

# National Report

The New York Times

## Environmental Study Center Created to Honor Late Senator

### \$20 Million Donated by Heinz Foundation

By JOHN H. CUSHMAN Jr.

WASHINGTON, Dec. 14 — The family of the late Senator H. John Heinz 3d has donated \$20 million to establish a research center in his name where experts from universities, industry, government and advocacy groups will join to seek firmer ground for environmental policies in science and economics.

The sponsors said the gift was one of the largest single philanthropic grants ever offered in environmental circles.

They said the new center, the Heinz Center for Science, Economics and the Environment, would offer nonpartisan, innovative and credible ideas in a field constantly riven by politics, where government policies are often masterminded by muddling through.

Already, the center has won support — and drawn members of its fledgling board of directors — from quarters including the Environmental Defense Fund and the Nature Conservancy, the Aluminum Company of America and the Enron Corporation, and four major universities: Carnegie Mellon, Cornell, Princeton and Stanford.

Its president is William J. Merrell Jr., an oceanographer and former vice chancellor of the Texas A & M University System. The professional staff, ensconced in a downtown Washington office, is expected to grow to about a dozen this year, with a budget of \$1.7 million, he said.

But the real strength of the organization, its founders said, will be drawn from companies, schools, environmental groups and the government, whose experts will assemble to work on knotty, emerging problems that the center believes will move to the forefront of the policy agenda in two to five years.

The founders said that they were keenly aware of the intensely political nature of environmental decision making and that the center would remain independent, even as it reached out to all sectors involved in the environmental debate.

Terasa Heinz, the widow of Sena-

tor Heinz and chairwoman of the Heinz Family Philanthropies, said in an interview that she believed the intense drive by Republicans in the 104th Congress to radically reshape environmental policies would wane and a more centrist approach would emerge.

"When that happens, there have got to be some well-thought-out alternatives," she said.

Senator Heinz, a moderate Republican from Pennsylvania who died in a plane crash in 1991, first sought in the 1980's to develop a bipartisan effort to harness market forces for environmental protection, an idea he pursued along with Senator Tim Wirth, a Democrat who now is the Assistant Secretary of State for Global Affairs, the top environmental post at the State Department.

Mrs. Heinz, who this year married Senator John Kerry, Democrat of Massachusetts, is an active environmentalist and vice chairwoman of the Environmental Defense Fund, a nonprofit advocacy group that has made a mark developing approaches, like the trading on financial markets of pollution permits, that use financial incentives to lower the costs of protecting the environment.

Mrs. Heinz controls a family fortune worth several hundred million dollars, originally derived from the Heinz food company.

The donation to establish the Heinz Center comes from the Vira I. Heinz Endowment, one of the Pittsburgh-based philanthropies, with combined assets of about \$1 billion, associated with the family.

The board of the Heinz Center includes Mrs. Heinz; Fred Krupp, executive director of the Environmental Defense Fund in New York; Kenneth L. Lay, chairman of the Enron Corporation, an energy company; Simon A. Levin, a biologist and director of the Princeton Environmental Institute at Princeton University; Robert Mehrabian, president of Carnegie Mellon; Paul H. O'Neill, chairman of the Aluminum Company of America, and John C. Sawhill, president of the Nature Conservancy.

## A Gambling Boom Pits a Church Against Its City

By GUSTAV NIEBUHR

BILOXI, Miss. — Thirty-two years ago, Back Bay Mission waded into controversy when its staff tried to help integrate this resort city's whites-only beaches. Vandals broke the mission's windows, someone burned a cross outside, and members deserted its church, which soon closed.

The mission itself, a church-affiliated provider of social services, survived, but controversy has found it again. This time, in a sign of how much life on Mississippi's Gulf Coast has changed since the state legalized dockside gambling in 1990, the issue is not race but real estate, and gambling's importance to this city.

Specifically, in a local economy that has suddenly been thrust into high gear by the legalization of casino gambling, what is the value of the mission's property to a big, new casino, scheduled to open next summer, and to municipal officials eager to see that casino thrive?

So broke five years ago that it could not afford new tires for its police force, Biloxi, a melange of graceful beachfront homes and tourist-trapping T-shirt shops, now boasts eight casinos, built atop immense barges moored to the shore. Together they paid local taxes of about \$11.5 million in the last fiscal year, nearly a fifth of the city's budget. These days Biloxi is flush enough to buy 82 new police cruisers.

A mile north of the beaches, the mission's modest compound sits well away from most of the action. Founded in the 1920's to give medical care to poor families who worked in seafood processing factories, the mission, affiliated with the 1.5-million-member United Church of Christ, no longer holds religious services and does not house the homeless. Instead, it is a charitable incubator that creates and nurtures nonprofit social service centers: a health clinic, a shelter for battered women and a counseling center for people with H.I.V.

But what the mission is now best known for is its location, on two acres of land next to a bayside tract owned by Imperial Palace of Las Vegas, which is erecting a \$120 million casino complex including a 29-story hotel that will be the tallest building on the Gulf Coast between Tampa, Fla. and



Elliot Kamenitz/The Times-Picayune

Gambling operations like the Palace Casino have already changed the face of Biloxi, Miss. Now they are about to change the look of Back Bay Mission, an

old church-affiliated provider of social services, despite the resistance of its officials, including the executive director, the Rev. David Stephens.

New Orleans.

The battle of Back Bay Mission began when the casino tried to buy about 80 percent of the mission's acreage, and the city, wanting to widen the road into the casino's parking lot, exercised its power of eminent domain by claiming the rest.

The mission resisted. The bottom line was not so much morals as money: the mission, citing the rise in local land values that gambling had brought, said the offers — \$1.2 million by the casino, under \$500,000 by the city — were far too low.

Talks between the mission and the casino ultimately ended. But the city pursued its claim in a county court, and a jury earlier this year settled on a price of \$514,000, little more than



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addressed in every area of medicine, from the treatment of Parkinson's disease to a fractured hip.

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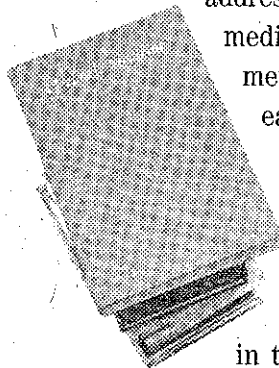
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road-widening project have been and demolished two of the mission's nine buildings, only four of which are to be left standing under the city's plans.

The mission remains defiant. While pursuing an appeal to the State Supreme Court, it says that regardless of the outcome it will hold on to its remaining property, which it values at some \$3.2 million, and continue operations in the shadow of the casino.

"It's not going to be a pleasant place for them to be," said Britt R. Singletary, a local lawyer for Imperial Palace. "There's going to be 16,000 cars a day going by that place."

The mission's lawyer, Virgil Gillespie maintains that "the city has not gone about this in the right way" and that indeed "this mission has been abused."

"Of course they would sell if the price was right, if they could make themselves whole at another site," Mr. Gillespie said. "But the advent of the gaming industry has made it so that buying a piece of comparable property can't be done for a song today. They need more money to move."

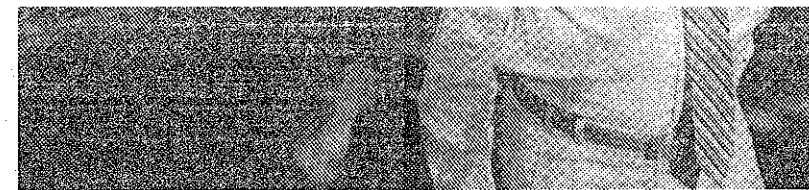
But Mr. Singletary argues that the mission and other Biloxi landowners have "gone crazy as far as market values — whatever people think they can extort from a casino."

The drama here is one of many played out around the country as a result of gambling's rolling from coast to coast during the last decade. Once banned by the Federal Government, lotteries are now offered by 37 states. Casinos, once limited to Nevada, have sprung up on city blocks, riverboats and Indian reservations in more than 20 other states. With gross revenue of \$40 billion a year, gambling is being eyed hungrily by communities as an eminently taxable growth industry.

Here in Biloxi, officials jumped at the Imperial Palace project, which planners say will bring more than 2,000 jobs and about \$4 million in annual tax revenue.

The man offering the city these riches is a colorful Las Vegas entrepreneur, Ralph Engelstad. A former North Dakota contractor, Mr. Engelstad built the Imperial Palace 20 years ago and turned it into a money machine that generates an annual cash flow of \$50 million. Last year he was listed by *Forbes* magazine as one of the nation's 400 wealthiest people.

Mr. Engelstad, whose collection of classic automobiles includes the 1938 Mercedes-Benz that was Hitler's parade car, acquired brief notoriety nearly seven years ago, when Nevada's Gaming Control Board determined that he had hurt that state's image by holding parties for his Las Vegas employees on Hitler's birthday in 1986 and 1988. At the time, Mr. Engelstad denied that he held Nazi sympathies and apologized for what



David Rae Morris/Impact Visuals, for The New York Times

he called "theme" parties intended to boost employee morale. But he agreed to pay \$1.5 million in fines.

What no side in the Biloxi battle disputes is that gambling has changed the face of the city.

Casinos have rendered Biloxi a place of visual paradoxes, with a waterfront that juxtaposes upper-crust Southern graciousness with come-all Nevada-style glitz. Beauvoir, the neatly preserved estate of Jefferson Davis, President of the Confederacy, stands within sight of the flashing neon lights of the President Casino.

Gambling flourished here once before, but on a smaller scale and without legal sanction. Thirty years ago Biloxi served as a shady playground for New Orleans, the sort of place where a friendly bartender could guide eager day-trippers to slot machines and backroom card games. Federal investigations shut that down, with help from Hurricane

## In the end, the issue was money, not morals.

Camille, which turned Biloxi's beachfront to matchsticks in 1969. Tourism took a nosedive and stayed down for 20 years.

Now, city officials say, the Gulf Coast is roaring back on a gambling boom, drawing tourists from Florida, Louisiana and Texas. Building permits are up, unemployment is down, and Mississippians who quit the coast during its long recession to make a living in Las Vegas are flocking home.

Among them is Bruce Nourse, a Gulf Coast native who is senior vice president for government affairs and compliance at Casino Magic, a 100,000-square-foot operation on the city's oceanfront.

"The City of Biloxi," he said, "has done a very good job of being a partner with this industry and understanding our needs and getting adequate infrastructure in place."

Mr. Nourse is a former investigator for the Nevada Gaming Control Board and also former executive director of Mississippi's gaming commission. In 1992, that commission issued a report predicting that legalized gambling would bring \$100 million in capital investment to the

state. Instead, Mr. Nourse said, casino companies have now built properties worth \$2 billion, with more to come.

The resulting rise in land values has not escaped the notice of Back Bay Mission's president, the Rev. Paul E. Baumer of Columbus, Ohio, who earlier this fall wrote Mr. Engelstad's chief aide in Las Vegas to tell him that the mission property not already claimed by the city was worth \$3.2 million, not the \$1.2 million Imperial Palace was offering.

Talk of a sale ended there. But next to the mission, work on the casino goes on. A sign out front promises that 100 of Mr. Engelstad's classic cars will be on display.

In the meantime, the war between the mission and the city continues. The mission's appeal to the State Supreme Court maintains that the city's eminent-domain action violated a Federal law, the Religious Freedom Restoration Act of 1993, which provides that governmental interference with religious practice must demonstrate a "compelling interest."

The appeal also maintains that eminent domain was improperly exercised in this case because it was invoked on behalf of a private interest, the casino. Not so, said David Nichols, Biloxi's chief administrative officer. "The bottom line is a public safety issue," he said. "That's the only reason we're widening the road."

The dispute has left all sides frustrated.

For his part, Mr. Nichols said he had "lost sympathy" for the mission. "They're using us to facilitate their financial gain," he said, "and I'm tired of it."

The mission's executive director, the Rev. David E. Stephens, responded by saying: "Any private landowner would have been expected to get the best price. But somehow the church was seen as behaving in an unseemly way by trying to get the best price. It comes across as, 'You're trying to cheat this poor casino out of money.'"

Mr. Stephens said he would advise the mission's directors to keep it operating on what will remain of its property, essentially continuing its work in Imperial Palace's front yard.

Casino officials too feel frustrated at their inability to reach accord with their neighbor. "There's a number out there that should be acceptable both parties," Mr. Singletary said. "But I don't know that it exists."

**BALKAN ACCORD:** Portraits of the Bosnian Serb Leaders**BOSNIAN SERBS**

# Peace Stalks Warriors

*Continued From Page A1*

tions, for harboring indicted war criminals.

The underlying reason for not wanting the Bosnian Serb leaders to appear before the tribunal at The Hague is that they would most likely argue they were following the orders of Mr. Milosevic, a defense that would be harmful to Mr. Milosevic and uncomfortable for the Western leaders who have just orchestrated a peace with him.

By the same token, the United States has softened its position, with the Pentagon saying that American troops will not hunt down the two men, for whom arrest warrants have been issued, but will seize them if they come across them.

Legally, Mr. Milosevic does not recognize the legitimacy of The Hague tribunal, according to Borisav Jovic, a member of Mr. Milosevic's political party and a framer of the Serbian Constitution. Mr. Milosevic would like Dr. Karadzic and Mr. Mladic to fade away, or "go to ground," as one diplomat put it.

Mr. Milosevic has decided the best solution for Dr. Karadzic would be for him to avoid seeking office again or to be defeated in elections scheduled for next year.

Dr. Karadzic was asked to resign but refused, saying he would stand by the wishes of the self-styled Bosnian Serb parliament, which is expected to vote on his continued leadership within two weeks.

"Milosevic can only work in an oblique way," said Milorad Dodik, one of eight independent deputies in the assembly. "Milosevic is not in a position to issue orders directly. To get rid of Karadzic in a violent way would make a martyr out of him and rehabilitate his position."

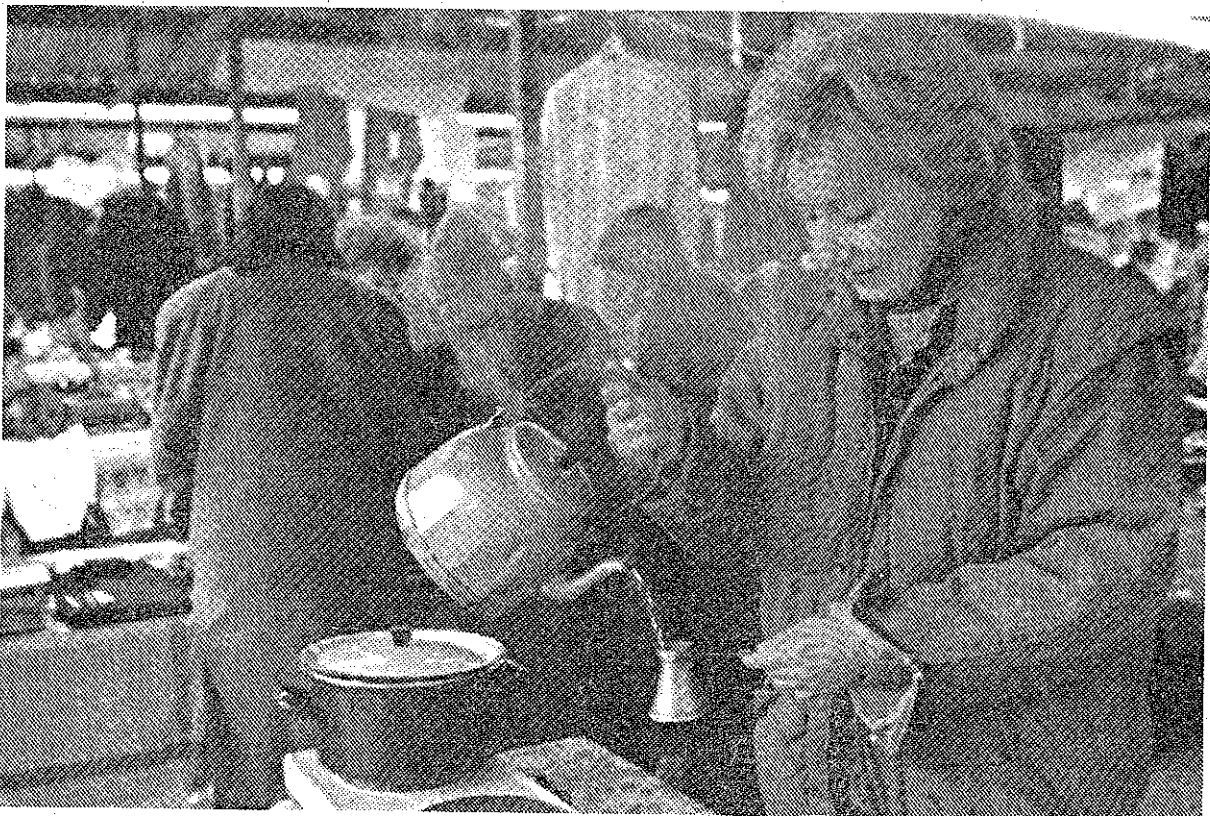
Mr. Dodik, who has seen Dr. Karadzic, said the Bosnian Serb leader "looked exhausted and has lost a lot of weight."

The concentrated hold Dr. Karadzic once had on power has diminished sharply. And popular feeling dismisses him as yesterday's man who brought huge bloodshed and tragedy for no gain.

The new power center, dominated



The signing ceremony for the Paris peace agreement took place a long way from Bosnia, but in the capital, Sarajevo, peace was celebrated with a warm handshake between police officers on a brittle winter day.



In Ilidza, a Serbian-held Sarajevo suburb, a woman made coffee at an outdoor market. In this pocket, peace meant coming under Bosnian Government rule, an unbearable thought for some, who prepared to move away.

**THE RETREAT**

# Serbs Near Sarajevo Pack and Curse Peace

By CHRIS HEDGES

ILIDZA, Bosnia and Herzegovina, Dec. 14 — The signing of the peace agreement in Paris descended on the bleak and frigid Serb suburbs of Sarajevo like an ax blow today, sending dispirited families to back rooms to root out large vinyl suitcases and several men to the local cemetery, where they somberly unearthed the bones of relatives for transportation out of the city.

"I have lost my brother and six uncles in this war," said Sladana Trivunovic, fighting back tears as the early sunset blanketed the street in darkness. "And now with this agreement I must find a way to dig them up and take them to a new place. Our whole world has been shattered. Our communities and families will fall apart. We will be cast adrift without support or friends. We have been abandoned by the world and our leadership."

The agreement signed today, that was watched by many of the 60,000 Serbs here on a live broadcast, ended the forlorn hope that some last minute intervention could roll back the decision to turn over these Serb-held areas to the Bosnian Government.

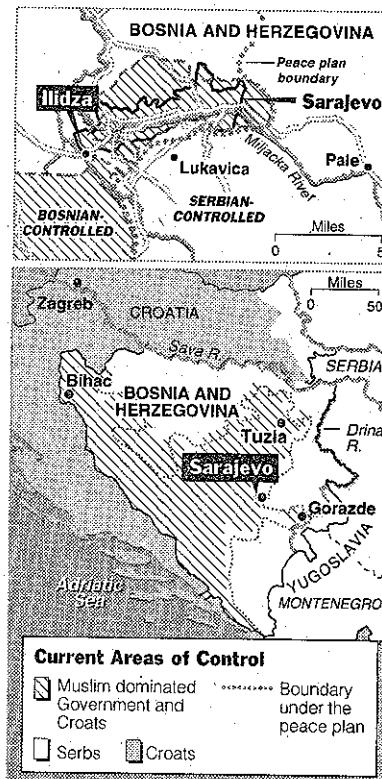
Moments after the signing, four shells, lobbed by Serb gunners on the hills above, crashed into the Bosnian Government-held part of Sarajevo.

"If you think the war is over you are wrong," said one angry Serb officer, who refused to give his name. "Time is on our side. In a year these NATO forces will leave. We will wait. We will get back what we have lost."

Most of the Serbs in the suburbs said they are now making plans to leave, although many said they would burn their homes and apartments before they moved out. In the past few days, along Kasindolska Street, a few dozen cars, household belongings piled on the roof, have begun making the slow, laborious trip to relatives in designated Serbian territory who will take them into their homes.

"I will go to live with my sister and her husband in Lukavica," said Gordana Filipovic, a clerk in the city planning office. "I am lucky. I have a place to go. But so many others are searching for a roof. They are the pathetic ones."

On the second floor of the city hall, the Mayor of Ilidza, Nedeljko Prsto-



The New York Times

Serbs in suburbs like Ilidza said they are making plans to leave.

## Fear and accusations of betrayal fill the Serbian suburbs.

Ivanka Cirkovic. "It means nothing to us. The Serb people will never accept this. We will never live again with Muslims."

Much of the anger, however, is directed against the Serbs' leadership in Pale. The military commander, Gen. Ratko Mladic, and the political leader, Radovan Karadzic, promised the Serbs here that they would work to change the Dayton agreement to allow the Serbs to remain. The failure of the two men to alter the accord has left many Serbs spewing venom against a leadership they feel has betrayed them.

Banja Luka, opposes Dr. Karadzic. The war profiteers who supported Dr. Karadzic in the Bosnian Serb "parliament" in Pale, a suburb of Sarajevo, are now looking to revamp factories and businesses, and they are not sure that he is the best figurehead for Bosnian Serbs as they try to make financial deals with the West.

Some estimate that Dr. Karadzic's party, the Serbian Democratic Party, would not win double digits in an election held now. His police, however, still control the Bosnian border with Serbia, making access for foreigners to Serbian-held areas of Bosnia virtually impossible without permission from his office.

When Mr. Dodik asked Dr. Karadzic about his indictment, the Bosnian Serb leader said he expected to go to The Hague.

"He said he will deny all accusations and that he can prove he's innocent," said Mr. Dodik, who is a political opponent of Dr. Karadzic. Mr. Dodik said he believed there was such open conflict between Dr. Karadzic and the Bosnian Serb military leadership that a case could be made that he had no control over local commanders.

General Mladic, described as essentially a physical and psychic wreck, may be a more difficult matter. One administrator from Banja Luka said officers loyal to General Mladic were concerned because his behavior had become so erratic.

The general mostly lives in seclusion at Han Pijesak, a warren of bunkers dug into Bosnia's mountains for the use of Tito in case of an attack on Yugoslavia.

General Mladic is said to be drinking heavily, railing about NATO and brooding over the death of his daughter, Ana, who committed suicide last year, reportedly over a Serbian magazine article that depicted her father as a murderer. He visits his Belgrade home occasionally, in part to seek medical treatment for kidney stones and gall bladder problems.

In a speech two weeks ago at a rally in the Bosnian Serb stronghold of Vlasenica, General Mladic said NATO troops would meet a "fiery welcome."

"Those who bombarded us are now infiltrating like lambs, saying they wish to protect peace," he said. The speech was an embarrassment, according to one Serb who listened.

On the one hand, Mr. Milosevic would like General Mladic sidelined and preparations appear to be underway, diplomats said, for his replacement either by Gen. Milan Gvero, a deputy, or Gen. Novica Simic, the head of the East Bosnia corps of the Bosnian Serb forces.

But the administrator in Banja Luka said Bosnian Serb officers believe that demoting General Mladic would leave him "easy prey," and the best way to protect him was to build him into the system."



Associated Press

Peace was only the beginning of the tension for troops headed to Bosnia. In Mannheim, Germany, yesterday, members of the Army's 28th Transportation Battalion said goodbye before beginning their journey.

#### IN WASHINGTON

## How 2 Veterans Rallied Support for Military Role in Bosnia

By KATHARINE Q. SEELYE

WASHINGTON, Dec. 14 — When Bob Dole argued on the Senate floor 25 years ago against cutting off funding for the Vietnam War, he was wearing a bracelet bearing the name of an American prisoner of war.

On Wednesday night, when Mr. Dole, the majority leader, was arguing on the Senate floor for the need to deploy American troops in Bosnia and Herzegovina, he announced that the name on his P.O.W. bracelet was, by marvelous coincidence, that of John S. McCain, for the last few weeks his closest Senatorial ally on the Bosnian peacekeeping mission.

Mr. Dole did not know Mr. McCain 25 years ago. And Mr. McCain, a navy fighter pilot held captive from 1967 to 1973, said he learned about the bracelet for the first time on Wednesday night.

Senator Dole, for whom memories of war run deep and close to the nerves, was linked to John McCain during an unpopular war 25 years ago, and linked to him again Wednesday in another unpopular cause.

But many admirers in the divided Senate saw their union as a powerful alliance that carried an unusual degree of moral authority and allowed them to push through support for an unpopular cause.

Mr. Dole was once a dirt-poor

army grunt whose right arm was crippled by wounds he suffered in Italy in World War II; Mr. McCain is a graduate of Annapolis and the son and grandson of navy admirals. Between them they built a coalition of fewer than half the Republicans and almost all the Democrats, and put the Senate on record backing deployment of troops ordered, without the consent of the Congress, by the Commander in Chief.

"The most impressive thing was the World War II-Vietnam link," said Senator Bob Kerrey, the Nebraska Democrat, who lost part of a leg in Vietnam and won the Congressional Medal of Honor.

"It's the father-son link. It's coming in and saying, 'We're the ones who were on the side of defending an unpopular war because it is right, and we'll defend an unpopular military effort now because we believe it's right,' and it's hard to beat that."

Senator William S. Cohen, Republican of Maine, said: "Both men called on their historical backgrounds and travails to say, 'We can't do this to the troops. So how do we best insure that if they're going, we define the mission?'"

When Senator McCain, who supports Mr. Dole's rival, Senator Phil Gramm of Texas, for the Republican Presidential nomination, flew to Mr.

Dole's side on the Bosnia issue, "it had a dramatic impact," said Senator Cohen. "It took politics out of it and showed this was a principled decision," he added. "Without McCain, this could have gone in the other direction."

The bipartisan back-patting in the Senate was in stark contrast to the more searing partisan atmosphere in the House.

The same night that the Senate passed the Dole-McCain resolution, which supports the troops and requires the Administration to arm the Bosnian Muslims so they have parity with the Serbs, the House spurned a Democratic resolution offering nothing more than support for the troops. The vote was along party lines.

But Representative Lee Hamilton, Democrat of Indiana, who proposed the measure, said some House members were feeling so chagrined that they had not even supported the troops that the Republicans intended to bring the measure to the floor again, this time with Republican sponsors, and hoped to pass it before more Americans landed in Bosnia.

Not everyone sees Mr. Dole's actions as outside the realm of politics. One Democratic consultant with ties to the White House said that by helping the President achieve his goal, "Dole set up a ticking time bomb

that could go off any time — if something happens to the troops, people will blame Bill Clinton."

But others see the outcome as positive for both Senator Dole and President Clinton.

"There was this nagging feeling that we had a President and a Senate majority leader seeking to be President who were too tactical, always positioning themselves," said Thomas Mann, an expert on Congress at the Brookings Institution.

"Now, seeing them act like leaders, it provides an opportunity for people to take a fresh look. We can see the possibilities of constructive public rhetoric."

No one seemed more surprised at Mr. Dole's speech than Mr. McCain, who moved to a seat closer to him in the chamber so he could watch his face.

Mr. Mann said that Senator Dole, who ran 19 points behind Mr. Clinton in the latest CNN/Time magazine poll, had appeared "diminished" on the campaign trail, but that by appearing statesmanlike on the Bosnia issue and giving an emotional speech on Wednesday night, he reminded viewers of his better qualities — "his emotion and his genuine skill at making the legislative process work."

with us on the front lines," said Elez Blazenka, a vegetable vendor. "They never suffered what we suffered. And now they do nothing as we are being sold out. All the sacrifices we made during this war were for nothing."

## Senate Vote On Mission To Bosnia

WASHINGTON, Dec. 14 (AP) — Following is the 69-30 roll-call by which the Senate voted on Wednesday to support United States troops in Bosnia and Herzegovina but limit their deployment to approximately one year. The measure was proposed by the majority leader, Bob Dole, Republican of Kansas, and John S. McCain, Republican of Arizona.

A "yes" vote was a vote to approve the sending of troops; a "no" vote was a vote to reject the sending of troops. Voting "yes" were 45 Democrats and 24 Republicans. Voting "no" were a Democrat and 29 Republicans.

#### DEMOCRATS YES

Akaka, Hawaii; Baucus, Mont.; Biden, Del.; Bingaman, N.M.; Boxer, Calif.; Bradley, N.J.; Breaux, La.; Bryan, Nev.; Bumpers, Ark.; Byrd, W.Va.; Conrad, N.D.; Daschle, S.D.; Dodd, Conn.; Dorgan, N.D.; Exon, Neb.; Feinstein, Calif.; Ford, Ky.; Glenn, Ohio; Graham, Fla.; Harkin, Iowa; Heflin, Ala.; Hollings, S.C.; Inouye, Hawaii; Johnston, La.; Kennedy, Mass.; Kerrey, Neb.; Kerry, Mass.; Kohl, Wis.; Lautenberg, N.J.; Leahy, Vt.; Levin, Mich.; Lieberman, Conn.; Mikulski, Md.; Moseley-Braun, Ill.; Moynihan, N.Y.; Murray, Wash.; Nunn, Ga.; Pell, R.I.; Pryor, Ark.; Reid, Nev.; Robb, Va.; Rockefeller, W.Va.; Sarbanes, Md.; Simon, Ill.; Wellstone, Minn.

#### DEMOCRATS NO

Feingold, Wis.

#### REPUBLICANS YES

Abraham, Mich.; Bennett, Utah; Bond, Mo.; Burns, Mont.; Campbell, Colo.; Chafee, R.I.; Cochran, Miss.; Cohen, Maine; DeWine, Ohio; Dole, Kan.; Gorton, Wash.; Hatch, Utah; Jeffords, Vt.; Kassebaum, Kan.; Kempthorne, Idaho; Lugar, Ind.; Mack, Fla.; McCain, Ariz.; McConnell, Ky.; Murkowski, Alaska; Roth, Del.; Simpson, Wyo.; Specter, Pa.; Stevens, Alaska.

#### REPUBLICANS NO

Ashcroft, Mo.; Brown, Colo.; Coats, Ind.; Coverdell, Ga.; Craig, Idaho; D'Amato, N.Y.; Domenici, N.M.; Faircloth, N.C.; Frist, Tenn.; Gramm, Texas; Grams, Minn.; Grassley, Iowa; Gregg, N.H.; Hatfield, Ore.; Helms, N.C.; Hutchinson, Texas; Inhofe, Okla.; Kyl, Ariz.; Lott, Miss.; Nickles, Okla.; Pressler, S.D.; Santorum, Pa.; Shelby, Ala.; Smith, N.H.; Snowe, Maine; Thomas, Wyo.; Thompson, Tenn.; Thurmond, S.C.; Warner, Va.

**Weekend**  
Friday in  
**The New York Times**

## POLITICS

# A Woman of Focus and Fortune

She's rich, smart and her husband may run for president. Who is Teresa Heinz?

By HOWARD FINEMAN

**T**ERESA HEINZ LONG AGO LEARNED to get what she wanted, especially from—and for—the men in her life. Her father was a physician in her native Mozambique, so as a child she kept him company on his rounds and played his favorite classical music on the piano at home. When she was a student in Geneva, her Main Chance arrived in a powder-blue VW for a blind date. He was a bank intern that summer of 1962, and said his family “made soup.” After four years of letters and ski trips, she married H. John Heinz III in a Pittsburgh cathedral that bore his family name. They wanted children and had three, sons now grown.

In politics, too, Teresa (pronounced tuh-RAY-za) has been a help. When “Jack” first ran for office, in 1971, he had a broken leg, and on her own Teresa charmed crowds in mill towns she’d never visited in a tongue she’d learned at 14. He never lost a race. When he died in a plane crash in 1991, she inherited his personal fortune, now worth nearly \$1 billion. She shook up the family’s big (\$1.4 billion) philanthropies, then found a new husband eerily like the first: a lanky Yalie in the Senate named John. She and John Kerry of Massachusetts were married in 1995. They soon faced a tough fight against Gov. Bill Weld. She helped with money—indirectly—in the form of a loan against the value of the august townhouse she’d purchased on Beacon Hill. More important, she called in labor chits from Pennsylvania, networked with career women, campaigned in Portuguese-speaking towns and warmed the chilly persona of her new husband. He won.

Given the history, it’s not surprising that Democratic insiders—especially Al Gore’s strategists—want to know: what does Teresa Heinz want *now*? No one doubts what her husband has in mind. Kerry, 54, hungers to be president, and may challenge the vice president for the nomination in 2000. New Hampshire, with its crucial primary, is next door, and Kerry is planning a visit there later this month. This week he will give a major education speech in Boston. “If Gore is shaky in the early going for some reason,” said one of his advisers in Boston, “Kerry could mess things up badly.”

Seated on a plush couch in the den of the townhouse on Louisburg Square last week, Teresa insisted she has no interest in presi-

dential politics. Her focus, she says, is on her charities. But she refused to rule out contributing cash to a Kerry presidential campaign, if there is one. “No one has ever asked me,” she told NEWSWEEK, “and I would never give any answer that would impede or block or limit my husband publicly. He’s my husband. Money things are delicate ... This would be money for what? For a campaign like Steve Forbes, spending \$30 million, or Al Checchi? That’s ridiculous! I would never do that!” How about to sound out Kerry’s chances? “Maybe just an exploratory committee, just

to study it,” Teresa said. “*Maybe*.” Kerry, a decorated combat officer in Vietnam, wouldn’t rule out asking his wife for permission to dip into their considerable joint assets if they decide at the outset to forgo federal funding. (A candidate can spend unlimited amounts of personal money if he passes up matching funds.) “I never flatly rule anything out,” the senator told NEWSWEEK in a separate interview. “If someone came after me, bent on my destruction ... who bends the rules I want to live by ... I reserve the right to fight.”

Meanwhile, it’s worth asking another



Life at the top:  
Heinz at home in  
Georgetown

MICHAEL J. BOWLES

question: Who is Maria Teresa Thierstein Simoes-Ferreira Heinz, 59, of Mozambique by way of Geneva, Pittsburgh, Washington—and Boston? She is, for one, surprisingly knowledgeable about life-and-death politics. Her grandfather, who was born in Malta, came from a family that made a fortune in shipping during the Crimean War. He left South Africa for Mozambique during the Boer War.

In Mozambique, her father was a progressive on race and economics, though speaking out in a colonial dictatorship—run from Portugal with ruthless efficiency—wasn't easy. At university in South Africa, Teresa marched against apartheid. Her older brother, also in South Africa, was an ally of early leaders of the African National Congress—close enough, according to Teresa, that his name was used by Nelson Mandela as an alias. After studying to be a translator in Geneva, she worked at the U.N. in New York, monitoring Mozambique and other African colonies. The

Marxists weren't thankful when they took over her country in 1975. Her father—an oncologist who had studied at the Mayo Clinic—lost his practice, his home, his savings. Her parents fled to Portugal. She hasn't been “home” since.

An independent-minded middle child (“Nothing was expected of me,” she says), she has no use for cliques and convention. Her money allows her to ignore them. In Pittsburgh, she eschewed the Junior League and nominated a black friend to the board of the Women's Committee of the Carnegie Museum—a first. In Georgetown she refuses to invite the locals regularly to her glittering, culturally weighty soireés. “They hate her because she won't give them access,” says Wren Wirth, a close friend. A critic puts it another way. “She has her circle of loyal retainers, and that's it.” The best known are the Wirths: Wren and her husband, Tim, a former senator who now runs Ted Turner's \$1 billion U.N. charity.

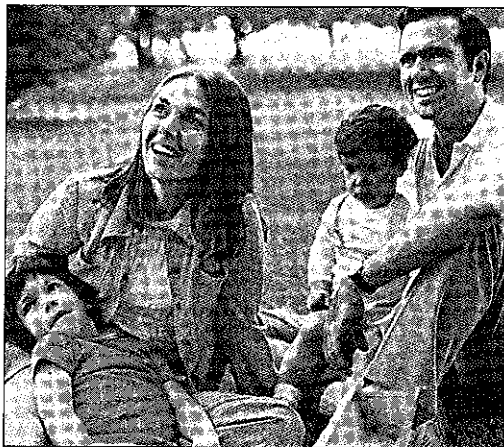
Warm with those she trusts, Teresa

Heinz can strike others as haughty and self-involved. “She doesn't know how to have the five-second conversation,” says a Bostonian adept at the Celtic schmooze. Heinz has yet to master. She is a serious art collector, studies environmental science, and is fluent in five languages—and doesn't mind if others know it. She worries aloud about her appearance and health, and seethes with anger at the mere mention of an enemy. She can be recklessly candid. Her first husband was banned from the Nixon White House after she declared she didn't “trust” the occupant. She considered running for Jack Heinz's seat, and when she decided not to, declared that campaigns were the “graveyard of new ideas.” She was dating Kerry at the time, and soon enough was campaigning for him. “I'm a Mediterranean,” she says with a shrug.

She expects to get her way—exactly. When a fire hydrant was in the way of her front-door parking spot in Boston, she paid to have it moved. When a conference table she commissioned was too high for her (and other women), she had it cut down. When she and Jack wanted a rustic retreat in Sun Valley, they imported a 15th-century English barn—and a 20th-century English carpenter to reassemble it.

Teresa Heinz is a model of New Age philanthropy, involved in the details of giving—and eager to put her own face and voice on everything. Her foundations publish her speeches on heavy-stock paper; she presides at a humanitarian awards dinner each year in her late husband's honor. It seems self-aggrandizing to some, but Heinz defends it as a necessary method of “personalizing” charity work. “I wish I'd been a doctor like my father,” she says. “This is how I carry on his work.” She oversees a brace of endowments and foundations that give away about \$70 million a year. Besides supporting traditional charities (\$20 million to the Pittsburgh Symphony), they fund new programs in environmental studies, early-childhood care and the economics of the elderly. The Heinz environmental work has been influential, contributing market-oriented ideas to George Bush's clean-air plan—and to the proposed global-warming treaty.

Can Teresa pencil a presidential campaign into her Filofax? She's awfully busy. Besides running the foundations, she sits on myriad boards, including the Carnegie Foundation and the Brookings Institution. She makes a royal progress (using her own private jet) among her meticulously decorated and maintained homes and vacation places and, from time to time, the Golden Door Spa. But when Kerry visits New Hampshire—he's gotten 30 invitations this spring—Teresa probably will be with him. If she is, she'll be anxious to help. ■



**Family album:** (Clockwise) The Heinzes in 1971 with two of their children, Teresa in Mozambique, with second husband John Kerry, with first husband John Heinz on their wedding day

