WSJ 11/3/03

Hands Off My Industry

By Sidney Taurel

Medicine has been transformed by pharmaceutical innovation. We've seen the widespread use of antibiotics, the discovery of agents for cancer, major advances in cardiovascular medicine. We've seen the development of new treatments for depression and the advent of drugs that make organ transplants possible and chemotherapy bearable. Today, we are experiencing the breakthroughs of biotechnology and the consequent surge of new therapeutic proteins.

Many organizations and dedicated people have participated in this medical advancement. Importantly, it is the working partnership between government agencies, like the National Institutes of Health, academic institutions, and the pharmaceutical industry that has fueled this progress, bringing to people of all societies the medicines for a healthier and longer life.

* * *

If you appreciate the medical breakthroughs of the past 50 years, you should be concerned about the public policy debate in Washington. Today, there are bills before Congress that have the potential to decimate pharmaceutical innovation. One provision, the legalization of prescription drug importation, would have the effect of importing damaging price controls from other countries. Other provisions would significantly weaken patent protection for pharmaceuticals.

I believe support for such legislation is due in large part to our critics' ability to trivialize the role of the pharmaceutical industry in medical innovation. Specifically, they perpetuate the belief that government and academic institutions are solely responsible for the discovery and development of new medicines. Their argument can be refuted by data from government sources. In 2001, Congress asked the NIH for a report of its involvement in all drugs with sales of more than $500 million a year. The NIH reported that 47 prescription drugs met the criteria. Of those, the NIH contributed to the discovery or development of *four*—primarily through its program of grants to universities and research institutions. Looking at a broader range of pharmaceuticals, scholars at Tufts examined all 284 new medicines approved in the U.S. in the '90s. They found that 93% originated from the pharmaceutical industry, with 7% split between government and academic or nonprofit sources.

At a deeper level, this comparison is based on the faulty premise that public- and private-sector scientists are competitors in the search for new therapies. In fact, both pursue quite separate objectives, which nonetheless complement one another. Generally, academic research, like that of the NIH, is not focused on anything so specific and resource-intensive as drug discovery. Rather, academic scientists are free to range over the vast puzzle of health and illness, helping to expand our understanding of both physiology and pathophysiology. In a vast majority of cases, these scientists may not produce new drugs or ingredients but rather observations of biology. These generate ideas and hypotheses about the biochemistry of a disease state, which may offer a new target for drug discovery.

This represents the very early part of the "R" in pharmaceutical R&D. The remainder of the continuum, the long and costly process of research and development, is left to the pharmaceutical industry. These stages of the R&D process take many years and require staggering

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question mark from the academic into the exclamation point in the physician's hands. This, in the full sense, is where drugs come from.

The critics who claim the industry does not innovate also attempt to advance the notion that new drugs created by the industry aren't really new. FDA data reveal a different story. From 1998 to 2003, the FDA has approved 136 new molecular entities. Sixty of these molecules, or 45%, were given priority review. The agency does this only when it believes both the medical urgency and potential therapeutic value are significant enough to warrant a fast-track review. In just the last 10 years, the industry has generated a steady flow of new classes of drugs, many representing first-ever therapies for serious medical needs, while others amount to much-improved options. For instance:

- *Diabetes care:* New agents for managing blood-sugar levels, notably, the TZD class and several new types of biotech insulin.
- *Cardiovascular:* New classes of drugs for hypertension and lowering cholesterol and the development of several anti-platelet and anti-clotting agents for treating heart attacks.
- *Central nervous system:* The advent of atypical antipsychotics, which have been revolutionary in the treatment of schizophrenia and bipolar disorder.
- *Infectious diseases:* Four new classes of drugs for HIV/AIDS developed to target the three different stages of the virus.
- *Oncology:* New treatments for colorectal and pancreatic cancers as well as targeted cancer agents for chronic myeloid leukemia and breast cancer.

Looking to the future, one can see the tremendous potential for the flow of pharmaceutical innovation to expand and accelerate. In terms of the science, we are now in the early stages of a revolution in biomedicine, an explosion of new knowledge that will translate into a whole host of new and better medicines. Yet, the business of finding these new medicines is risky and costly. No one is guaranteed to achieve the financial returns that encourage investment in pharmaceutical R&D. However, two important principles guarantee that such a return is possible: a market-based system of pricing, and intellectual property protection. The legislation before Congress has enormous consequences for these distinct features of our economic system.

The question our policy makers need to ponder is: What happens to pharmaceutical R&D if these two principles are compromised to any significant degree? I sincerely believe that, by compromising these principles, we could see the collapse of true innovation in biomedicine, therefore vanquishing the hopes of making advances against devastating illnesses like Alzheimer's, cancer, heart disease, and diabetes.

It is up to Congress to decide. Their choice will shape the future of medicine.

Mr. Taurel is the president, chairman, and chief executive officer of Eli Lilly.

George Bush vs. the Naive Nine

By Zell Miller

If I live and breathe, and if—as Hank Williams used to say—the creek don't rise, in 2004 this Democrat will do something I didn't do in 2000, I will vote for George W. Bush for president.

I have come to believe that George Bush is the right man in the right place at the right time. And that's a pretty big mouthful coming from a lifelong Democrat who first voted for Adlai Stevenson in 1952 and has voted for every Democratic presidential candidate the 12 cycles since then. My political history to the contrary, this was the easiest decision I think I've ever made in deciding who to support. For I believe the next five years will determine the kind of world my four grandchildren and four great-grandchildren will live in. I simply cannot entrust that crucial decision to any one of the current group of Democratic presidential candidates.

Why George Bush? First, the personal; then, the political.

I first got to know George Bush when we served as governors together, and I just plain like the man, a man who feeds his dogs first thing every morning, has Larry Gatlin sing in the White House, and knows what is meant by the term "hitting behind the runner."

I am moved by the reverence and tenderness he shows the first lady and the unabashed love he has for his parents and his daughters.

I admire this man of faith who has lived that line in that old hymn, "Amazing Grace," "Was blind, but now I see." I like the fact that he's the same on Saturday night as he is on Sunday morning. And I like a man who shows respect for others by starting meetings on time.

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make a decision and does not suffer from "paralysis analysis." This is a president who can look America in the eye and say on Iraq, "We're not leaving." And you know he means it.

This is also a president who understands that tax cuts are not just something that all taxpayers deserve, but also the best way to curb government spending. It is the best kind of tax reform. If the money never reaches the table, Congress can't gobble it up.

I have just described George W. Bush.

Believe me, I looked hard at the other choices. And what I saw was that the Democratic candidates who want to be president in the worst way are running for office in the worst way. Look closely, there's not much difference among them. I can't say there's "not a dime's worth of difference" because there's actually billions of dollars' worth of difference among them. Some want to raise our taxes a trillion, while the others want to raise our taxes by several hundred billion. But, make no mistake, they all want to raise our taxes. They also, to varying degrees, want us to quit and get out of Iraq. They don't want us to stay the course in this fight between tyranny and freedom. This is our best chance to change the course of history in the Middle East. So I cannot vote for a candidate who wants us to cut and run with our shirttails at half-mast.

I find it hard to believe, but these naive nine have managed to combine the worst feature of the McGovern campaign—the president is a liar and we must have peace at any cost—with the worst feature of the Mondale campaign—watch your wallet, we're going to raise your taxes. George McGovern carried one state in 1972. Walter Mondale carried one state in 1984. Not exactly role models when it comes to how to get

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U.S. Government Has Trouble With Developing a Vision, Official Says

COMMERCE, *From A1*

making organizational changes in the federal government is, as many of you know, a massive undertaking, a several-year job. It is not a several-month job. It is a several-year job, and so you don't do it very often, because it's certainly not worth it," he said.

As for the Commerce Department, which Bush has put in charge of manufacturing policy, Bodman suggested that it hardly had the authority to effect change in Washington.

"The Commerce Department can and will be active. I will tell you, . . . the inherent authority of this department within the government is modest," he said. "The measure of one's manhood or womanhood is one's budget size, and we have a lot of people here, but we have a $5 billion budget. That sounds like a lot. It's peanuts in this town."

"And, therefore, one deals with issues of a philosophical nature . . . by force of personality, by force of being willing to differ from the crowd and being quite argumentative, none of which falls within the rubric of how Washington runs," he continued. "Everybody in this town tries to, and works very hard at being nice to everybody else at all times, almost at all costs, and the reason for it is nobody knows who they will end up working for the next month. That's just a fact. It's not a complaint. It's not an excuse. It's a fact."

Bodman's remarks, first reported Dec. 5 in Manufacturing & Technology News, were made at an event that was closed to the media. They surfaced after Richard McCormack, the editor of the trade publication, submitted a request under the Freedom of Information Act.

The comments are becoming public after the manufacturing sector has shed jobs for 40 straight months, with employment down nearly 2.8 million from its July 2000 peak.

Administration officials have promised a renewed effort to address the manufacturers' problems. But Bodman's assessment of the Commerce Department's power appears to call into question a central plank of Bush's manufacturing initiative: the appointment of a "manufacturing czar" within the Commerce Department. Bush pledged in September to create the post of assistant secretary of commerce for manufacturing, a promise that has yet to be fulfilled, but even Bush supporters have questioned that move's potential impact.

"Commerce can't do it on its own," said Frank Vargo, vice president of international affairs and economic policy at the National Association of Manufacturers, which generally has supported the Bush administration. "It has to be an interagency effort."

Bodman's sentiment also feeds into a growing discontent with White House policymaking, even among conservatives. Bruce Bartlett, an economist with the conservative National Center for Policy Analysis, said the administration policy apparatus has become too centralized in the White House, with too little interagency cooperation or even input from the Cabinet departments—the essence of "stove-piping."

"Those comments were amazing," Bartlett said. "Remember the old line, 'A gaffe is created when somebody speaks the truth?' I think [Bodman's] right."

Bodman did not respond to a call seeking comment on his remarks. But White House spokeswoman Claire Buchan said Bodman was referring broadly to the nature of government, not specifically to the operations of the Bush administration.

"There's no question the government has been historically associated with bureaucracy," she said. "The president recognizes that, and he's undertaken an aggressive management agenda, to rethink government so it's not bureaucracy focused."

Commerce Department spokesman Ron Bonjean cautioned that Bodman made his remarks before Commerce officials embarked on a 20-city tour to elicit the views of manufacturers on how to address their problems. The agency is expected to issue a detailed manufacturing initiative in January.

Bodman's "view is that the private sector knows best how to grow their companies and create high-quality U.S. jobs. The role of government is to create the right environment to help them succeed," Bonjean said.

When Bodman spoke at the symposium in June, private-sector participants in the Commerce forum on manufacturing did not appear optimistic about government help, according to the transcript. NAM's Vargo told the group, "It's not clear to me that the Commerce Department and its role in the government and the way the government perceives manufacturing and the U.S. role in the world economy is adequately incorporated into the structure of the government that we can make the kind of changes necessary."

Jim Zawacki, chief executive of G.R. Spring & Stamping Inc. in Michigan, challenged another Commerce Department official's positive spin of administration intentions, the transcript shows.

In an interview yesterday, Zawacki, a self-described strong Bush supporter, recalled that Bodman looked "very discouraged" at the meeting and left participants feeling the same.

"It's not a Bush thing," Zawacki said. "It's not a Clinton thing. There is no vision in this government, and what vision there is lasts two years. It's called the next election."

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WASH. POST
12/14/03

Time for Ehrlich to Put the Pedal to the Metal

If Maryland Gov. Robert L. Ehrlich Jr. is serious about relieving traffic congestion, he'd better think big, and he'd better think fast—in time for the opening of the General Assembly next month.

Last spring Ehrlich appointed the Hellman Commission to brainstorm funding options for transportation. The commission met throughout the fall and came up with a goal of raising $1.8 billion over six years, or $300 million a year.

That's not enough by a long shot.

The Maryland Department of Transportation estimates that it will need $17.1 billion between now and 2010 to fund its transportation obligations. Its current funding will cover 38 percent of that projected cost. If Maryland added new revenue of $300 million a year as recommended by the commission, that still would get it to only 67 percent of what it needs. To get Maryland to where it really needs to go—funding the projects that everyone agrees are necessary to relieve congestion—we will need an additional $1.27 billion a year, or more than four times as much as the commission recommended. Even that figure assumes only $529 million for transit capital expansion, far less than the projected cost of $800 million for the "Corridor Cities Transitway" to run along I-270, the $2 billion "Purple Line/Bi-County Transitway" and several billion dollars needed for rail expansion in the Baltimore region.

In Montgomery County alone, the County Council's 10-year transportation blueprint would require $6 billion in state transportation funding. The state would have to raise much more money than the commission's figure just to meet Montgomery County's needs.

When I recently testified before the commission, I reminded its members that between 1990 and 2000 Montgomery County experienced 21 percent of Maryland's population growth and 25 percent of its employment growth, yet it received only 10 percent of its highway dollars. This mismatch must be corrected. Simply put, the transportation pie needs to be much bigger, and Montgomery County, as the state's economic engine, ought to get its fair share.

A reliable transportation funding plan serves many priorities: cleaning our air, getting trucks moving more safely through the region and facilitating travel for jobs, commerce, civic and personal purposes. An equitable balance that maintains existing infrastructure, constructs needed roads and supports substantial transit expansion would more than justify its considerable cost.

If Ehrlich truly wants to be the "Transportation Governor," he can't hang his hat on the intercounty connector alone. He needs to replace the $300 million from the Transportation Trust Fund and the $200 million from the Woodrow Wilson Bridge replacement fund, both of which were diverted to other programs this year.

He also needs to establish a transportation budget at least at the $7 billion level. He will have to pull all conceivable resources together. Equally important, he must ensure that no transportation revenue is diverted to fund other government services, as happened this year.

We do not need another poll—or more political cover—to tell us what congestion relief is going to require. Yes, funding our roads and transit will cost a bundle. Years of indecision and debate have carried a high price tag. But we were all elected last year to find solutions to problems, not to wring our hands and pass the buck.

It is not enough that the Montgomery County Council has done its part by increasing bond funding limits and approving substantial transportation impact taxes. Now it's the governor's turn to be a leader.

—Nancy Floreen

a Democrat, is an at-large member of the Montgomery County Council and chairs its Transportation and Environment Committee.

councilmember.floreen@montgomerycountymd.gov

Bush Economic Aide Says Government Lacks Vision

By Jonathan Weisman
Washington Post Staff Writer

A senior member of President Bush's economic team told manufacturers this summer that it is difficult for the balkanized federal government to develop vision on any policy issue and that, in particular, the Commerce Department has scant political or financial authority to influence government policy on behalf of the nation's ailing manufacturers.

The comments by Deputy Commerce Secretary Samuel W. Bodman, revealed in a transcript of a day-long manufacturing symposium in June, offer a rare dose of candor about the way Washington works and the limits of the government's power. They also surfaced just as the administration is trying to boost the visibility of its manufacturing policies, and as Bodman awaits Senate confirmation to assume the No. 2 post at the Treasury Department.



BY STEFAN ZAKLIN—GETTY IMAGES

Commerce official Samuel W. Bodman said in June that the government is "stove-piped."

Responding to a comment on the government's vision for manufacturing, Bodman told the gathering, "I will tell you, it is very hard for this government to have a vision on anything. We are totally stove-piped, and we live within these compartments. This is not by way of a complaint. This is not by way of an excuse. It is by way of a fact.

"Congress likes it this way, and

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'HE WASHINGTON POST

12/14/03

Jonathan Oberlander and Jim Jaffe

Next Step: Drug Price Controls

When President Bush signed the Medicare drug law last week, he quietly began the countdown to the date when the government begins to impose strict price regulation on prescription drugs for the elderly.

While the legislative language suggests otherwise, most health analysts of all political stripes concur that regulation is the likely outcome. The key question now is how quickly it will come.

The bill clearly provides substantial short-term gains for drugmakers. It will likely impose long-term pain as well. If the drug firms are deft enough to delay price controls and moderate their impact, they may have made a smart deal.

Taking the legislation at face value—always a risky procedure—makes this threat appear unlikely. After all, the law explicitly says that the government won't negotiate over prices or impose controls. The bill bends over backward to protect and extend the role of private intermediaries rather than relying on federal regulations and bureaucrats. And it avoids legalizing the reimportation of drugs from Canada.

With the baby boomers on the horizon, the Medicare drug benefit seems to be a windfall for the drug industry.

But health care providers who have already been down this road may have a different perspective. When Medicare was enacted in 1965, it barred the federal government from "exercising any supervision of control over the practice of medicine."

Partly to deter a physicians strike, doctors were promised that they'd be paid at the usual and customary rates that insurers such as Blue Shield had set over the years.

Hospitals got an even sweeter deal—reimbursement that paid them essentially whatever their costs were, with a bonus on top.

In addition, Medicare spared both hospitals and physicians direct federal administration, instead allowing them to choose private administrative intermediaries that would pay their bills.

Since there was little reason why anyone offered a blank check would reject it, providers were fairly relaxed about provisions that locked them into the program over time. Now it is difficult and expensive for doctors to drop their affiliation, and nearly impossible for most hospitals to do so.



BY JOHN OVERMYER

Will things go differently with drugs? Time will tell, but it seems unlikely. The government has habitually responded to budget stresses by changing the reimbursement mechanism and lowering payments. Whatever one thinks of government efficiency, this practice has worked well. Over the past two decades, physician and hospital payments have been regularly cut.

Because hospitals spent more, they were the first to get the bad news. In 1983 Congress enacted the Prospective Payment System. Instead of paying hospitals retrospectively for whatever they charged, Medicare imposed a system of administered pricing that allowed the federal government to set payment rates. Payments quickly declined precipitously.

A few years later the Medicare Fee Schedule for physicians was introduced. It was a terribly elaborate scheme that was based on measures of the complexity, time and resources involved in physicians' services. Its advertised purpose was to establish a fair and scientific basis for Medicare payments to physicians.

But ultimately it divorced doctors from their historical and customary fees. As with hospitals, Medicare imposed a system of administered pricing on doctors. By this time, of course, many physicia were dependent on their Medicare patient base a simply couldn't afford to walk away from the pr gram, despite the lower reimbursement rates.

Both Medicare hospital and physician payme regulation were supported by Republican pre dents in the name of controlling federal spendir The Johnson administration generosity of t 1960s was replaced by the Republican restrictio of the 1980s. Fiscal exigency overwhelm ideology.

Whether that's portent, precedent or an irre vant bit of history is the question of the moment.

We now have a system in which the governme pays hospitals and doctors what it thinks it can ford, subject to the usual lobbying to adjust price Not surprisingly, some of those lobbyists succeed in getting aid for their clients in the Medicare dr legislation. But they didn't challenge the bas premise that the government pays what it choose

Perhaps drugs are a different case. Perhaps t pharmaceutical firms that are so skilled at creati miracle drugs can create a political miracle and pr serve the pricing power as well.

But anticipated cost pressures—which the dr bill will make worse—make it unlikely that they be able to prevail over time. In short, they've made deal with Medicare that looks very similar to th made earlier by other medical providers in t past—a boost in business and profit in the short r that's subsequently replaced by tight price control If Medicare's history is a guide, the blank check f America's pharmaceutical industry will soon canceled.

Conservative legislators of the past argued re ularly against federal aid programs on the groun that repugnant government controls would inevit bly follow. While that argument was abandoned du ing the congressional debate about a Medicare dr benefit, it was true then, and it is true now.

Jonathan Oberlander teaches at University of North Carolina-Chapel Hill Medical School. Jim Jaffe was a House Ways and Means Committee staff member working on health ca issues when the first Medicare drug bill was enacted in 1988.

meaning that some resident can move back. One third of the jobs, it says, will be available to those with only a high school diploma.

So far, there is little organized opposition to the proposal in the predominately black Middle East neighborhood. But there is widespread doubt that the biotechnology center's benefits will ever trickle down to those whose lives will be uprooted to make it possible.

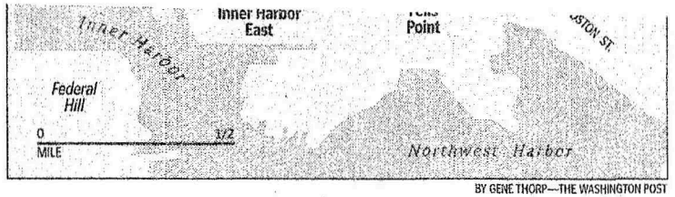
Those, for example, like Isaac and Rochelle Jones. The couple bought 924 North Wolfe Street 20 years ago when working-class blacks bragged about living in Middle East. In the 12-foot-wide house, they laid white tile in the kitchen and installed central air conditioning, new windows and a baby-blue front door. Today, they have seven years left on a 15-year mortgage.

"I was content to stay in a house that was paid off," said Rochelle Jones, 41, a former state employee crippled by lupus. She is also concerned about her sons. Antwan, 25, works at Wal-Mart; Maurice, 19, works part-time at a Johns Hopkins hospital. Both would like better jobs, but neither attended college.

"If you don't have a college education, you might as well be sweeping the floors," said Isaac Jones, 60, a former factory worker. "You tell me what kind of jobs they can get in biotech?"

There is little question that Middle East needs help. The blocks of red and white brick rowhouses slated for demolition have been plagued by some of the worst violence, unemployment and poverty in the nation. One in four of the houses are vacant. For two decades, the city tried just about everything to clean it up—house-by-house renovations, generous tax credits, stepped-up police patrols.

Nothing worked.



BY GENE THORP—THE WASHINGTON POST

John T. Shannon Jr., president of East Baltimore Development, said biotechnology is the neighborhood's best hope. The development will be less than two blocks from Johns Hopkins University, a hotbed for the kind of medical research that becomes the basis for biotechnology companies.

In 2001, the university attracted $1.2 billion in research money, the second-biggest sum in the country behind the University of California system, according to the Association of University Technology Managers. Nearby researchers at the University of Maryland, Baltimore last year attracted $324 million. If there is space in East Baltimore to commercialize the fruits of all that research, the logic goes, biotechnology companies will sprout up. Those, in turn, will support dozens of new businesses.

"The ability to have world-class expertise across the street is very attractive to companies," said Craig R. Smith, chief executive of Guilford Pharmaceuticals Inc., a Baltimore biotechnology firm. Industry experts also point out that like the successful biotechnology cluster around Interstate 270 in Montgomery County, East Baltimore will benefit from proximity to the National Institutes of Health and the Food and Drug Administration.

For now, the city expects a smattering of companies to build in the center—research divisions of large biotechnology and pharmaceutical companies who want a presence near Johns Hopkins; small firms, likely created by faculty at the university; and law firms and venture capital companies that support the biotech industry.

The city will offer businesses incentives: 10-year credits against property taxes for new construction; one- to three-year tax credits for wages paid to new employees; low interest loans; and workforce development grants.

Still, with just a few months left to go before the city sends hundreds of eviction notices, not a single company has committed to building on the site.

Shannon concedes that persuading biotechnology executives to put their offices in Baltimore's toughest neighborhood is a tall order. "When people think of these opportunities, they don't think of East Baltimore first," he said. "They may not even think of East Baltimore second or at all."

Even with Johns Hopkins next door, experts say, East Baltimore will face an uphill battle because of the simple economics of the industry. The cost of commercializing a biotechnology product is exceedingly high, while the odds of its success are exceedingly low. On average, it takes at least $500 million and 10 years for a biotechnology drug to obtain FDA approval, the goal of every company and the point at which tiny firms can become true economic engines. Most companies run out of money trying.

Even where the industry does thrive, it rarely proves to the economic salvation that local economic development officials envision.


Rochelle Jones looks down her block in East Baltimore. "I was content to stay in a house that was paid off," she says. City officials say that in 10 years the biotech park should create 8,000 jobs and 2,000 new and renovated houses.

Forty-one states have some program aimed at developing the industry. Yet only 44 biotechnology companies, most clustered in Boston and San Diego, employ more than 1,000 workers, according to a 2002 Brookings Institution report. The entire U.S. biotechnology industry, with about 1,500 companies, employs just 191,000 people, roughly the same number on the payroll at Kmart. The highly-touted Maryland biotechnology industry, with about 300 companies, employs just 17,000 people.

"This is a mania," said Joseph Cortright, an economist who has written extensively on the development of biotech centers. "Ten years ago, everyone wanted to be the next Silicon Valley. Three years ago, they wanted to be the center of e-commerce. Now that both of those have fizzled, everyone in the economic development fraternity thinks they need to be in biotechnology."

If biotech succeeds in East Baltimore, it will be yet another transformation for a string of neighborhoods that rose up more than a century ago to house the city's swelling population of immigrant workers. Then, Baltimore's economy thrived on canneries, breweries and the port.

By the 1970s, national brand names had overtaken the local food and beverage manufacturers, the port had became largely automated and thousands of good-paying jobs had left the city. Then, over the past two decades, East Baltimore's schools lagged, its housing began to fall apart and drugs and gang warfare overtook neighborhoods.

Today, East Baltimore struggles with neglect on a staggering scale. Entire blocks are boarded up. The residents who remain in the houses slated for demolition have, with rare exception, have few options. Many are single mothers on welfare, unemployed men scrapping by on odd jobs and families surviving on social security checks.

"Those people who can, have left," said Linda L. Robertson, vice president of community affairs at Johns Hopkins.

On East Eager St. one recent Friday, four men played pinochle on a plastic card table as teenagers sipped beers on a nearby stoop. Theresa Woodrup, 42, waited for her two grandchildren to return

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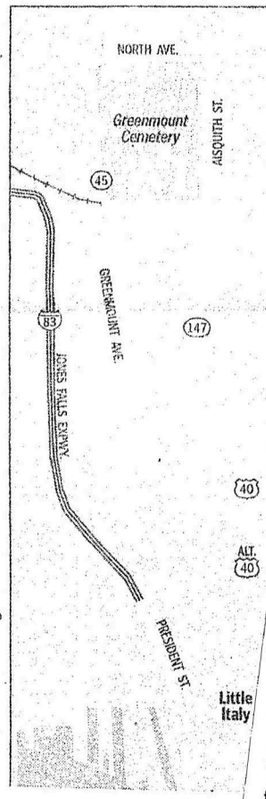

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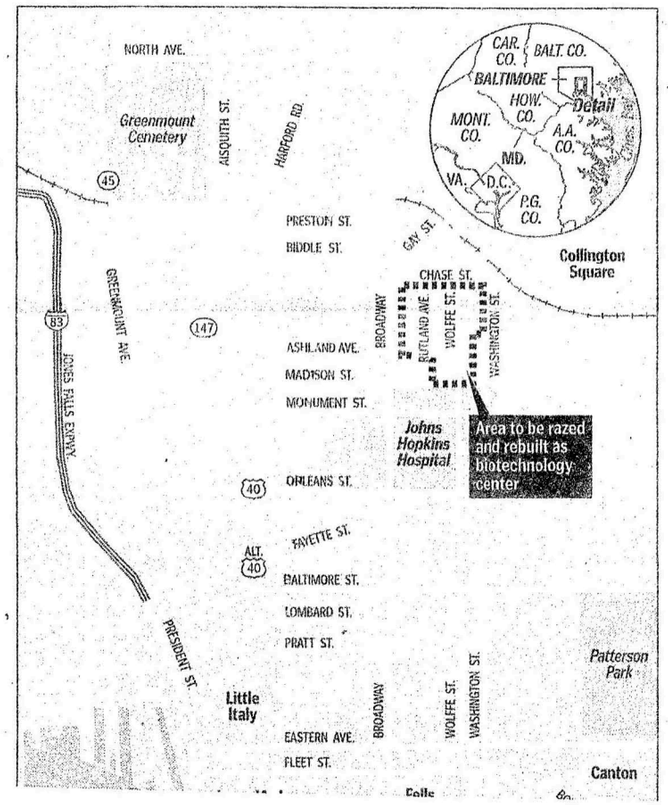



Isaac and Rochelle Jones have seven years left on a 15-year mortgage for the house they bought 20 years ago, a time when working-class blacks bragged about living in Middle East. They will have to move because of the city's plan.



from school. "I'm tired of telling the same old people not to sit on my steps," she said. Here, the state subsidizes her $300 a month rent. But Woodrup is ready to move.



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'OS BY MICHAEL WILLIAMSON—THE WASHINGTON POST

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By CARYLE M
Washington Po

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WAR IN IRAQ

Prisoners' Parents Quiet No Longer

By CARYLE MURPHY
Washington Post Staff Writer

Sitting in their tiny Annandale apartment decorated with glass chandeliers, mirrors and Oriental rugs, Munira and Hamid Morad watched Saddam Hussein's statue come tumbling down with unbounded joy. "Great day, that day!" Munira said. "My mouth came dry with how much I prayed for America, for Bush."

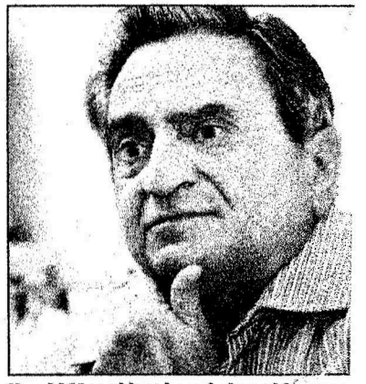
But the demise of Hussein's terror dictatorship also meant that the Iraqi couple face a reckoning with their most fervent hope. It is a hope they have lovingly tended like a delicate orchid for almost 20 years, a hope known to all parents whose children were snatched from them and never seen again.

The Morads are hoping that their three sons who disappeared into Hussein's prisons in the early 1980s are still alive. For a week and a half, they have been waiting for a telephone call, an e-mail, anything to indicate that, for all these years, they have not hoped in vain.

"When they said they found nobody in the jails," Hamid said, "we were disappointed."

While Hussein was in power, the Morads feared that he would take retribution on their sons if they raised a fuss about their disappearance. So the couple kept a low profile, quietly seeking information through U.S. officials and international human rights organizations.

See MISSING, *B5, Col. 2*



Hamid Morad last heard about his sons, whom he calls hostages, nine years ago when a released prisoner said he saw t

Baltimore Makes a Bold Bid To Transform Neighborhood

By Michael Barbaro
Washington Post Staff Writer

BALTIMORE—In the hollowed-out neighborhood known as Middle East, three blocks from the Johns Hopkins University Medical School, La-Z-Boy chairs compete with broken-down Ford pickup trucks for space in vacant lots. Rowhouses sit empty, their windows cemented. And whether it's 11 a.m. or 11 p.m., a clerk at High-Hat Cut-Rate Liquors sells cigarettes from behind a five-foot-high wall of bullet-proof plastic.

Here, on streets where cardboard signs announce that "drug trafficking or loitering is not permitted in this block anytime," Baltimore is trying to attract a different kind of drug business: biotechnology. Invoking eminent domain, the city will soon evict 250 families and over the next year demolish 300 houses to make way for a 2 million-square-foot office park, wiping out an entire neighborhood in a project redolent of 1960s-era slum clearance.

It is a drastic proposal. But when it comes to Middle East, city officials say they have run out of easy options. The only way to save the careworn stretch of 17 blocks, they contend, is to tear it down. Then, they say, the international prestige of Johns Hopkins research laboratories and the immutable laws of the free market will kick in and do for the neighborhood what four decades of urban revitalization efforts never could: turn it around.

City leaders say the $1 billion biotechnology park will transform the east side of Baltimore into a shiny new corporate Mecca for drug developers, medical device makers and gene decoders. In 10 years, they say, the park should create 8,000 jobs and 2,000 new and renovated houses. Then scientists will move into spiffy new housing, spend their paychecks in the neighborhood and throng to new restaurants, banks and retail shops.

Many U.S. cities have tried to remake their most troubled neighborhoods with huge reconstruction projects. And dozens of communities

See BALTIMORE, *A8, Col. 1*