

conservatism. It was (modestly) revolutionary last year when Gréault decided to institute seasonal menus. But regulars—lobbyists, lawyers and other congressional congregants—didn't have to worry. Along with such new arrivals as blackened tuna and a few pasta dishes, survive the old standbys: vichyssoise, lobster bisque, steak and fries, medallions of pork and eggs Benedict.

Because Washingtonians tend to work through dinner, lunch is when to join the local crowd. You have to be fast, though. The efficient and attentive service is designed to meet the Washington rule of the 45-minute lunch. Like the restaurant, the wine list is conventional and not exorbitantly priced. If, however, you wish to emulate the denizens, iced tea or sparkling water are your drink of choice. ●

DESPITE LEGAL ISSUES, VIRTUAL DICE ARE ROLLING

● Mr. LUGAR. Mr. President, I ask that the following article be printed in the RECORD.

[From USA Today, Nov. 17, 1995]

DESPITE LEGAL ISSUES, VIRTUAL DICE ARE ROLLING

(By Linda Kanamine)

Forget Las Vegas. Skip Atlantic City.

In an instant, on-line card games, slots, roulette, keno, craps and sports betting could be available to everyone with a computer and a phone.

Everyone is ready—the games, the virtual casinos, even a new way to pay.

Billions of dollars are riding on just one more thing, the government's OK.

But so far, law officials are saying "No dice." The technology may be fine, but there's no protection for bettors.

"People are literally being asked to send money to somebody 4,000 miles away, who is not regulated and not controlled," says Minnesota Deputy Attorney General Tom Pursell. "Just give him your credit card number and trust him to tell you when you've won. Now, what's wrong with this picture?"

Even as law enforcement balks at virtual casinos, the vast, unregulated Internet computer network has about 200 gambling-related sites.

While most are how-to-play tutorials or ads for future games, a handful are defiantly taking wagers.

"The vice watchers are really taking a look at this," says Jeff Frentzen, who follows Internet trends for PC Week magazine. "The Internet is insecure. It's become a major hot-button issue and there will be many attempts to put controls on it."

But how to control it?

Upstart operators already are in business in the Caribbean and Liechtenstein as they capitalize on the appeal of gaming.

Players, propelled by a new electronic cash system that replaces credit cards, already can click their computer mice on a handful of on-line sites and place their bets.

Most of those still look like a kid's video game. Blackjack? Your cards come up under the dealers' hand, you choose "hit" or "stay," the computer adds up your cards for you. Roulette? The wheel turns on screen as you click your "red" or "black," "even" or "odd" numbers.

Some are clearly adults-only. Sex World, for instance, features topless female dealers.

Still, it's hardly the \$10 billion bonanza that gambling aficionados predicted would explode across the Internet six months ago. Gambling enthusiasts remain worried about ripoffs.

The first court challenge comes in December when Minnesota Attorney General Hu-

bert "Skip" Humphrey Jr. tries to stop Las Vegas-based Granite Gate Resorts Inc. from offering on-line gambling.

Humphrey says simply advertising a future service is consumer fraud because federal and state laws bar betting over communications wires or with credit cards.

"We're trying to raise the issue before the cat's out of the bag with this," says Pursell, his deputy. "This sets a precedent on dealing with the Internet in general."

Policing computer users could ultimately affect cyberspace, from chat rooms and shopping to pornography and, of course, gambling. But blocking computer gambling may be tougher than hitting a royal flush.

A recent study found nearly 37 million people in the USA and Canada now have access to the Internet.

And polls have found at least 65% of adults have gambled, from lotteries and office pools to illegal sports bets. Wagering on legal games (casinos, lotteries and racetracks) has skyrocketed from \$17 billion in 1976 to \$480 billion last year and more than \$500 billion this year.

Last month, St. Louis' Mark Twain Bank opened the first electronic-cash accounts. The bank turns account dollars into e-cash credits, which the customer spends on-line. The customer sends an encrypted code to the bank, which approves the payment.

"I absolutely believe there will be billion-dollar companies 10 years from now doing interactive gambling," says Colleen Anderson, president of IWN Inc. in Carlsbad, Calif., which develops interactive gambling programs.

"The potential is phenomenal. But we've got big hurdles to get over, like the regulations to say it's legal," she adds.

Meanwhile, entrepreneurs have headed offshore to take advantage of lax regulations abroad and the distance from U.S. law enforcement officials.

Many, like 34-year-old Toronto businessman Warren Eugene, are betting that U.S. agents will be too busy to bother with at-home gamblers.

His Internet Casinos is run from the Caribbean islands of Turks and Caicos. Click onto the site's home page and an eye-patched pirate runs a hand through coins and jewels overflowing a treasure chest at this "Caribbean Casino."

Registered players with passwords choose from 18 games, including Asian favorites, and casino themes ranging from the cowboys-in-leather West World to the topless Sex World.

In five months, he claims 25,000 have registered to play; 2,800 from Canada, Europe and especially Asia bet regularly. Casino jackpots have paid up to \$1,400 and a football bet "well over \$100,000."

With 22% of the gross going to the company—far higher than Las Vegas casinos, which hold about 8%—and no sizeable overhead costs, Eugene predicts "huge, huge, huge profits, almost obscene profits."

He says he doesn't accept U.S. gamblers unless they have an offshore bank account and even warns Americans on the home page to stay away.

There's no such warning on one of the newest gambling sites, a weekly Lotto run by the government of tiny Liechtenstein. Launched Oct. 7, it promises a minimum weekly jackpot of \$1 million.

Justice Department officials concede gambling isn't a top priority. "The Internet, we have no set policy," says spokesman John Russell. "It's a very exciting time to be in law enforcement looking at these issues. The scope is so obviously huge."

Yet most law enforcement agents insist that gambling is so stigmatized by links with organized crime, scandals and fraud that it must be regulated.

Critics say virtual casinos will increase debt and social angst. "People will get involved over their heads," says Ed Looney of the Council on Compulsive Gambling in New Jersey.

"On-line hits a bunch of people who are the shut-ins, who will now have access to a casino," he says.

And many will be underage wagers behind the anonymity of a modem and their parents' credit cards.

So where is all this going?

"There isn't a lot of activity yet. I think there's a wait-and-see attitude while the martyrs go out and . . . make the mistakes," says PC Week's Frentzen. "The Internet is a free system. It was never intended to be used for commercial purposes. The biggest hurdle will be consumer confidence, is this safe?" ●

WALTER J. BROWN: A TRUE FRIEND

● Mr. HOLLINGS. Mr. President, it is with great sadness that I rise today to pay tribute to one of my dearest friends, Walter J. Brown of Spartanburg, who passed away this morning at the age of 92. My personal sense of loss is compounded as the city of Spartanburg and the entire State of South Carolina also will miss Walter's warmth, service, generosity, and integrity.

Mr. President, Walter Brown was a pioneer in television and the communications industry in South Carolina. As founder in 1940 of the Spartan Radiocasting Co., now Spartan Communications, Inc., Walter built WSPA into a broadcasting powerhouse. His WSPA-AM was South Carolina's first radio station. Similarly, WSPA-FM was the State's first FM station and the first to broadcast in stereo in the Southeast.

But Walter Brown's crowning achievement is how he built WSPA-TV into a CBS stronghold in the Piedmont area. First on the air in 1956, WSPA-TV is known throughout South Carolina and the South as a premier broadcaster that reports the news, but also works to better the community.

Mr. President, Walter Brown was born in Bowman, GA. He was educated at Georgia Tech and the University of Georgia's Henry W. Grady School of Journalism. After managing his own news bureau in Washington, DC, he moved to Spartanburg to continue his career in journalism.

During World War II, Mr. Brown returned to Washington to serve as a special assistant to James F. Byrnes—before and during the times when he was Secretary of State. Later, after he had returned to Spartanburg, he wrote a book that remembered all that Senator Byrnes had done for the Nation.

Mr. President, in the years since I was Lieutenant Governor in the 1950s, Walter Brown was my close friend and adviser. I will miss the wise counsel that Walter provided—not only politically but on the full range of communications issues. He was fair, insightful, and visionary. Our loss is the Nation's loss.

Mr. President, as we mourn the loss of Walter Brown, let's remember how

he made South Carolina a better place. Our prayers are with his family during this difficult time. ●

STAMPING OUT THE LITTLE GUYS

Mr. SIMON. Mr. President, Victor Navasky, publisher of the *Nation* and many years ago an aide to Senator Ed Muskie, recently had an item in the *Washington Post* that we ought to be paying attention to; and I hope the Postal Rate Commission will look at carefully.

What the Postal Service should be doing is encouraging the free flow of ideas.

We talk about the melting pot strength of America sometimes as if it were a breeding process. The Italians marry the Germans and the Germans marry the Chinese and so forth. In fact the melting pot strength of America is the cross-fertilization of ideas. And anything that weakens that flow of ideas weakens America.

Journals like the *Nation* and their counterparts on the conservative side render a huge public service.

It is of interest to me to note that as you look at the rise in the rate of delivering packages containing everything from diapers to cashews, the increase in the rate of growth of sending these through the Postal Service has not been as great as the increase in sending ideas through the mail.

Frankly, Federal Express and United Postal Service and all their counterparts can deliver diapers and cashews just as well as the postal service. But the Postal Service provides the ideas that are important to the Nation.

One other item that I frankly was not aware of until I read Victor Navasky's column op-ed piece was that "periodicals heavy in editorial content * * * will for the first time be charged postage by the mile."

If that is accurate, and I am asking my staff to check that out right now, that is a great disservice. People in Alaska or Hawaii or the remotest U.S. territory should have the opportunity for ideas as much as people that live in Chicago or New York City or Washington, DC.

I ask that the Victor Navasky op-ed piece be printed in the *RECORD* and I urge my colleagues to read it.

The material follows:

STAMPING OUT THE LITTLE GUYS—DON'T LET POSTAL RATE REFORM CRUSH US SMALL OPINION MAGAZINES

(By Victor Navasky)

The Founding Fathers saw the circulation of opinion and intelligence as a condition of self-governance, and a postal service as the circulatory system of democracy. That is why, among other reasons, Benjamin Franklin agreed to serve as postmaster general. That is why Thomas Jefferson sought to persuade President Washington to appoint Thomas Paine as postmaster general. That is why Washington himself believed that all newspapers—which in those days were frequently partisan, radical and rabble-rousing—should be delivered free of charge.

And that is why (not to put myself in such illustrious company) I agreed to add my two

pence to the 17,000 pages of testimony accumulated by the Postal Rate Commission, which is considering a proposal that would undermine the postal principle deemed by the Founding Fathers to be essential to the enlightenment of the Republic. Namely, preferential treatment for carriers of information and opinion.

While we have heard too much about how Time Warner's rap records have contributed to the degradation of public discourse, we have heard too little about how lawyer-lobbyists for Time Warner and Dow Jones are pushing a proposed postal "reform." Its main consequence would be to reward advertising-crammed mass magazines and newspapers and penalize small periodicals. It would especially hurt those with the highest percentage of editorial content, such as the journal of opinion whose financially precarious business it is to carry on the policy debate that democracy requires. To German philosopher Juergen Habermas, such journals are house organs to the public sphere and their role is nothing less than "to set the standard for reasoned argumentation."

One would have thought that the Magazine Publishers of America, which in theory represents all magazines large and small, would sound the alarm. But no, that job has been left to the American Business Press, which represents mostly smaller publications. Whether or not it is because a minority of its members, including Time Warner, pay a majority of its dues, MPA, along with the Postal Service, has been aggressively promoting a reclassification scheme whose consequence will be a de facto transfer of expense from magazines with a circulation in the millions, like *People*, to magazines with comparatively small circulations, among them the *Nation*.

On the surface, the reclassification proposal makes free-market sense. The plan would divide what is now second-class mail into two sub-classes and reward those periodicals that save the Postal Service sorting time and shipping costs by giving them a lower rate. The catch, however, is that for the most part, only the nation's largest magazines will qualify for the lower rate. Periodicals that do not have 24 or more subscribers in 90 percent of the relevant ZIP codes need not apply. Magazines too small to print regional editions and hire private trucks to deliver them to regional post offices will suffer. So will periodicals heavy in editorial content (which will for the first time be charged postage by the mile, reversing nearly two centuries of postal policy favoring editorial content over advertising). And so too will those without the technology to do what is quaintly known as "pre-sortation" (sorting in advance by ZIP code, which the Nation does but some of our smaller siblings can't).

Time Warner and other biggies will save millions on their postal rates; journals of opinion and most magazines with circulations under 100,000 will pay at least 17 percent more. No wonder, then, that the Postal Rate Commission's own Office of the Consumer Advocate denounced the plan because it would offer "deeper discounts only to the largest and most technologically sophisticated mailers."

So the Postal Service would turn the historic mission of second-class mail on its head. Until now, the independent Postal Rate Commission has barred the door against those who would drive the public-interest factor out of the rate-making process. It would be a tragedy if, at a time of unprecedented media concentration, one of the few remaining institutions dedicated to the propagation, circulation and testing of new policy ideas—the journal of opinion—were the casualty of lobbying by the very forces mak-

ing it more important than ever that the independent voice be heard—whether the Nation, the New Republic or the new Weekly Standard.

The Postal Service is chartered as a public service and, as economist Robert Nathan testified on behalf of the American Business Press, it cannot and should not adopt, "in the guise of abstract economics, the profit-maximizing strategies of private enterprise."

In September, Loren Smith, "chief marketing officer" of the Postal Service, sent a form letter extolling the reform proposals on cost-saving grounds, conceding that some magazines would get hit with higher costs but suggesting that even these might achieve savings through "co-mailing."

Thus, when I appeared before the Postal Rate Commission in October to make the case I have outlined above, I was not surprised to be asked why the *Nation* couldn't qualify for the lower rate category either by co-mailing with other weeklies (time and logistics would make that impractical) or by cutting isolated subscribers from our rolls (business and social policy considerations would make that invidious).

What I didn't expect was to be cross-examined (on colonial history, yet) by counsel from both Time Warner and Dow Jones. They made much of the fact that in the 1790s Congress had singled out newspapers but not magazines for preferred treatment. That is a neat debater's point, but as historian Donald Stewart has documented, by far the greatest number of newspapers in those days were weeklies, the line between newspapers and magazines was murky at best (both were called journals), and the highly partisan colonial press was the equivalent of today's journal of opinion.

When asked, *inter alia*, the source for my assertion that Jefferson had nominated Paine for postmaster general, I happily cited a Jan. 31, 1974, editorial commentary by Arthur Schlesinger Jr. from the *Wall Street Journal's* editorial page. This perhaps is what prompted counsel to ask, in the three-and-a-half-hour colloquy's most esoteric query: Could I name any job from which citizen Paine had not been fired? I thought the question a non sequitur, but it did occur to me that these too are times that try men's souls.

CLARIFICATION OF VA AUTHORITY

● Mr. ROCKEFELLER. Mr. President, earlier this week, I heard the Senator from Texas [Mrs. HUTCHISON], both on the floor and elsewhere, express her view that VA has existing authority to pay veterans' benefits during this time of the shutdown of the Federal Government. In some of those statements, she indicated that she had received legal opinions, including from the Congressional Research Service, which supported this position.

Because I was vitally interested in this issue, I asked Veterans' Affairs Committee staff to acquire copies of these opinions and advise me of their content. Initial inquiries found that CRS had not issued any opinion on this issue. However, today, an opinion, authored by Morton Rosenberg, Specialist in American Public Law in the American Law Division of CRS, was issued. In the most relevant passage, the opinion states—

Veterans' benefits are entitlements, but since they are entitlements that require annual appropriations, the absence of spending