

UUNet Technologies Inc., a subsidiary of MCI WorldCom Inc., will provide the Internet access.

After three years—and a total payment of \$180 per employee—the hardware will be the worker's property, though Ford officials said it isn't clear yet if employees will have to continue to pay for Internet access.

Elsewhere in the world, the monthly fee will be adjusted for household incomes and living standards.

The \$5 fee is largely symbolic. It harkens back to 1914, when Henry Ford, the company's founder, introduced the then-revolutionary industrial wage of \$5 a day. Chairman Bill Ford, Henry's grandson, said the \$5-a-month computer offer is equally revolutionary.

The base computer will have a 500-megahertz Intel Celeron chip, 64 megabytes of RAM, a 4.3 gigabyte hard disk, CD-ROM drive, 15-inch monitor, speakers and a modem. The printer will be a color inkjet.

Hardware will start going out to Ford employees in April. All Ford employees who want to participate in the program should receive the necessary equipment within 12 months, according to the company and UAW officials.

Hewlett-Packard sold 7.6 million personal computers worldwide last year, 4 million in the United States. If 300,000 Ford employees take advantage of the program, as Hewlett-Packard projects, the deal would represent nearly 4 percent of the company's worldwide computer sales. Weis said yesterday that it was one of the biggest single computer sales contracts for the company.

Over the past year, Ford has moved aggressively to establish itself as the e-business leader, at least in the automotive industry. Under Nasser's prompting, the company has entered into deals with Oracle Corp. to use the Internet to speed up transactions and cut costs in dealing with suppliers. The company has also struck deals with Microsoft Corp., CarPoint and Yahoo Inc. to help customers shop for cars and trucks and other Ford-provided automotive services.

Ford announced another agreement Wednesday, this one with UPS Logistics Group, to drastically reduce the delivery times of components to Ford factories and products to consumers.

Organized labor is getting into the low-price computer business with the creation last fall of Workingfamily.com, which has already signed up more than a dozen unions representing approximately half the 13 million members of the AFL-CIO. But the lowest price the unions have come up with so far is \$8 a week.

[From the Detroit News, Feb. 4, 2000]

FREE PCS GIVE FORD WEB EDGE—COMPUTERS, INTERNET ACCESS PUT WORKERS IN HIGH-TECH AGE

(By Mark Truby)

DETROIT.—In announcing plans to offer personal computers and Internet access to all Ford Motor Co. employees for \$5 a month, Chairman William Clay Ford Jr. evoked his great-grandfather's decision to pay employees \$5 a day.

For sheer impact, it may not match Henry Ford's seminal 1914 wage decision that gave assembly line workers the wherewithal to buy the product they built.

But the world's No. 2 automaker is making a bold statement—unprecedented in the industrial world—about its commitment to electronic connectivity.

With a dizzying series of alliances with high-technology companies in recent weeks,

Ford already has committed to using the World Wide Web to revamp trade with suppliers, connect drivers to the Internet and communicate with dealers and buyers.

Now, in offering entry to cyberspace cheaply to 350,000 employees worldwide, Ford is seeking to change its corporate culture—and at cyberspeed.

"Jac Nasser (Ford's chief executive) is working very hard to drive an e-culture into the economy," said David Cole, the University of Michigan's top auto expert.

"When Nasser talks about Ford becoming an e-company, he is not talking about inanimate objects. He is talking about people of Ford."

#### IDEA BORN IN '99

The idea first emerged during negotiations last year between Ford and the United Auto Workers, UAW President Stephen Yokich said. An arrangement in which Ford and UAW would share the cost was originally floated.

Nasser instead decided Ford would foot the bill alone and the company would offer the computers and Internet service to the company's 100,000 hourly workers in the United States, 100,000 salaried employees worldwide and 150,000 hourly employees outside the United States.

Workers at Visteon Automotive Systems, the auto-parts unit that Ford wants to spin off later this year, will be eligible, as will employees at Ford's Volvo and Jaguar units.

Ford hasn't decided whether to extend the offer to employees of Mazda Motor Corp., which is controlled by Ford.

#### COMPANY IS COMMITTED

"It is clear that individuals and companies that want to be successful in the 21st century will need to be leaders in using the Internet and related technologies," Ford said at a press conference. "That is what this program is all about."

Nasser said the company is committed to serving consumers better by understanding how they think and act. "Having a computer and Internet access in the home will accelerate the development of these skills," he said.

General Motors Corp. and DaimlerChrysler AG have not announced any plans to match Ford's program and would not say Thursday whether they are considering it.

"We are always willing to look at anything that would benefit our workforce, but any discussions of this nature are internal," said Trevor Hale, a DaimlerChrysler spokesman.

Ford plans to start the program in the United States in April and complete it in 12 months.

#### FORD'S DECISION RECALLED

Employees who sign up will receive a Hewlett-Packard computer with a 500-megahertz processor, 64 megabytes of RAM and a 4.3 gigabyte hard disk. A 15-inch monitor and color ink jet printer computer will be included.

Employees can upgrade to three more powerful computers at their expense.

"It does remind me of Henry Ford's decision to pay his employees enough so they could afford his products," said Malcolm Maclachlan, an e-commerce research analyst for International Data Corp. in Mountain View, Calif.

"It sort of goes against the grain of corporate America in the last 20 years. It's an enlightened idea."

The alliance is a boon for slumping Hewlett-Packard, which expects to ship 300,000 computers and printers for the Ford program.

PeoplePC Inc. of San Francisco is coordinating the program and UUNET of Fairfax, Va., will provide the Internet and e-mail service.

#### \$175-MILLION PRICE TAG

Employees will access the Internet through a special portal that will offer direct links to many Ford services and information and will be customized for different regions of the world.

Ford assured employees it would not be monitoring their e-mails and Internet surfing. The network could eventually be used for company announcements such as temporary plant closings.

Ford would not discuss costs, but the program could cost upwards of a \$175 million or more.

"It's a very bold move," said Cole, head of U-M's Office for the Study of Automotive Transportation. "It's really very clearly out-of-the-box thinking. They are really going beyond what you would expect from a company that really watches their pennies."

While the primary goal is to create a computer-savvy, Internet-oriented workforce, Ford expects to enjoy the ancillary benefit of goodwill with its employees.

"It's like a reward to employees," Cole said. "It's a nice surprise."

#### UAW MEMBERS HAIL MOVE

At a news conference announcing the program Thursday, UAW members asked detailed questions about the computers' capabilities and features, and said some of their fellow employees were considering delaying retirement until they get their computers.

"It's very much in the conversation of folks around here," said Tim Devine, a lawyer who works in Ford's Office of General Counsel.

"My wife and I were fairly skeptical about the Internet at first and we have sort of surprised ourselves by how useful we find it," Devine said.

"I think the same thing will happen and the company ends up with families whose lives are enriched."

#### REPORT FROM THE CENTER ON HUNGER AND POVERTY

● Mr. KENNEDY. Mr. President, recently, Tufts University's Center on Hunger and Poverty released a far-reaching report, "Paradox of Our Times: Hunger in a Strong Economy." The report emphasizes that numerous studies on hunger in America have concluded that low-income working families do not have access to adequate food, despite the nation's economic prosperity. The report's conclusion is supported by research from the General Accounting Office, the U.S. Department of Agriculture, the U.S. Conference of Mayors, numerous state agencies, academic researchers, and policy analysts, including the Urban Institute and the Center on Budget and Policy Priorities. The Tufts study will be of interest to all of us in Congress who care about this issue, and I ask that the attached Parts I and II of the report be printed in the RECORD.

The material follows:

[From the Center on Hunger and Poverty, Tufts University, Medford, Massachusetts] PARADOX OF OUR TIMES: HUNGER IN A STRONG ECONOMY

(By Sandra H. Venner, Ashley F. Sullivan, and Dorie Seavey)

"It was, the best of times, it was the worst of times . . ." Charles Dickens.

#### I. INTRODUCTION

America today is haunted by the paradox of hunger and food insecurity amidst unprecedented prosperity. Despite a record economic expansion that is now in its ninth year, accompanied by an historic mix of low inflation and low unemployment, millions of American households are struggling to find sufficient resources to feed their family members.

Signs of our economy's unparalleled prosperity are everywhere: the national unemployment rate, currently at 4.1 percent, is the lowest in thirty years; after-tax average income is expected to be 20% higher in 1999 than in 1977 after adjusting for inflation; the stock market toys repeatedly with new highs; consumer spending is at an all-time high; the federal budget surplus is positive for the first time since the sixties; and even the poverty rate has edged downward with fewer children living in poverty today than at any time since 1980.<sup>1</sup> Among the industrialized economies of the world, the United States has emerged from a period of heavy corporate restructuring and deregulation, and stands vibrant and flexible, leading the world in technological innovation.

According to our national leaders, significant social goals have also been accomplished during this period. Over the last half decade, a profound transformation of our social welfare system has occurred as key elements of the New Deal framework have been replaced by time-limited public assistance and an arrangement in which states have great flexibility over the design and implementation of their welfare programs. Congressional intent to reduce the number of poor families receiving government benefits has been achieved in a remarkably short period of time. The percentages of Americans currently on welfare (2.7%) or receiving food stamps (6.6%) are at historic lows: for welfare cash assistance, the participation rate is the lowest in more than three decades while the food stamp participation rate is the lowest since 1978 ("Green Book", 1998).

The hallmark of these economic and policy accomplishments, however, is paradox. Beneath the surface of almost unparalleled economic vitality and the touted "success" of the 1996 welfare reform law lie deep contradictions and mismatches in the nation's social and economic fabric. The most troubling aspect of our times is that the country's economic prosperity has not been broadly or deeply shared. And perhaps the most glaring manifestation of this fact is the level of food insecurity and hunger in our society. Hunger persists in every region of the country and in every state—in urban, rural, and suburban areas, in households with children, among the elderly and other adults who live on their own, among minority and immigrant communities. Indeed, in some pockets of our society, food insecurity and hunger are at levels that pose significant public health problems, seriously compromising individual and family health and well-being while generating a myriad of societal costs.

This report constitutes a new and somewhat disturbing look into America in 2000.

Focusing on families with children, it has three main purposes. The first is to present the most current evidence on the problem of food insecurity and hunger in America, synthesizing information from three key sources: national studies, state and local studies, and finally, reports concerning the use of the non-governmental emergency food system. The second purpose is to identify the key forces driving food insecurity and hunger within what is now the longest economic expansion since the Vietnam War. In particular, we examine two sets of factors: problematic aspects of the two major programs designed to assist poor families—Temporary Assistance to Needy Families and the Food Stamp Program—and at a more systemic level, economic forces that are creating growth but also are increasing inequality, insecurity, and wage stagnation at the lower end of the labor market.

The final purpose of this report is to provide a framework for a comprehensive approach to the problem of hunger and food insecurity in America. A three-pronged approach is suggested: (1) attending to the immediate need to improve access to the Food Stamp Program for people who do not have secure and safe sources of sufficient food, (2) recasting the Food Stamp Program to orient it more to the needs of low-income working families, and (3) addressing the deepest roots of hunger in America through a fundamentally new paradigm for domestic social policy that responds to—rather than lags behind—the country's new social and economic realities. Among the key components of such a framework must be a revamped social insurance system (including improved unemployment insurance and portable benefits), more comprehensive income support programs that help families supplement their earnings and stabilize their economic circumstances, and opportunities for individuals and families to build their assets and economic security over the various stages of life.

#### II. HUNGER AND FOOD SECURITY IN THE UNITED STATES: WHAT DOES THE EVIDENCE TELL US?

Information about the extent and severity of hunger and food insecurity<sup>2</sup> in the U.S. comes from several sources. To provide information about circumstances at the national level, in 1995 the U.S. government began to annually collect data on the prevalence of food insecurity and hunger among households. State and local studies of household food security, typically conducted by non-governmental organizations, also contribute important information. Finally, evidence of food insecurity comes from studies that document changes in emergency food demand in various parts of the country. These varied sources of information capture different aspects of food insecurity and hunger in America today, and taken together constitute a composite of the problem.

##### NATIONAL DATA ON FOOD INSECURITY AND HUNGER

Prior to the mid-1990s, estimates of the number of households or individuals who were hungry or at risk of hunger relied upon extrapolations of the poverty rate. With the development and implementation of the USDA Food Security Measure,<sup>3</sup> the ability to consistently and reliably measure the prevalence of hunger improved dramatically. The U.S. government now collects information on the food security of households in all states, and reports on an annual basis the food security status of population groups over time.

The United States Department of Agriculture (USDA) has released four years of

household food security data, which together cover the period from 1995 to 1998.<sup>4</sup> The most recent data released (1998 figures) show that an estimated 10.5 million households experienced some degree of food insecurity, or 10.2% of all households in the United States. Of the more than 30 million people who lived in these households, nearly 40% (or 12.4 million) were children. Over 9 million households (3.6%) experienced hunger, the most severe state of food insecurity (USDA, 1999).

In 1998, households with children—the focus of this report—experienced food insecurity at more than double the rate for households without children (15.2% versus 7.2%). Households with the youngest children (under six) experienced an even higher level of food insecurity (16.3%). Of the different types of households with children, those headed by single females showed the highest food insecurity and hunger levels, with nearly one in three reporting food insecurity and one in ten experiencing hunger (USDA, 1999).

Food insecurity prevalence for households with children under 18 remained virtually unchanged across the four-year period ending in 1998 at about 15% (see table below), although the data indicate a small decline in the prevalence of hunger. Given the unprecedented strength of economic indicators during this period, a decline in the national food insecurity prevalence could reasonably have been expected. Instead, the data indicate that food insecurity remains a serious, persistent problem in the U.S. with a significant proportion of families and individuals struggling to meet their basic food needs.

#### FOOD SECURITY PREVALENCE ESTIMATES FOR CHILDREN AND HOUSEHOLDS WITH CHILDREN 1995 AND 1998

	1995		1998	
	000s	%	000s	%
Households with children under 6 .....	18,003	100.0	17,176	100.0
Food insecure .....	3,047	16.9	2,796	16.3
Without hunger .....	2,149	11.9	2,132	12.4
With hunger .....	898	5.0	664	3.9
Households with children under 18 .....	37,520	100.0	38,178	100.0
Food insecure .....	5,791	15.4	5,812	15.2
Without hunger .....	3,940	10.5	4,216	11.0
With hunger .....	1,851	4.9	1,596	4.2
Children in households .....	70,279	100.0	71,463	100.0
Food insecure .....	12,231	17.4	12,373	17.3
Without hunger .....	8,131	11.6	9,114	12.8
With hunger .....	4,100	5.8	3,259	4.6

Source: U.S. Department of Agriculture (1999). Advance Report on Household Food Security in the United States, 1995–1998. Nord, M. (September 28, 1999). ERRATA Table 2D in Household Food Security in the United States 1995–1998 (Advance Report).

In addition to the USDA, the Urban Institute also documents food insecurity and other measures of economic well-being as part of a multi-year national monitoring project. This effort includes the fielding of a nationally representative survey called the National Survey of America's Families (NSAF). Based on a sample of 44,461 households in 13 states, the 1997 NSAF found that half of all families at 200% of the poverty line or below worried about food shortages or had difficulty affording food (Urban Institute, 1999).<sup>5</sup> In their examination of low-income households, the USDA reported that nearly 40% of all households whose incomes were below half of the poverty line experienced food insecurity in 1998 (USDA, 1999).

##### STATE AND LOCAL FOOD INSECURITY PREVALENCE

Studies that measure state and local food insecurity prevalence differ in scope and methodology. Some studies of household food insecurity provide evidence of the statewide prevalence, while others detail the characteristics of household food insecurity on a local level.<sup>6</sup> Studies of economic well-being often incorporate a measure of food insecurity as well. Depending upon the scope of

<sup>1</sup>Footnotes at end of article.

the study, samples range from random, representative samples to convenience samples of at-risk populations. Although studies use questions from the USDA Food Security Core Module, each sampling approach provides specific information about households that experience food insecurity and hunger.

Food insecurity and hunger prevalence appears to vary considerably at the state level. USDA data shows that the percentage of households experiencing food insecurity ranged from 4.6% of households in North Dakota to 15.1% of households in New Mexico (calculated as a three-year average over the period of 1996–1998) (Nord et al., 1999). The Urban Institute survey found that the percentage of low-income families who worried about food or had difficulty purchasing food among the 13 states surveyed ranged from 47% in Wisconsin to 61% in Texas (Urban Institute, 1999).

These survey results have been augmented by a number of recent studies conducted by citizen groups, academic institutions, and state government agencies:

A survey of at-risk households in Green Bay, Wisconsin conducted at 21 meal sites in April and May 1998 found that 66% of respondents reported food insecurity with varying degrees of hunger. Of these, well over half (58.1%) suffered moderate to severe hunger (Kok, 1998).

A California study of 823 families with incomes below the poverty line seeking emergency services in April and May 1998 found that 27% of households experienced food insecurity with severe hunger, and 33% were food insecure with moderate hunger present—an overall hunger prevalence of 60% (California Food Policy Advocates, Persons . . . , 1998).

Using the USDA's Core Food Security Module, the Rhode Island Department of Health conducted a pilot food security assessment of households residing in poverty census tracts. Of the 410 households surveyed, 24.4% were determined to be food insecure. Among food insecure households, 15.6% were food insecure without hunger and 8.8% of households experienced hunger (RIDOH, 1999).

#### *Food Insecurity Among Former Welfare Recipients*

In addition to the sources cited above, documentation on the food security status of former welfare recipients is being collected by states in their examination of the effects of policy changes on former recipients. While many studies of the economic well-being of this population are currently underway, some results are available. These studies, though different in their methodologies, document persistent food insecurity among former welfare recipients.

According to Urban Institute's national study more than one-third (38%) of former recipients reported that they ran out of food and did not have money for more (Loprest, 1999). A number of state surveys of former welfare recipients report similar outcomes:

In a Wisconsin welfare "leaver" study, 375 former recipients were asked if there was ever a time after leaving welfare when they could not buy food; 32% of those families responded "yes." Of those unable to purchase food, 49% reported going either to a church, food pantry, food kitchen, or shelter at some point; 46% went to friends and relatives, and 5% reported going hungry (WDWD, 1999).

In 1997, 17% of 384 South Carolina survey respondents reported that there were times, after leaving the welfare program, when they had no way to buy food (SCDSS, 1999).

A post-time limit welfare tracking study in Connecticut found that 22% of 421 re-

spondents indicated that they "sometimes" or "often" did not have enough to eat. Of these respondents, 96% reported that the food they bought did not last and they did not have money to buy more sometime during the three months after the benefit termination (Hunter-Manns et al., 1998).

In Michigan, 27% of families who had their cash assistance benefits terminated due to sanctions reported not having sufficient food (Colville et al., 1997).

#### *REPORTS FROM EMERGENCY FOOD ASSISTANCE PROVIDERS*

Emergency food providers, like soup kitchens and food pantries, help supplement the food obtained through federal food assistance programs, and also provide food to those who are either ineligible for or do not participate in government assistance programs. In addition to receiving commodities through the Temporary Emergency Food Assistance Program (TEFAP), emergency food providers obtain food supplies from food banks and food rescue organizations, known collectively as food recovery organizations (Youn, 1999).

When families experience food shortages, some turn to emergency food programs, yet, many households remain food insecure. In fact, the very act of seeking emergency food assistance implies that families are unable to meet their food needs after pooling resources from their own households, federal food programs, or friends and family. Utilization of emergency food assistance programs is therefore an indicator of food insecurity.

#### *Emergency Food Demand High Nationwide*

Recent national studies document persistent, and even increased, demand for emergency food assistance. Second Harvest reported that its emergency food programs across the country served over 21 million people (an unduplicated count) in 1997. Of the clients interviewed, 78.5% had insufficient income for food and relied upon agency or government food programs. Over one-quarter (27.5%) of Second Harvest clients reported that adults in their household missed meals during the previous month because they did not have enough food or money to buy food. Of those households with children, 9.1% reported that children missed meals in the prior month for similar reasons (Second Harvest, 1998). In addition, Catholic Charities reported that during 1998, the demand for emergency food assistance rose an average of 38% among reporting agencies (GAO, July 1999).

The recently-released U.S. Conference of Mayors survey of 26 major cities reveals that 85% of respondent cities reported a rise in emergency food assistance demand between November 1998 and October 1999, with requests increasing by an average of 18% over the previous year. For those cities reporting increases, the rising demand for emergency food ranged from 1% in Chicago to 45% in Los Angeles. Nearly 60% of those requesting food assistance were children and their parents. In addition, over two-thirds (67%) of adults requesting food assistance were employed. In all of the cities surveyed, people relied upon emergency food assistance facilities not only in emergencies but also as a steady source of food over long periods of time. Officials in virtually every city surveyed anticipate increased requests for emergency food assistance in 1999, especially among families with children (U.S. Conference of Mayors, 1999).

#### *State and Local Emergency Food Programs Seeing More Families*

Reports from states and metropolitan areas present a similar, if not a more strik-

ing, picture of emergency food demand in various regions throughout the United States. Of those studies reviewed, recent increases in the number of clients ranged from 14% to 36%.

Maryland emergency providers reported that from September 1997 to September 1998, soup kitchens experienced a 25% increase in the number of children served, a 24% increase in the number of women served, and a 19% increase in the number of families served. Food pantries reported an 8% increase in children, a 21% increase in women, and a 24% increase in the number of families served (Center for Poverty Solutions, 1998).

A Massachusetts study of 98 emergency providers found that between 1996 and 1997, 63% experienced a rise in the total number of emergency food requests, with clients served increasing an average of 22.4%. Over half (52.4%) of the clients requesting emergency food assistance were families with children, and nearly half of the programs reported an increasing number of families with children requesting services. (Project Bread and the Center on Hunger and Poverty, Tufts University, 1998).

A recent survey of 330 New York City providers revealed that emergency food requests at each site increased an average of 36% from January 1998 to January 1999. Providers reported a 72% increase in the number of families with children seeking emergency food assistance (New York City Coalition Against Hunger, 1999).

Of the greater Philadelphia community food providers surveyed between April 1998 and April 1999, 67% reported a greater demand for food assistance during this time period. Overall, providers reported an 18% increase in the number of individuals seeking food assistance compared to the previous year, with 45% of their clients from families (Philabundance, 1999).

Connecticut also reported higher demand for food assistance. Of the 128 food sites that reported an increased demand for assistance between October 1997 and October 1998, the number of persons served grew by an average of 24% (Connecticut Association for Human Services, 1999).

At emergency food programs in Utah, researchers found a 24% increase in the number of individuals served from 1997 to 1998, and an astonishing 107% increase over the prior two-year period (Utah Food Bank, 1999).

An Oregon survey of over 680 regional food providers reported that the number of people who received emergency food boxes increased 14% from 1997 to 1998, to a high of 458,208 individuals, or 1 in 8 people in Oregon and Clark County, Washington (Oregon Food Bank, 1999).

#### *Emergency Food Providers Struggling to Meet Demand*

Emergency food providers are struggling to meet the increased food needs of their clients. Although the provider network continues to grow, reports indicate that it is unable to meet the demand for assistance, and providers must sometimes either turn clients away or provide them with less in order to stretch resources over a growing client population. For example, the U.S. Conference of Mayors report that in 1998, on average, 21% of requests for emergency food assistance went unmet (U.S. Conference of Mayors, 1999).

Studies also indicate a shift in the composition of people using emergency food programs. Soup kitchens, which have traditionally served homeless adults, report an increase in the number of families with children. Pantries report increased requests for

evening hours in order to serve needy working parents. And food bank directors report increased regular use of their programs by clientele who used to stop in occasionally for a bag of food.

Taken together, this evidence raises red flags concerning the depth of food insecurity experienced by many families. Typically, seeking out emergency food assistance is an end-stage coping strategy. As such, emergency food program activity constitutes a unique barometer for gauging the paradox of hunger in a strong economy, and is evidence of the numbers of households and individuals for whom neither employment in the strong economy nor federal safety nets are providing the support necessary to ensure their food security.

#### SUMMING UP THE EVIDENCE

Based on data from national, state and local studies as well as reports from emergency food providers, the evidence on hunger and food insecurity in the United States can be summarized as follows.

The national data show remarkably persistent levels of aggregate household food insecurity over the last four years that appear unresponsive to favorable national economic trends. Approximately one in ten households in the US report food insecurity; over 30 million adults and children live in these households.

Household food security at the state level varies widely around the national average, ranging from less than 5% to over 15%.

Local studies using the same food security survey instrument used by the USDA have found hunger prevalence rates among various at-risk groups that are 5 to 10 times the overall national rate.

Recent reports from emergency food assistance providers across the country indicate greater dependence of food insecure families on the emergency food system, increased regular reliance on this system to meet household food needs, a significant number of unfulfilled requests, and greater numbers of families with children among their clientele.

#### FOOTNOTES

<sup>1</sup>Shapiro and Greenstein (1999): U.S. Census Bureau, Statistical Abstract of the United States 1999.

<sup>2</sup>Food insecurity occurs whenever the availability of nutritionally adequate and safe food, or the ability to acquire acceptable foods in socially acceptable ways, is limited or uncertain. Hunger is defined as the uneasy or painful sensation caused by a recurrent or involuntary lack of food and is a potential, although not necessary, consequence of food insecurity. Over time, hunger may result in malnutrition.

<sup>3</sup>The USDA Food Security Core Module consists of an 18-item instrument constructed as a scale measure. The items ask about a household's experiences of increasingly severe circumstances of food insufficiency and behaviors undertaken in response to them during the 12-month period preceding the survey (Hamilton et al, 1997).

<sup>4</sup>The Advance Report (Nord, 1999) builds on an earlier historic report released in 1997 that presented the first-ever national prevalence estimates of food security using 1995 data collected by the U.S. Census Bureau.

<sup>5</sup>To assess household food security, the NSAF includes three questions from the USDA's Food Security Core Module.

<sup>6</sup>The studies reviewed for this report were published or released after January 1998 and represent only a portion of available data. For a more comprehensive collection of state and local food security studies, see the compilation of studies released in February 1999 by the Food Security Institute at the Center on Hunger and Poverty.●

#### KAZAKHSTAN

● Mr. DEWINE. Mr. President, last November, Akezhan Kazhegeldin, who

served as Prime Minister of Kazakhstan from 1994 to 1997, was the featured speaker at the City Club of Cleveland. His remarks summarize the many challenges and struggles in Kazakhstan and how the United States can be a partner for progress and democracy in Central Asia.

I have a copy of Mr. Kazhegeldin's remarks, as well as a copy of the story on his visit that appeared in the Cleveland Plain Dealer, and I ask that both appear in the RECORD following the conclusion of my remarks.

The material follows:

#### REMARKS OF THE HONORABLE AKEZHAN KAZHEGELDIN

Ladies and Gentlemen!

First of all, I would like to thank those who arranged this radio forum and asked me to appear before you. This is not only an honor for me, but also a great responsibility. At this rostrum I have been preceded by many respected politicians, among them presidents of the United States. Now the chance to be heard here, in Ohio—the very heart of the United States, has been given not only to me, Akezhan Kazhegeldin, economist and politician, but through me to all of Kazakhstan.

My country lies in the very center of Asia between Russia and China, between Siberia and the great deserts. Poets say that Kazakhstan is the very heart of Asia. For me, therefore, this appearance before the citizens of Ohio represents a conversation between two hearts, a true heart-to-heart talk.

American society needs first-hand knowledge about what is happening in the countries which were formerly parts of the Soviet Union. American corporations, working in Kazakhstan, may have knowledge and understanding of geological resources, but no more than that. I am sure that the oil companies which worked in Iran under Shah Pahlevi had the most detailed and accurate geographical maps. But these maps could not have predicted that the Shah would be replaced by the Khomeini regime.

In many of the former Soviet republics one can clearly see the possibility or the actual threat of new anti-democratic regimes arising. They are not necessarily linked to religious extremism. And even less to Islam. The Serbian leader Milosevich is not an Islamic extremist. He is a Christian extremist, a nationalist. But that does not make him any less dangerous.

#### ABOUT KAZAKHSTAN

My country has been in existence as an independent state for only eight years. I am not surprised that not everyone can find it on a map. And yet in recent times American newspapers have been writing about Kazakhstan more frequently. So it is harder nowadays to miss Kazakhstan. Some may say that Kazakhstan is simply a splinter of the former Soviet empire. If so, it is a very large splinter. The largest if one does not count Russia. The territory of Kazakhstan covers 2.7 million square kilometers. This huge territory is inhabited by fifteen million people. This is a bit more than the population of the greater New York metropolitan area. I suspect that it will be a long time before we enter the international discussion of world overpopulation. Imagine the reaction of Japanese businessmen during a four-hour flight from Almaty, our southern capital, to Atray, the center of the oil production region in the western part of the country, when they are told by the stewardess that on

their way they will pass over all of three towns. On the other hand, Kazakhstan businessmen are equally stunned when they find out the size of the assets of Japanese and American banks. The total annual state budget of Kazakhstan is somewhere in the area of six billion dollars. That sum passes through a New York bank during one week. And I am not specifically speaking of the Bank of New York.

#### THE RESOURCES OF DEMOCRACY

When I speak of money, I have no intention of asking for a donation of a certain number of millions to Kazakhstan. This in spite of the catastrophic lack of funds for everything and anything, from formula for the newborn to pensions for the aged. The envoys of the current president regularly come to Washington to ask for credits and donations. But we, the opposition, expect a different kind of aid from America. You probably know the ancient saying that one can give a hungry man a fish or one can teach him how to fish. This holds true not only for Kazakhstan but for all other newly independent states. People in those countries do indeed need the means to exist, but what they need even more is the ability to earn these means within the framework of a unified world market.

God has not been ungenerous to Kazakhstan when He distributed natural resources. Oil is far from being our only treasure. Kazakhstan possesses deposits of almost all metals, including gold, aluminum, copper, titanium, uranium, zinc and others. All of these resources were being used in one form or another under the Soviet regime. Kazakhstan was then one of the key regions impacting on the growth of the military and industrial might of the Soviet Union.

When I entered the government in 1993 after having held the position of President of the Entrepreneurs' Union, I considered it my main task to attract foreign investment capital. I traveled the world meeting with businessmen and touting our mineral resources, our highly qualified labor force and engineers, and the possibility of unlimited new markets.

During the four years that I held the position of prime-minister we were able to attract to our country hundreds of Western, primarily American, companies. Their investments totaled 9 billion dollars. We not only managed to avoid defaulting on the multi-billion debt incurred by the previous regime, but we created gold and hard currency reserves of a size remarkable for a country such as Kazakhstan.

But I have to confess that during my tenure I failed to achieve the most important goal—that of creating a sufficient reserve of democracy in our society. Parallel with the development of a liberalized economy an authoritarian and anti-democratic regime was emerging in Kazakhstan—the regime of President Nazarbaev.

And, unfortunately, I myself helped solidify it. As a young politician and, more accurately, a technocrat, I believed that everything would develop on its own as it should. Together with my reform-minded colleagues I thought that once a market economy was established, democracy would follow; once Western investments started coming, society would automatically become transparent; once a middle class had emerged and defined its interests, a multi-party system would appear.

We were wrong. Even while still in the position of prime-minister I began to notice that foreign investors would frequently find themselves in conflict with local administrations and would always lose in the end.