back two years from now, once he has raised enough money to buy 300 sheep for a sheep farm. He wants to start a sheep breeding operation. **D&S**



# FOR WHOM THE DELL TOLLS

Neighborhood store  
succumbs to computer

# GIANTS

BY CHUNLING HUANG

ILLUSTRATION BY DONG SUN CHOI

**O**ne of the last neighborhood computer stores in Astoria, Queens is about to close its doors, a casualty of the low prices offered by major computer retailers and online sellers. After struggling for years to stay in the black, Bob Chen, the owner of PCS, on Steinway Street, was forced to lay off his last six employees last fall.

“When I started to do computer business 10 years ago, I thought it would be a good business, that every family and every business would use computers,” says Chen, who immigrated from China 15 years ago. “But lately, it turns out to be an even tougher business than owning a grocery store.”



Chen's initial instincts about the computer boom proved correct. By 2004, according to a survey by the information technology market intelligence firm, IDC, about 66 percent of U.S. households had computers, up from 42 percent in 1998. The average number of PCs per PC-owning household is 1.5.

But the proliferation of computers, which have become as much of a household and business necessity as the telephone, quickly turned electronics into a commodity business. Fierce competition among major manufacturers slashed prices even as many producers, such as Dell, began selling directly to consumers. The competition left little room for local retail stores like PCS. Astoria had more than 10 computer stores before 1998, but now only three of them are still in business, according to Michael He, a resident of Queens for more than 30 years.

As a neighborhood computer store-owner, Bob Chen built his business on several major income sources: hardware sales, on-site repair services and by selling custom-built computers and components. But as the cost of name-brand hardware has plunged and hardware makers are increasingly selling build-to-order systems over the Internet, Chen has lost most of his business.

Chen, 40, bought his first personal computer from Dell in 1995, while he was still in graduate school studying computer science at the City University of New York. He spent more than \$2,500 for a basic model. Motivated by the promise of potentially high profits in computer sales, Chen passed up the opportunity to work for a large corporation and opened PCS in 1995, with \$30,000 borrowed from his friends and a credit card company.

At the peak of his business, in 1997, Chen employed more than 20 workers and made more than \$200,000 per month in revenue. "We were busy assembling computers day and night,"

recalls Todd Low, a former employee of PCS, who now drives a container-towing tractor. "Customers would not hesitate to pay over \$1,000 for a personal computer." Chen estimates that he made a 15 to 20 percent gross profit on every computer sold at the time.

The first sign of trouble came in 1999, when customers became worried about the millennium bug. Chen's customers were afraid to buy a PC, figuring that it would malfunction if the machine's internal dating mechanism could not recognize the year 2000.

To make matters worse, competition among computer makers escalated and continued to drive down prices. By 2000, the average retail price for a PC dropped to about \$950, more than a 50 percent drop from the average \$1,450 selling price in 1997. In February 2001, Dell launched a campaign to become the largest competitor in the PC industry by undercutting competitors' prices by 10 percent; two months later, Dell surpassed Compaq Computer to become the world's largest PC maker.

By the 2004 holiday season, Dell offered a complete desktop system for \$499, including shipping.

Dell's prices were made possible by its massive purchasing power and its unique business model. Instead of manufacturing machines and waiting for the customers to order them, Dell established a build-to-order model, which allowed the company to tailor computer systems to the specifications of each customer and to keep inventories low by purchasing the latest components as they were needed. Dell also sold directly to customers, enabling the company to maintain an inexpensive distribution channel that bypassed dealers such as Chen.

To demonstrate the brutal reality of Dell's pricing model, Chen pointed to Dell's Dual Xeon server, PowerEdge 1600SC, a budget-friendly model designed to serve small- to medium-sized

**Dell also sold directly to customers, enabling the company to maintain an inexpensive distribution channel that bypassed dealers such as Chen.**

# Not only can customers surf the Web to find the cheapest prices, they can often avoid paying sales tax by ordering online.

businesses. It sells for \$524 on the Dell website, with free shipping. Chen says that it would cost him more than \$1,300 to build a comparable server using off-the-shelf components. Chen says that purchasing just an Intel motherboard similar to the one that Dell uses in its server, through one of his “aggressively priced” distributors, would cost him \$580 — more than the cost of the Dell server itself.

Undoubtedly, Dell’s clout enables the company to get better prices from industry partners than neighborhood computer stores like PCS. For example, while the official price of the Windows XP Home license is \$83, people familiar with the computer industry estimate that large original equipment manufacturers, or OEMs, such as Dell, can get licensed for Windows XP Home for a much lower price.

However, Chen points out that not all of Dell’s prices can be accounted for by its superior economies of scale, which make it possible for the company to get better prices from suppliers. Chen argues that Dell uses some of its products, such as the Dual Xeon server, as a loss leader, selling it below cost to make money on different models. The same server costs at least \$1,000 more when a customer enters Dell’s Web site through its Medium and Large Business portal, instead of its Small Business portal, according to Chen.

But the biggest foe of small computer stores is e-commerce. Not only can customers surf the Web to find the cheapest prices, they can often avoid paying sales tax by ordering online. “An Intel CPU is an Intel CPU. It’s so hard to attract customers to buy it locally, while a lot of e-tailers offer free shipping,” says a frustrated Chen.

The same economic factors that are squeezing Chen’s store also are hurting the distributors who have supplied his business over the years. To avoid hefty shipping costs, PCS buys computer components mainly from local

distributors. In 1997, Chen could order parts from more than 15 local distributors. Now, 80 percent of those distributors are out of business.

Chen’s main surviving distributor, Mini Micro, used to have seven distribution centers across the nation; now it has only one branch left, in New York. “To sell a \$200 CPU, we only earn \$1,” says Raymond Liang, a sales manager of Mini Micro. “The profit is too low for us to maintain our business.”

Before 2000, Mr. Chen’s computer store could sell more than 200 computers a month. Now, he is lucky to sell 10. A lot of the time, when a return customer wants Chen to match a price that he sees in a Dell advertisement, Chen just tells the customer to buy from Dell.

Over the past few months, Chen has been getting by on selling computer parts and doing repairs, working alone in his 1,800-square-foot store, but he realizes there isn’t much of a future in servicing computers either.

“Because it only costs a few hundred dollars to buy a new computer, people will not bother to fix them, or they don’t expect to pay much money to fix their computers,” he explains.

Gordon Moore, former chief executive officer of Intel Corp., once noted that the innovative power of the computer industry is many times greater than that of the automobile. “If the auto industry had moved at the same speed as our industry, your car today would cruise comfortably at a million miles an hour and probably get a half a million miles per gallon of gasoline,” Moore said in an October 2001 article in *Fast Company* magazine. “But it would be cheaper to throw your Rolls Royce away than to park it downtown for an evening,” Moore added.

Now Chen has closed down most of his computer retail business. He is turning to digital video surveillance services. In the age of orange alerts, he may have found a new growth industry. D&S

# SCABBING FOR CREDIT

## INTERNS INVADE THE LABOR FORCE

BY JENNIFER BLECHER

Last November, Rita Chang, a communications major at Fordham University, was in the market for an internship. She spent her free time checking out general interest Web sites, such as [monstertrak.com](http://monstertrak.com), as well as more specialized sites like [entertainmentcrew.com](http://entertainmentcrew.com), which cater to her field of interest, television and radio.

"I want practical hands-on experience," says Chang, a junior, who focused her efforts on getting an internship at NBC or New Line Cinema.

Chang is one of the tens of thousands of students who troll Web sites, college career centers and newspapers for an internship every year. The high demand for internships has drastically altered the landscape of the American notion of social mobility, of starting at the bottom and working your way up. The CEO of yesterday might have gotten his start in an entry-level position earning minimum wage; tomorrow's CEO, by contrast, will most likely have started her career by working as an intern, probably without pay.

Ninety percent of graduating seniors in 2004 did one or more internships, according to a recent survey by the New York-based career-counseling company, Vault, Inc., which has recorded a steady increase in internships since it began publishing an

internship survey in 1995. Two-thirds of students have done two or more by the time they graduate.

Demand for college interns is also on the rise. Since last year, there has been a 70 percent increase in the number of internship positions advertised by companies in four major markets—New York, Los Angeles, San Francisco and Chicago—according to University of Dreams, another career company based in Falls Church, VA. That follows a 50 percent increase from the year before. Baruch College posted close to 2,500 internships last year, according to Heather Abramson, the internship coordinator at Baruch, who agrees that demand for interns is up.

For students, internships offer a way to burnish a résumé, the possibility of some on-the-job experience and a foot in the door at a desired workplace. Many internships are done in conjunction with colleges, "for credit," with companies promising the schools that interns will derive some benefit from their free work. For companies, they are a source of cheap labor and a way to spot young talent. Only about half of internships are paid, according to Samer Hamadeh, the author of *The Internship Bible* and several other books on internships. The rest are a mixture of positions that offer wages or a small stipend.

The best internships, generally, are in a handful of industries where interns are typically groomed for jobs following graduation. Many financial institutions, for example, have internship programs that are a first step to recruiting entry-level workers, such as the Summer Analyst positions available at Lehman Brothers. Many of these interns get both paychecks and other perks.

However, as internships have become more ubiquitous, companies are coming under increasing criticism for the kind of work that they offer. Critics argue that some companies take advantage of students either by expecting them to do grunt work, or by giving them tasks they would ordinarily give to a paid employee. Still others worry that internships, which pay little or nothing, benefit wealthy students who can afford to work for free, while hurting poor ones who can't. With the average student graduating with \$18,900 in loans to pay off, many students can't afford to go to college without a paying job.

For example, financial concerns led Rita Chang, who works part time during the school year, to put off getting an internship. She's planning to take an internship over the summer and to make up the lost wages by waiting tables on the weekends and getting a head start next semester. "I've scheduled classes at night so I can work during the day," she says. But Chang also worries that waiting so long to complete an internship may hurt her

daily, which in itself is not easy to come by. "It's gotten very competitive," says Hamadeh.

Probably the greatest student demand is for internships in glamorous fields like television, publishing and public relations. Unlike most companies, which typically give presentations at college campuses and compete for highly qualified students, entertainment companies often have a glut of applicants. MTV receives more than 15,000 applications annually for the 1,000 unpaid positions it offers each year in New York alone, according to The Princeton Review, Inc., a New York-based educational services company that publishes internship guides every year. *The Late Show with David Letterman* attracts 10 times more applicants than it has positions available. In industries where "who you know" is often more important than what you do (or know how to do), students are increasingly willing to sacrifice pay for a chance to meet the right people.

Even Mastercard has joined the intern feeding frenzy, with the launch of its "Career Path" promotion that offers cardholders the chance to "win" a coveted internship within the entertainment or sports industry. Simply by using their credit card, students are entered into a sweepstakes that suggests it may yield a few second-string slots on, say, Steven Spielberg's set or in Derek Jeter's locker room.

The free labor provided by interns represents a huge savings for companies. For example,

**In industries where "who you know" is often more important than what you do (or know how to do), students are increasingly willing to sacrifice pay for a chance to meet the right people.**

chances at finding a job. "A lot of people have done some [internships] already," she says. "I'm a little behind actually."

While most college career centers advocate doing an internship between the third and fourth years of college, many students are doing them as early as the freshman year. Some prominent internships even carry the prerequisite of another internship. *The New York Times*, for example, requires prospective interns to have previous internship experience at a major metropolitan

journalist Jim Frederick, in his article "Internment Camp" for *The Baffler*, calculated that MTV saves about \$600,000 each year in labor costs by hiring unpaid interns instead of paid employees. Some speculate that the glut of interns may even be keeping pay rates down in media companies, where starting salaries have dipped into the low \$20,000 range, according to the 2004-2005 *Occupational Outlook Handbook*. Meanwhile, an average salary has stayed at \$30,000, the level it reached in 2002.

Despite their increasing popularity in corporate America, internships are thinly regulated. The law that governs internships, The Fair Labor Standards Act, never once mentions the word intern. The law refers only to trainees and volun-

even though I was told I would be going on location and be shown how to edit," she says.

Even as some companies fail to give their interns meaningful work, others are using interns to fill jobs that would otherwise be done by paid

**"The publication both exploits me and runs me into the ground physically," she says, "all the while making me feel like half a person."**

teers, umbrella terms that include interns and other workers who may not be paid. The law specifies six criteria that jobs employing trainees or volunteers must meet, including requiring employers to provide some training for interns, and specifying that interns not take the place of a regular employee.

The training requirement is where many internships fall short. "The law says you must get training, and training is very vaguely defined," says Hamadeh. Yet the mundane tasks typically performed by entry-level hires do not qualify as training. Indeed, many interns complain of being asked to do deadening repetitive tasks like filing or opening mail. In the most egregious cases, employers ask interns to run personal errands, such as picking up laundry and getting groceries. According to Hamadeh, a large portion of internships offered today are technically illegal.

Helen, a Hunter College student, spent last semester interning at a popular New York magazine. Her daily routine consisted of all the grunt work typically associated with an internship: making copies, word processing, vaguely defined "research" and being a gopher. "The publication both exploits me and runs me into the ground physically," she says, "all the while making me feel like half a person." She was lured by the promise of training, and says she did plenty of the menial tasks often assigned to interns, but the learning experience never materialized.

Another college student, who did an unpaid internship last semester for a cable channel in New York, and did not want her name revealed, complains that her employer gave her neither training nor the meaningful work that she was originally promised. "I [did] nothing but log footage all day,

employees. For example, when Joanna Feld, a Baruch senior, did an internship last year at a music publishing company, she watched all but three members of a subdivision's staff get laid off. Many of the responsibilities of the fired staff were given to Feld. Under her internship agreement, she was paid a \$10-a-day stipend for four hours of work. By the end of her internship she often worked twice that amount, but was never compensated for the extra time. "Sometimes I worked until 6:30 or 7:00 at night," she says. But Feld did not complain. "I'm thinking, the only thing I'm getting from that experience is references, and I didn't want to mess that up," she adds. "I just wanted to go the extra mile."

The extra work gave Feld just what she'd hoped to get during an internship. "I got a lot of experience," she says. "And I became such good friends with everyone."

Some colleges offer course credit for internships, and usually monitor the quality of the internships to ensure that students are getting a meaningful experience and are not exploited. For example, several programs at Baruch College, including journalism and management of musical enterprises, require majors to fulfill an internship requirement. Other colleges, like Boston University, offer co-op programs, where a student spends an entire semester working for credit.

But with the surge of internships that are offered without college credit, few schools have the resources to monitor the quality of work their students are taking. Baruch's Abramson says she reads over listings and calls the company if she has any questions. "Sometimes you get a sense from the company that it's not a real internship," she says. If what the company is looking for

For example, journalist Jim Frederick, in his article “Internment Camp” for *The Baffler*, calculated that MTV saves about \$600,000 each year in labor costs by hiring unpaid interns instead of paid employees.

sounds like a gopher rather than an intern, Abramson says she won't post the listing.

But Abramson is the only staff member at Baruch who handles the task of vetting companies, and that is just one of her multiple job responsibilities. “I wish there was more staff to really investigate these,” she says. “I'd like to make sure that every internship is a quality internship.”

Another problem is that because of the growing perception that internships are important in helping students land jobs after graduation, colleges don't want to risk alienating prospective employers by asking too many questions. To get the best students, colleges need to demonstrate a strong internship placement record, according to John Thaler, a lawyer and author of *The Elements of Small Business*. “The schools, to have legitimacy, need the businesses more than the businesses need the schools,” he says.

The rise of internship Web sites allow companies and students to circumvent college placement offices altogether, and even minimum oversight. The popular Web site Craigslist.com, recently featured an advertisement for a telemarketing intern, and another from a man seeking an “exotic intern/personal assistant.” The site began charging for job postings last year after complaints from users over the growing number of illicit jobs disguised as bona fide ones. There still remains, however, a “gigs” section, where listings are still free, and where illegal internship listings still proliferate.

However, savvy students know that they can use internships to get a foot in the door. Almost any internship can turn into a great learning experience, as long as the intern is motivated, according to Randall S. Hansen, a career expert and author of *Dynamic Cover Letters*. He recommends setting a list of personal goals before beginning an internship and working toward them even if the listed job duties are limited to typing and filing. Interns can always approach their supervisors

and ask for more complicated work. Walter Middlebrook, *Newsday's* internship coordinator, recommends that reporting interns come to work with their own story ideas, and pitch them to editors, rather than just waiting for assignments.

In internships as in life, initiative is often key. As Chang waits to hear from New Line Cinema, that's a message she would do well to heed. D&S

## THE FAIR LABOR STANDARDS ACT GUIDELINES

(that cover interns and other volunteers)

- 1) Student workers cannot take the place of a regular employee.
- 2) Interns are not guaranteed a job at the end of the internship.
- 3) Both the student and the company must agree, at the time of employment, that the student is not entitled to wages.
- 4) The student must receive training from the employer.
- 5) The training must be similar to that which might be offered by a vocational school.
- 6) The student must be the primary beneficiary of the training.



# CLASS\$S OF '05

## Graduates Enter A Promising Job Market

BY JOHN RHEE

**E**very time the phone rang Lisa Lee's heart would jump as she waited to hear whether it would be the call she had been dreaming of. Then one day it came. The voice on the other end uttered the long-anticipated words: "We'd like to make you an offer." That offer was from the accounting firm KPMG for a tax staff position. Ever since, Lee, a senior pursuing her B.S. in accounting at St. John's University in Queens, has been ecstatic that she landed a job that will commence after graduation. This year, she can share the excitement with many of her friends.

Employment prospects for college graduates have been picking up for the first time since the terrorist attacks of Sept. 11 and the subsequent recession. According to a November 11, 2004 survey by the National Association of Colleges and Employers (NACE), employers are increasing

their hiring of college graduates in 2004-05 by 13.1 percent, compared to 2003-04. College graduates who majored in business-related fields and engineering are experiencing the greatest demand. (Not one liberal arts major was among the top 10 degrees in demand by the employers surveyed.) More than 80 percent of the employers in the NACE survey rated the job market for new college graduates in these fields good to excellent, whereas last year, only 38 percent said the same.

Meanwhile, unemployment rates are the lowest since Sept. 11. According to the Partnership for New York City, a research and advocacy group made up of 200 CEOs from top New York firms, the unemployment rate in the city has fallen to 6.1 percent, but this is still higher than the national average of 5.5 percent. One reason may be that financial services, the cornerstone of New York

City's economy, is still down .3 percent since last year, but even this is steadily improving since Sept. 11 and the recession, according to data from the New York State Department of Labor.

Finding employment for new college graduates had been daunting after Sept. 11, and the unemployment rate at one time rose to over 8 percent, according to the Partnership. This meant a few lean years for graduates, even well qualified ones. David Lee (no relation to Lisa Lee) graduated cum laude from the University of Pennsylvania with a degree in economics in 2002, and had difficulty finding a job in New York. Lee says, "I must have sent out over 70 resumes for a job, and I had more than 25 interviews." Lee says that he got so des-

in the number of recruiters who attend career fairs. The Center also has seen an increase in the number of students who have landed jobs. Joon Chang, an analyst at Citigroup's Investment Banking division, says that last year only 70 college students were recruited for investment banking positions in Citigroup's NYC branch, but this year they will recruit almost 130 new employees.

What's more, students are being offered higher salaries. This year, due to the improving economy and job market, about 70 percent of the employers surveyed by NACE said they are increasing the salaries of newly hired college graduates by an average of 3.7 percent. According to NACE's fall 2004 issue of Salary Survey, starting salaries for

Last year only 70 college students were recruited for investment banking positions in Citigroup's NYC branch, but this year they will recruit almost 130 new employees.

perate he applied to firms in Chicago, Boston and San Francisco, and he even flew out to those cities for some interviews. Eventually Lee's extensive and persistent efforts paid off and landed him a job at a law firm in New York.

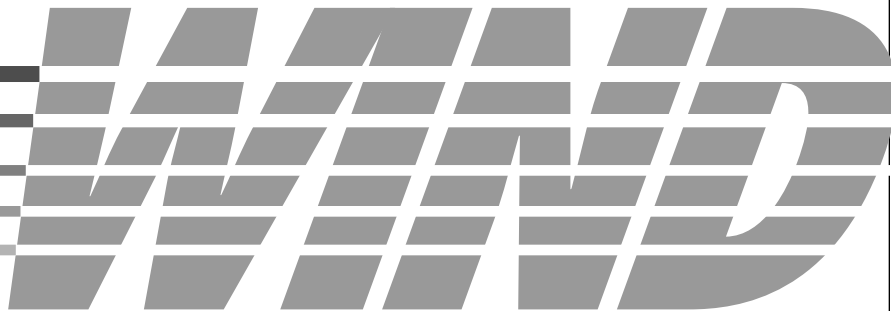
Other students who graduated during those hard times chose another route. Charles Kim, who graduated from Binghamton University the same year as David Lee with above-average grades in engineering, never found a job in his field, and he reluctantly decided to work at a mobile phone retailer. He still works there. Kim says that 2002 was a bad time to graduate and that the job market did not improve much in the following years. Only now is he considering pursuing a career in engineering.

Had Kim graduated into a more favorable job market, he might not have had to wait. NACE reports that more than 40 percent of responding employers have plans to visit college campuses in spring 2005 to recruit new graduates. As a result of such resurgence of interest from a number of companies, the Career Center at St. John's University, Lisa Lee's school, has seen an increase

2004 business administration majors rose 6.2 percent to \$38,254, while those for English majors increased 8.1 percent to \$31,113.

Nevertheless, job seekers are still wary in the New York City market. Lisa Lee, for example, had interviews with only two of the big four accounting firms, and she says she had decided not to explore other prospects since she was content with her offer from KPMG. Lee feels her above-average but not superb GPA might have fallen short in this competitive job market. To help her gain an edge, she had been doing an internship, preparing tax returns at an accounting firm in Queens.

Lee feels a major burden has been lifted off her shoulders and is looking forward to enjoying her last semester in college. She attributes much of her success in landing a job to her internship. Job recruiters and career counselors agree, and advise students not to take the upsurge in the job market as a cue to slack off, but to network and gain relevant working experience to improve their chances of attaining employment. D&S



# **IN THEIR SALES**

**ALTERNATIVE POWER  
FUELS BROOKLYN  
BUSINESS**

BY HILARY JOHNSON

In Fenner, New York, about 40 miles southeast of Syracuse, 20 328-foot-tall windmills add enough electricity to the Niagara Mohawk power station on a good day or night, when the wind is up, to generate 30 megawatts in output per year — as much energy as is needed to power more than 6,000 homes annually. Beneath the windmills, farmers grow wheat and hay and other crops. They keep dairy cows and horses. In Fenner, population 1680, there are no bars or restaurants.

One hundred and eighty-six miles southeast, on Brewer's Row in Williamsburg, Brooklyn, recent college grads and inveterate locals gather at the Brooklyn Brewery to drink beer and socialize. By 11 p.m. on a Friday, the "tasting room" is packed. The conscientious, not wanting to mar the worn wood tables, might place their plastic cups on card-

The grid is fueled mostly by nuclear energy, natural gas, hydropower and coal. For now, wind power accounts for less than one percent of the electricity market in New York State.

Since wind-generated electrons can't be specifically directed toward Williamsburg, the brewery made a five-year deal with a wind energy marketing company called Community Energy, to pay \$400 per month over and above the cost of its regular Con Edison bill—a premium of about 2 cents per kilowatt hour. In this way, the Brewery pays for the production of wind energy equal to the company's annual electricity consumption.

The mechanism that supports this arrangement is called Renewable Energy Certificates or Credits (RECs.) RECs are tradeable receipts that prove, under supervision from the New York State Public

## **THE BREWERY IS ONE EXAMPLE OF A GROWING NUMBER OF BUSINESSES, COMMUNITIES AND INDIVIDUALS WHO ARE WILLING TO PAY A PREMIUM FOR "CLEAN ENERGY."**

board coasters that read, "Brooklyn's New York City facility is 100 percent powered by electricity from windmills in upstate New York." That would be Fenner.

In Fenner, there's excess wind, but no excess cash, so residents host a wind farm for additional income. In Williamsburg, Brooklyn Brewery wants to fight plans for a power plant on the Brooklyn waterfront, and wants to be known as an environmentally responsible company, so it pays extra for expensive wind-powered electricity. The Brewery is one example of a growing number of businesses, communities and individuals who are willing to pay a premium for "clean energy." In the process, they are helping to drive wind energy development in New York State.

Brooklyn Brewery's New York City operations, which use roughly 284,000 kilowatt-hours of energy per year, are powered by the same electrical grid that powers every home and business in the state.

Service Commission, that one megawatt-hour (or one million watts) of renewable energy has been added to the grid. The RECs purchased by Brooklyn Brewery from Community Energy certify that the Fenner windmills produced the amount of wind energy that the brewery consumed.

RECs are an important part of the State's new Renewable Portfolio Standard (RPS), which was signed into law last fall as a way to foster alternative energy sources. Under the law, utilities will need to supply about one-quarter of their energy with alternative sources by 2013, up from 19.3 percent today. RECs will be the utilities' proof that they have used renewables, including hydropower, biomass and solar, as well as wind, in order to meet the government's quota. New wind farms will supply some of the need. "Without the market for RECs, we couldn't build these wind farms," says William Moore, director of development for PPM Atlantic Renewable, a company formed when the Scottish

energy company Pacific Power Marketing acquired Atlantic Renewable Energy, which has developed six out of the nine wind farms in the northern United States, including Fenner and Madison in upstate New York.

Companies like PPM Atlantic Renewable are also helped by the Federal renewable energy tax credit. The Production Tax Credit, or PTC, was originally enacted in 1992. However, since then it has been as changeable as, well, the wind. The 1.8 cent-per-kilowatt-hour credit has expired three times in the last five years, causing a "boom and bust" cycle in wind farm development, according to Christine Real De Azua, assistant director of communications at the American Wind Energy Association. The credit was extended in the fall of 2004, and is expected to last until the end of 2005. (Part of the issue, De Azua

gusty Great Lakes, upstate New York could be expected eventually to produce about 5,000 megawatts of wind power, or about 10 percent of the state's requirements, according to the New York State Energy Research and Development Authority. Proximity to a power plant is also important in siting a wind farm, and most New York wind farms are located near Niagara Mohawk.

Despite the role they play in producing renewable "clean" energy, wind farms face some environmental hurdles. Wind farm sites have to pass muster with national and state authorities, as well as environmental organizations. For example, the Fish and Wildlife Service must provide an environmental impact statement for each wind farm that outlines how the towers would affect the area's birds and bats. A wind farm at Altamont Pass in California, for

## **WITH ITS HILLY FARMLAND AND ITS PROXIMITY TO THE GUSTY GREAT LAKES, UPSTATE NEW YORK COULD BE EXPECTED EVENTUALLY TO PRODUCE ABOUT 5,000 MEGAWATTS OF WIND POWER, OR ABOUT 10 PERCENT OF THE STATE'S REQUIREMENTS.**

says, is that the PTC is tied up in larger tax bills and has to be to "offset" by price increases elsewhere in a bill.)

With the extension of the credit through 2005, the Wind Energy Association expects that wind farm developers nationwide will be busy this year. The association said in a recent release that this year developers could add more than 2,000 megawatts of wind power to the energy supply—enough to power more than 540,000 homes. One project alone, the new Flatrock Phase I Project in upstate New York, which is scheduled to begin producing energy in early 2006, is expected to include 190 windmills, which will add 300 megawatts to the grid—two percent of the Niagara Mohawk power station's output.

With its hilly farmland and its proximity to the

example, is currently under fire because of the thousands of golden eagles and other raptors that have died in the turbines and power lines since the wind farm was first erected in 1982. While environmental groups, such as the New York Chapter of the Audubon Society say they want cleaner sources of energy, they also scrutinize new wind farm proposals to ensure that "important bird areas" are not disturbed.

Wind farms also can fall prey to "Not In My Backyard" (NIMBY) impulses. Some residents upstate, for example, oppose wind farms because "they certainly change the skyline," as Russell Cary, the town supervisor in Fenner, puts it.

A debate over whether or not to establish wind farms in Springwater, another upstate New York

town, recently has roiled local residents, pitting farmers, who need the extra income, against other locals who don't want any change in the scenery.

When Moore, the developer with PPM Atlantic Renewable, first came to one of Fenner's town planning meetings in 1998 to sell the town on the idea of building wind farms, he had to overcome some opposition from townspeople who worried about the look of the windmills. In upstate New York, where a trip to the grocery store can be a scenic drive, unnatural additions are sometimes resented. "It's an emotional issue," Moore says. But local farmers, who often need extra income, tend to see the positive side.

In 2000, Fenner became one of the first towns in New York State to host wind towers.

Fenner receives a payment in lieu of taxes of

a rising demand for wind power. "People want this badly," says John Siciliani, the New York account manager with Community Energy. Community Energy has some 27,600 residential customers in New York State who pay extra for wind power. Most recently, the town of Southampton, on Long Island, signed up with Community Energy to pay extra for RECs equivalent to 100 percent of its energy consumption.

While companies like Brooklyn Brewery that are turning to wind power say they want to be good environmental citizens, they also get a substantial publicity payoff. "We were amazed at the PR it generated," says Eric Ottaway, general manager of Brooklyn Brewery. When it first purchased wind power, the Brewery celebrated with a "windfest" at which it served "Sustainable Porter." Brooklyn

## **IN UPSTATE NEW YORK, WHERE A TRIP TO THE GROCERY STORE CAN BE A SCENIC DRIVE, UNNATURAL ADDITIONS ARE SOMETIMES RESENTED.**

\$150,000 — \$5,000 per megawatt. And the farmers whose land is used (the equipment takes up about an acre of land on 10 farmers' properties) get a rent payment of about \$3,000 to \$6,000 per windmill. Cary says the project has been successful because it helps to support the farmers' independence. "It's something happening that's compatible with what we love about life," he says.

The success of the Fenner venture helped pave the way for the Flat Rock development. The decision to accept the wind farm proposal was "quite easy," says Terry Thiess, town manager of Martinsburg, the town that will host most of the windmills. Thiess says that residents took trips to Fenner and other nearby wind farms to see what they looked like.

The Flat Rock development will generate a \$1.5 million payment in lieu of taxes, to be divided among Martinsburg and the two other towns, Watertown and Utica, whose land is included in the wind farm. Eighty-five local landowners will each receive windmill rental payments.

As for customers, Community Energy and other renewable energy marketing companies like them see

Borough President Marty Markowitz presented the company with a plaque commemorating the occasion.

The Brewery was "a real easy sell," says John Siciliani of Community Energy. "They believed [in wind power], and then they saw the value of people seeing them as such."

Wind energy should become more attractive in the next five years as companies like PPM Atlantic Renewable build more capacity and as turbines become more sensitive and efficient. In the years since the first wind farms were established in California in the 1980s, the costs have declined substantially. And further cost decreases are expected as windmill technology improves.

While wind power alone can never fill all the electricity needs of the United States, Keith Christensen, director of Hudson Valley Operations for Community Energy says: "Wind is a great way to get money into the field [of renewable energy]." In the future, the success of wind energy might help power other alternative energy sources. D&S

# RETIRING SOCIAL SECURITY

**Bush Proposes Overhauling Financial Fixture**

STORY AND PHOTOGRAPHS BY KARAH WOODWARD



**GABRIEL  
MARQUEZ**



**YAW  
ASIAMAH**



**HILLERY  
POUS**



**LEEANN  
LEVINSON**

**F**or the first time since President Franklin Delano Roosevelt established Social Security as a safety net for older Americans, the system is under attack. Almost everyone agrees that the system, in its current form, is not sustainable indefinitely. Experts disagree, however, on when the Social Security trust fund will run out of money — estimates range from 2041 to 2052. At the very least, to continue meeting the obligations to retirees some taxes either will have to be raised, or benefits cut. Some experts argue that the system needs only minor fixes, such as raising the minimum retirement age to 65 from 62, which includes partial benefits, and the full retirement age to 70 from 67, or raising the ceiling on the annual income from which payroll taxes are deducted from the current \$90,000 level to, say, \$140,000. (Currently Americans do not pay any payroll taxes on income above \$90,000.)

The most controversial aspect of the President's plan to reform Social Security is to introduce individual private retirement accounts (PRAs). The plan is part of Bush's "ownership society," and a drive to enable individuals to benefit directly from their own retirement savings, rather than putting Social Security taxes into a trust fund from which all benefits are disbursed. According to the plan, individuals would put one-third of their Social Security savings into PRAs, which would be invested in one of several diversified stock or bond funds. Depending on their age, income and investment savvy, people could invest in riskier investments or put their money in relatively low-risk Treasury bonds.

If the President's plan is approved by Congress, beginning in 2009, employees ages 40 to 55 could begin diverting a portion of Social Security taxes—4 percent of an employee's annual Social Security taxes up to \$1,000 per year — into PRAs. As of 2011, all employees under 55 would be able to invest up to \$1,000 per year in a PRA, or one-third of their total retirement deductions.

Even President Bush acknowledges that private accounts will not fix Social Security. As employees shift part of their payroll taxes out of Social Security and into PRAs, the government would have to borrow an estimated \$2 trillion during the first decade to shore up the existing system, so that it can meet its obligations. Critics argue that taking on such debt, in addition to the current budget deficit, would either destabilize the economy, further jeopardize the system or both. Moreover, they warn that it will turn what has been a guaranteed benefit by the federal government into an uncertain investment, in which the risks are born by individuals and the returns determined by the vagaries of the stock market.

The returns from private accounts will depend on the performance of the financial markets. Social Security actuaries predict that the stock market will return an average 6.5 percent, after inflation, over the 44-year career of a typical American. However, relatively low annual GDP growth of 1.9 percent over the near to medium-term — the assumption that underlies the Bush administration's calculation that the Social Security trust fund will run out of money in 2041 — would produce average stock returns of only about 4.81 percent, according to a *Wall Street Journal* poll of 10 leading economists. Precisely because the stock market and the economy are cyclical over the medium-term, the '90s were boom years, while the '70s and early '80s saw a bear market. That makes investing retirement income in the stock market especially risky for older Americans whose average yield is calculated over 10 or 20 years, rather than a full 44 years.

In recent months, a cottage industry of economists and policy makers has developed Social Security calculators in an effort to predict what the impact of a partially privatized Social Security system would be on Americans with different incomes and educational levels. However, according to Henry K. Hebel, whose organization

**THOSE WHO STAND THE MOST TO GAIN ARE YOUNGER INDIVIDUALS WHO ARE WILLING TO PUT THEIR MONEY INTO RISKIER INVESTMENTS.**



Analyze Now, Inc., based in Kent, WA works to disseminate inexpensive retirement planning tools, the financial analyses used by these groups are more reflective of their own fiscal agenda than the actual numbers.

*Dollars & Sense* talked to four New Yorkers about their views of Social Security and their financial plans. We also asked Hebler to develop a financial estimate of what impact PRAs might have on the retirement accounts of each. Hebler assumed a retirement age of 67. He used the President's plan to input future projections for the stock market based on a 6.5 average return from the stock market and much lower returns — ranging from 3 percent to 3.5 percent — for corporate and government bonds; an estimate of the value of future annuities developed by the Vanguard Group, a mutual fund company; and the Social Security Administration's online benefit calculator.

Hebler's calculations reveal that those who stand the most to gain are younger individuals who are willing to put their money into riskier investments, banking on future growth of the stock market. Based on the data — and ignoring potentially seismic changes in economic and political circumstances that could radically alter the results — here's how four New Yorkers may fare by diverting part of their Social Security taxes into a PRA.



**Yaw Asiamah, 38**  
**OCCUPATION:**  
Working two jobs  
in Housekeeping  
Salary: \$69,000

Originally from Ghana, Yaw Asiamah expects to become an American citizen by the end of this year. He began saving for his retirement five years ago by contributing to 401K plans available through his two housekeeping jobs. He contributes 4 percent of his salary from each

paycheck and also sends \$10,000 a year back to Ghana, where he is building a house.

Using Asiamah's salary and his preference for conservative, low-risk investments, Hebler calculates that when he retires at 67, his PRA will be worth about \$49,500. By converting that into a low-cost annuity that will provide him with a monthly payment until his death, he can expect to receive an annuity of \$232 per month. Combined with a Social Security check of \$1,644, Asiamah's benefit is worth \$1,876 per month.

Without the reform of PRAs Asiamah could expect to see a guaranteed benefit of \$1,862 per month. Under Bush's plan — if the optimistic market projections are correct — Asiamah gains about \$14 per month.



**Gabriel Marquez, 36**  
**OCCUPATION:**  
Travel Agent  
for Fairchild  
Publications  
Salary: \$75,000

Marquez calls his mother a "frustrated financial advisor" who instilled in him a need to save. For the last 10 years, Marquez has been putting aside the maximum amount of money permitted into an employer-sponsored 401K plan. He's pretty confident in managing his investments of IRAs, stocks and bonds and annually changes his investment mix in relatively aggressive funds. But he is skeptical about the future of Social Security. "The media tries to make us scared that [Social Security] will end, which is probably a real fear," he says.

Marquez's investment savvy and willingness to take greater risks makes him a good candidate for a PRA, according to experts. With a high pre-retirement stock allocation of 70 percent, he can expect to have a retirement nest egg of \$88,098, assuming returns remain relatively

high, according to Hebel. If he converts that amount into an annuity that pays \$414 per month and adds it to \$1,736 per month in Social Security income, his combined benefit will equal \$2,150 per month. Under traditional Social Security, he could expect to receive \$1,945 per month. So Marquez gains \$205 per month under the Bush plan.



**LeeAnn Levinson, 48**  
**OCCUPATION:**  
 Self-employed  
 dogwalker  
 Salary: \$40,000

By trying to put away a quarter of her income each year, Levinson has been able to accumulate a modest retirement reserve of about \$45,000. When asked if she thinks Social Security will be there for her retirement, she quickly replied, "Absolutely not." Because of the dot-com crash and what she calls corporate "organized crime in the 1990s," she has never put any money into a 401K, IRA or stocks and bonds.

"I know people look at me like I'm a dinosaur," says Levinson. "I pretty much just keep my money in savings accounts. I have a couple of CDs that are just making nothing. I'm just not good at the stock market." As a person who is skeptical of the stock market and investing, Levinson lacks the expertise or desire to maximize her investments.

If Levinson could be convinced to invest 50 percent of her PRA in stocks, the value of her PRA would be only \$31,423 if she retires in 19 years, at 67. That would yield a monthly annuity of \$134. Her monthly Social Security income would be \$1,111. And the value of her combined benefit—the annuity plus her Social Security check—would equal \$1,244. That's \$147 less than \$1,391-per-month Social Security check she would receive under the current system. (If Levinson plays it completely safe and puts her

entire PRA into low-risk, low-return government securities, her PRA will equal \$22,101. And her total benefit would be \$187 less than she would receive under the current system.)



**Hillery Pous, 23**  
**OCCUPATION:**  
 Law School Student  
 at New York Law School  
 Salary: \$29,000 today;  
 \$90,000 average  
 estimated salary

As a young student, Pous has not really paid a lot of attention to the Social Security debate, nor has she started saving for retirement. According to the President's plan, workers in their 20s are the ones who will experience the sharpest decrease in traditional benefits, and the most potential gain from PRAs.

She has some savings and tries to put aside a little money every year. Pous is concerned that she will continue paying Social Security taxes, but not see any of the money. "I think people my age are saving just because they are concerned that there might not be anything that the government provides for their future when they retire."

After graduating from New York Law School, Pous's salary is likely to increase substantially. To calculate the value of her retirement account, Hebel assumed a salary of \$90,000 or the maximum amount that is taxable under the current Social Security system. Given her young age and limited investment experience, Hebel assumed that she would invest 60 percent of her PRA in stocks and that they would yield a 6.5 percent return. If she retires in 2049 at 67, according to Hebel's calculations, Pous can expect a PRA worth \$187,265. Her monthly benefit will consist of \$1,953 in Social Security and \$798 of an annuity payment for a total of \$2,751 per month. That's \$606 more per month than she would get under today's traditional Social Security system. D&S

# STANDING TALL

## GRANTS SUPPORT TRINITY BUILDING BUSINESSES

BY DEBORAH DITTRICK, BRIAN MOORE, WENDY PENG, SILVIA SANTACRUZ  
EDITED BY CAROL WOOD

**O**n a brisk November Saturday in lower Manhattan, the sun shines straight up Broadway, past the chocolate-colored brownstone steeple of Trinity Church. The gleaming limestone Trinity Building forms a 21-story backdrop to the north, spilling sunlight upon the church graveyard. Built from 1904 to 1907, the neo-Gothic structure and its companion, the U.S. Realty Building, echo the arches and quatrefoils of the majestic church while adding a sinuous Art Nouveau accent.

For nearly a century, the buildings at 111–115 Broadway have endured the city's waxing and waning—including the violent destruction of the World Trade Center a block away on September 11, 2001. Their solid masonry and steel construction withstood the shock of the collapse and the airspace above Liberty Plaza funneled debris away from the buildings' northern exposures. Apart from minor cracks in their façades, only 100 of their 2,500 windows were damaged.

The economic impact of Sept. 11 hit harder, however. The buildings' occupancy levels dropped from 90 percent to 60 percent as tenants moved or went out of business, according to building manager Kevin Hoey.

Three years after suffering the worst terrorist attack on American soil, lower Manhattan lurches between reassuring normality and struggling recovery. As the home of some 120 mostly small businesses, as well as the Port Authority, the Trinity and U.S. Realty buildings provide a window into the variety of effects that the attacks have had on businesses downtown. As they have carried on in uncertain times, business owners in the buildings offer mixed reviews of the grants programs the government established after Sept. 11 to help the neighborhood survive.

Reminders of the horrors of Sept. 11 overwhelm the neighborhood. Tourists flock to observe the WTC construction site, while street vendors hawk FDNY and NYPD caps, T-shirts and memorabilia up and down Broadway. In front of the Trinity Building, NYPD vehicles block the east lane and heavily armed officers monitor every truck entering the financial district to ensure they're not bombs in disguise.

In the tenant exodus that followed the attacks, some firms left the Trinity Building to move to other downtown locations offering cheaper rent, such as Inland Marine Underwriters Association, a trade group that moved to 14 Wall Street.

Millennium Trading Company, a jeweler, decamped for West 47th Street. Dr. Jeffrey Shapiro, a dentist whose office suffered significant damage and loss of income for three months, was able, with the help of various federal grants, to expand his business by moving to 42 Broadway.

Occupancy returned to pre-Sept. 11 levels by 2003, although some tenants — along with the rest of downtown — have continued to struggle. Dave Meyers, owner of Maxwell's Annex, a street-level eatery on Thames Street, which separates the Trinity and U.S. Realty buildings, says that the crowds never returned as he had hoped. As a result, Maxwell's Annex is teetering on extinction, and Meyers said he plans to shutter the restaurant for good. "I'll be out in two weeks," Meyers said in early November. "The landlord is entitled to his money. He has been very, very lenient with me. We made an arrangement and I was supposed to catch up in February, but I just couldn't."

Meyers, 66, says that as a consequence of the terrorist attacks and his inability to procure funding to help his business recover, he expects to file for bankruptcy.

A reporter who called a phone number for Maxwell's Annex in March 2005 was forwarded to George Jamieson, who owns several delis in Manhattan. Jamieson confirmed that Meyers had closed Maxwell's, and says that he had purchased Meyers's telephone line and customer list for his own deli at the corner of Greenwich and Cedar Streets. Jamieson described the business level at that location as "very difficult." "We had a tremendous business before Sept. 11," he says. "We've reopened doing virtually nothing — 25 percent of what we did before." Jamieson estimates that he is losing \$30,000 to \$40,000 a year on that location, but he is staying put so that when the new development opens, "I'll be in the front row."

Ironically, it was just to avoid such fallout that Empire State Development Corporation (ESDC) came up with a grant program to help pull small businesses — and their payrolls — back from the brink.

## FEDS TO THE RESCUE?

The Small Firm Attraction and Retention Grant (SFARG) Program was designed to help

retain and create 65,000 jobs at qualifying small businesses in eligible areas in Lower Manhattan. Proposed by the ESDC on January 30, 2002, and amended on June 7, 2002, SFARG was accepted and approved by the federal department of Housing and Urban Development (HUD). ESDC was to receive \$155 million to cover the total program costs, all of which was to be awarded in grants.

In order to qualify for SFARG, businesses employing fewer than 200 workers each were required to sign a five-year lease in the eligible area no later than December 31, 2004. The amount of the payments was based on the number of full-time workers employed.

"The process of giving grants has been very challenging," says one ESDC representative who requested anonymity. "There hadn't been any program like this before. There were no models to go by."

The application process was designed to be user-friendly, with a short form to fill out and a rapid review process, because some people need the money fast, says the same source. "But we have been flexible and changed our requirements. For example, since last April we accepted a business with a lease about to expire."

Has the program achieved its goals? According to a March 2004 HUD audit report, as of September 30, 2003, ESDC had disbursed only \$36 million in SFARG monies to 1,095 businesses, representing over 19,000 employees.

But on August 30, 2004, ESDC chief operating officer Kevin S. Corbett said \$103 million had been awarded or pledged to more than 1,600 businesses employing 25,000 people, and that more than 200 applications were pending. "It is tracking as we expected," said Corbett, who calls the program a "successful component" of government efforts to "first stabilize, then stimulate the area's commercial scene."

New York State officials who run the program say they were confident that all or virtually all of the funds would be committed by the December 31 deadline. As of early March 2005, the ESDC was still reviewing applications. "There was an onslaught of hundreds of applications at the deadline," says Ron Jury, communications director for ESDC. "For whatever reason, people waited until the deadline."

"As of November 2004," Jury says, "SFARG had disbursed grants to 2,872 companies, creating or retaining 38,189 jobs, with more to be awarded from the final applications." Thus, to judge it by its own goals, the program has fallen far short of its milestone of 65,000 jobs.

But Jury sees comparisons between the conjectural 65,000 job figure and the final results as unfair. "On Sept. 12, there was an immediate response to try to address thousands of downtown businesses, hundreds of thousands of employees who were dislocated," Jury says. "If somebody had projected a number of 20,000 or 10,000 we'd be saying 'we succeeded!' but this had never been done before," he adds.

"I'd say it was successful because of all the businesses we have impacted and all the jobs we have helped to retain in lower Manhattan," Jury concludes. "I see the results of this in terms of the numbers of the companies that have been assisted and the employees they had. Obviously that's a real impact on businesses, and more importantly, on individuals — people who were concerned about their jobs after Sept. 11 and who have their jobs more than three years later."

With 25,000 jobs affected as of the end of August, the program has fallen far below its goal of creating or retaining 65,000 jobs. It's unlikely that the 200 remaining applications will take up all of the slack—unless each employs 200 workers.

## **THE SMALL BUSINESS GRANT: TAKE IT...**

Despite the SFARG program's shortcomings, interviews with business owners in the Trinity Building indicate that many entrepreneurs endorse it, whether they received grants or not.

Among the program's boosters are Mark Seitelman, owner of a personal injury law firm in 111 Broadway that employs about 20 people. The office was closed for three weeks after the attacks, during which time it operated out of another location and the staff was given busywork. Seitelman estimates that he received about \$150,000 in grants from various sources (public records indicate that \$87,500 of that was from the SFARG program). "All of the government programs were helpful," he says, adding, "It would have been worse otherwise." Today, Seitelman employs the same number of lawyers as before Sept. 11 and he

has hired an additional clerical employee.

Another recipient, Carl Ostergaard, a franchise financial advisor at American Express, has been in the Trinity building for more than six years. "The process of applying for the assistance fund was simple and easy," Ostergaard says. "All I had to do was show them my lease, checking account, utility bills — to prove that I really have a business in Lower Manhattan."

Ostergaard, who employs one other person, received the \$3,500 grant on Sept. 14, 2004. Although the sum is modest and comes well after the attacks, he finds it helpful. "It's better than having nothing," he says. "And they didn't tell me how I had to use the funds."

Dr. Shapiro, the dentist, credits his \$65,000 SFARG grant with enabling him to expand in another downtown location, where he signed a 15-year lease.

## **...OR LEAVE IT**

Some Trinity Building businesses, however, opted against applying for SFARG assistance. Andrew Patel, a criminal defense lawyer who currently represents Jose Padilla, the American charged as an enemy combatant, says he didn't want anything to do with the grants. "Bad things happen, but we're not all victims," he says. "It was blood money, and I didn't want it." While he didn't need the money, he acknowledges that others did. "I'm sure that people needed help, and am glad those programs are there," he notes.

Another firm that declined to apply for the grants was P G News, which has been in Lower Manhattan for 37 years. "I knew that there were some grants, but we didn't apply for them because it took time and was too much trouble," says an employee.

"Without the help from the government, we still can do the business well. [Downtown New York] is and will continue to be the financial center of the world, crowded with people and dozens of bus and train lines nearby. You couldn't find a better place for our business," the employee adds.

An employee at Hansen Shipping Agency Inc., an international shipping company located in 111-115 Broadway for more than 40 years, says the company didn't apply for the grant because it is considering moving elsewhere. "The rents keep going up," says the employee who did not want

to be named. "If we move to a cheaper office, our costs will decrease. And our shipping business will not be affected by relocation."

Mark Lopresti, a lawyer, has moved his office to another downtown location, but still has one person working at 111 Broadway. Lopresti says that he knew about the grants but never applied—"Schmuck that I am," he jokes. Lopresti felt that he was not as needy as other people—but also says some people took advantage of the program. The eligibility criteria of the SFARG program rewarded "squeaky wheels," in his view, rather than loyal and needy businesses that got hurt.

### CRITICIZING CRITERIA

While many small business owners are supportive of, if not enthusiastic about, the SFARG program, watchdog groups in the city are more critical. Critics say that the requirements of the program were overly restrictive, failed to recognize customary business practices in the area and deprived many businesses of the aid they needed.

Good Jobs New York, a five-year-old non-profit organization, has been tracking public money for New York City's economic development. According to Stephanie Greenwood, Good Jobs research analyst, her organization examined the LMDC's expenditures in terms of who received funds.

Boutique professional service firms received the bulk of the recovery grants, while the lower-end retail shops and restaurants more commonly associated with the phrase "small business" received far less, according to a report by Good Jobs.

In particular, the SFARG program has come under criticism for its lease requirement, which many believe shut out deserving businesses.

However, Michael Slattery, senior vice president for research of the Real Estate Board of New York, believes this criterion was essential to anchoring businesses downtown. He praises government for quickly establishing the business grant programs. "Lower Manhattan has a large tax base, so it was important to protect it," he says. "The logic behind the lease requirements was to target those businesses that were most likely to move out. As unfair as it may sound, if a firm had just signed a 10-year lease, they were unlikely to move."

But Slattery questions the effectiveness of issuing grants to very small firms. In his view, the program should have maintained a minimum number of employees. (The minimum number of employees was dropped from 10 to one on June 7, 2002.)

According to an ESDC official, the agency scrambled to assemble a grant program that, in the end, while imperfect, helped many businesses in crisis.

### DOWNTOWN STRIVES FOR REVIVAL

Within the Trinity Building, some businesses have thrived and others have failed.

The Trinity and U.S Realty Buildings have history on their side. Asked what about the building is unique or particularly attractive to tenants today, Hoey says it's the architecture.

Beyond the bronze and stained-glass entryway at 111 Broadway beckons a carved, gold-leafed ceiling, interspersed with painted panels, leaning heavily toward Art Nouveau. Glistening white marble walls are topped by elegant Tiffany-style stained glass. Where the ceiling beams join the walls, carved gargoyles seem to hiss at passersby.

When first erected, the Trinity Building stirred controversy among critics who accused it of "swallowing" Trinity Church, a charge humorously depicted in a 1907 cartoon published in *Puck* magazine. Today, the building seems an amiable companion to the earthy brownstone steeple, far more so than the Equitable Building, whose towering immensity spurred the enactment of the nation's first comprehensive zoning law in 1916.

As the sun falls behind Trinity Church, a column of tourists from Pennsylvania, two to four abreast and at least 100 strong, traipses north on Broadway. The wind relents momentarily, and a couple pauses to embrace in front of the gargoyles guarding the Trinity Building's entrance.

Increasingly New Yorkers and tourists are coming downtown to shop and dine, fostering the promise of revival. Business tenants in the Trinity Building express mixed feelings toward the grant programs intended to help them, but occupancy already has returned to pre-Sept. 11 levels. As downtown New York awaits the rebuilding that will occur in the place of the World Trade Center's ruin, there is a sense of hope. D&S