

## EXTENSIONS OF REMARKS

## LONG-TERM CARE INITIATIVE

## HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DREIER of California. Mr. Speaker, as the House begins consideration of misguided legislation to saddle elderly Americans with a prohibitive tax increase to pay for catastrophic health care benefits, I want to bring to the attention of my colleagues some private sector alternatives that were offered during an April 30 Republican Study Committee hearing on catastrophic and long-term health care protection. Today, my colleagues PHIL CRANE and FRENCH SLAUGHTER have presented some of the comments made by expert witnesses at the hearing. I want to submit for the RECORD some questions, and subsequent answers, that arose as a result of those recommendations.

Mr. DREIER of California. Thank you very much, Dr. Drew. We appreciate the testimony and I apologize. Chairman Volcker was testifying downstairs before the Banking Subcommittee on which I serve and that is why I had to leave.

I see that we have been joined by two of my colleagues, a new member of Congress, Cass Ballenger of North Carolina and my friend, Dan Lungren from California.

We are under time constraints but I would like to ask my colleagues if they would like to take a moment and ask any questions of the panelists. Dan.

We recognize on the Study Committee by seniority and, of course, the chairmanship of the Republican Study Committee certainly should entitle you to ask questions first.

Mr. LUNGREN. Doctor Drew, you have presented a very intriguing proposal here. How would you see this proposal phasing itself in with the existing private sector approaches that are already available, the various insurance—even with their shortcomings, the ones that are presently in existence, do they somehow complement your approach or do they wither and die as far as this particular program?

Dr. DREW. No. As a matter of fact, one of the things that we worked on very extensively in this approach was to try and integrate all the financial institutions who would be selling these instruments. Our only concern was if you try to sell a private sector, you have a private sector solution, how do you accommodate this lower end of the market. So, to the extent that these insurance companies, banks, whomever would sell these instruments, these IRA's or IMA's or whatever you want to call them, health care savings accounts, the critical component of this would be to set up—it would have to be a joined organization, kind of a holding company.

I have an extensive outline of this proposal and how this would work in detail with me today. I would be happy to share it with you, but in view of the time, I did not do it. It would not supplant the private sector al-

ternatives, but it does rely heavily on the utilization of an IMA or health care savings account instrument.

It seems to be, if I may take this opportunity, to be the most viable form of carrying through the private sector initiative.

Mr. LUNGREN. The concern I have is that I have got people in my district who feel strongly the way you do, as to the private sector, and the encroachment of the federal government. They are either of the baby boom generation or they're parents of the baby boom generation and they are now being confronted with the tremendous prospects of health costs. They don't know a way out and they're basically saying, Congress of the United States, throw me a lifeline and save me. I don't care what it is, just make sure I'm taken care of.

Dr. DREW. This would be an approach, sir—an initial approach to begin to phase this thing in and give people an option.

Mr. LUNGREN. You predicated part of this on the statistics that are presently available, I think you said 5 percent of those would be utilizing the nursing homes.

Dr. DREW. Yes, although I would like to again qualify that, typical academic back pedaling. Five percent of the elderly population, at anyone point in time, are in nursing homes, only 5 percent. However, that is age graded. As you move up the age scale, those people who are 65 plus, those people who are 85 plus, the probability or the percentage increases to 23 percent, so while you may feel confident that my chance of being in a nursing home is one in 20 at age 65, when you become 85, your chances drop down to 1 in 4—1 in 5.

Mr. LUNGREN. And as the older element of those over 65 become the larger proportion of those over 65, a larger percent age of the total elderly would be—

Dr. DREW. In nursing homes.

Mr. LUNGREN. In nursing homes.

Dr. DREW. And if I might also state, that is directly related to the cost of this care. Why? Because those people who become older require higher levels of care and we will have more of them.

Mr. LUNGREN. I visited a nursing home in my district and I think in the 15 years, when it was first in existence, the average age was somewhere between 69 and 70 and when I visited it recently, I believe, the average age was 81.

Dr. DREW. Yes, and it will continue to go up.

Mr. LUNGREN. In a 15 year period of time they have had the average age go up 11 years. And, you're right, in terms of the necessity for care increasing as well.

Dr. DREW. The dilemma, of course, was how to reconcile these private sector alternatives with this criticism that I think that we're all going to confront, you know, some how that we are pernicious, we're evil, we don't have any concern for the elderly, for those who cannot afford these alternatives, and I think there are mechanisms in the private sector to do that, if we construct these holding accounts—these holding companies with this notion of an aggregate account. It's just an alternative. It's an illustration, if you will. There's another one that is very very brief. I can say it in 10 seconds.

Mr. LUNGREN. If you can say it in 10 seconds, all right.

Dr. DREW. I can say it in 10 seconds. Is the clock running? We could take the similar notion of a long term care IRA and not use it to build up a total amount of accumulated reserves, but we could link up with the insurance industry and say, look, let's build up a cumulative amount, give people a tax credit for a fixed number of years and then let them build up money into an IRA or health care savings account and use that money, that pool fund to purchase an annuity from the insurance industry, and pay for the premiums, the policy. There's another option, but again each of these require a holding company or some mechanism that would take care of those who cannot afford to pay for this care.

Mr. DREIER of California. Thank you very much, Doctor Drew.

Now, I would like to call on my colleague, French Slaughter for a question.

Mr. SLAUGHTER. I am very much interested in your proposal, but I gather from it though that those who would be making the investments in to individual medical accounts say, would, in effect, indirectly be paying the cost to provide a net coverage to the people who did not use that mechanism?

Dr. DREW. Yes, sir, you're correct. It's going to have to be some fund set aside for that and the question is, what is the best way to do that. Should we do that through taxes, which is certainly one way to do it or should we do it through this investment instrument.

Mr. SLAUGHTER. Well, I think it's a very interesting proposal. I would like to mention though, as far as the proposals that have been made for health care savings accounts and individual medical accounts and so on, one virtue it has for the people at the lower end of the economic scale is that it will keep Medicare solvent and will be able to pay the benefits provided by law. If we don't do something, that's not going to be possible either, so there is a very valuable benefit to people at the lower end of the scale in this approach that we have put into legislative form.

Dr. DREW. Again, if I may, Congressman, my research has indicated that of all the trade offs in the cost and benefits of all these alternatives, that that one, with all deference to the one you gentlemen have come up with, I think is clearly the closest to addressing the major issues to the private sector. Thank you.

Mr. DREIER of California. Thank you very much.

Mr. LUNGREN. Mr. Chairman, I was just struck by the fact that we are confronted with problems in most states. I know in California, with some people who are not insurable under normal circumstances for purposes of driving a car and we could have set up a system where the state actually provides the insurance, but we do in California, as many other states, is we require the insurance companies to, in effect, take a certain percentage of those people, so we, in essence, the good drivers, do pay for the poorer drivers and maybe that's kind of a

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Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

model we ought to, at least take a serious look at as we approach that problem.

Mr. DREIER of California. That certainly happens in a wide range of areas and the Banking Committee, we're looking at strong institutions lifting up the weaker ones, it's happened all the way across the board. Go ahead French.

Mr. SLAUGHTER. I have just one more question.

Ms. Van Gelder, with insurance companies, do you know whether any of the insurance companies are looking seriously at the possibility of people being able to convert their life insurance and use the value of their paid up life insurance for medical care?

Ms. VAN GELDER. I think some of the companies have shown great interest and the Office of Personnel Management in their announcement of such an option, it's a competitive industry and in a trade association, it's often difficult because you're the last to know. They don't want to tell the people, where you're in a position like I'm in, so their competitors don't know. I know there is a lot of interest though.

Mr. SLAUGHTER. Thank you.

Mr. DREIER of California. Now, I would like to call on Mr. Ballenger who has a question.

Mr. BALLENGER. Ms. Schofield, I was reading on your Page 3 about the plan that you all have, it says: "Our plan is fully portable. Premiums are level and determined at the age of purchase." And then Dr. Drew raised the question in his statement, and when you say "premiums are level and determined at age of purchase," do they increase as time passes?

Ms. SCHOFIELD. No. If you buy it at age 30, for example, and it's \$17.00, it's like whole life insurance, it stays \$17.00 for the rest of your life. Whatever your original purchase price is, that's the level—it's level and it stays that way for the rest of your life.

Mr. BALLENGER. Does the health of the individual who takes out the insurance have an effect as to whether you sell it to him or not?

Ms. SCHOFIELD. We will do underwriting. Certainly we won't sell a policy to somebody who is already in a nursing home, just as we don't sell flood insurance or fire insurance—

Mr. BALLENGER. In other words, do they take a physical of some sort?

Ms. SCHOFIELD. No. We have a questionnaire. We just ask a one page questionnaire and do underwriting based on that.

Mr. DREIER of California. Thank you very much, Mr. Chairman and thank you all for your excellent testimony. We are, as I am sure those of you who have seen the schedule can see, we're running quite a bit behind but we have some extraordinarily patient health care providers who have endured all of our questions and listened to all of the testimony, so now I would like to call on them.

First, Mr. Harley Tabak who is the Administrator of the Annaburg Manor Nursing Home of Manassas, Virginia, a constituent of Mr. Slaughter's. Dr. Bedford Berrey who is a member of the Cobra Task Force on long term care policies, Midlothian, Virginia. Dr. George Ross Fisher, practicing physician, Chairman, Council of Medical Economics of the Pennsylvania Medical Society, from Philadelphia, Pennsylvania.

We thank you all very much. I have asked the others to try and consolidate their testimony, if possible, to 5 to 7 minutes. They are not under the same constraint that you

all are because we may be thrown out of this room and so the exigencies here are greater than they have been. So we would appreciate it very much, gentlemen, if you could possibly keep your testimony as cogent as possible and then we will proceed with questions.

Mr. Slaughter, do you want to introduce your constituent here?

Mr. SLAUGHTER. I certainly do. Mr. Tabak is the Administrator of Annaburg Manor Nursing Home in Manassas. He is also connected with a home for the aged there and has served on a number of study committees within the industry on long term care, so he is well qualified to speak to us this morning.

## WELFARE REFORM

### HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DANNEMEYER. Mr. Speaker, I comment the following article by Gary Bauer to my colleagues:

I do not think, nor does the working group I headed believe, that there is any doubt that poverty and weak family life is related. But there is a common misconception about which is the cause and which is the effect. Some have asserted that poverty leads to family breakup. That was not the statistical experience of this country during the Great Depression, however, and it certainly does not explain why our worst period of family dissolution coincided with a period of tremendous prosperity. I believe, and our working group believes, that welfare contributes to the failure to form the family in the first place by enabling the creation of family fragments and households headed by mothers dependent on public charity. And that process, the easy availability of welfare in all of its forms, has become a powerful force for the destruction of family life through the perpetuation of the welfare culture. One can only imagine what more could happen to low-income intact families if the centrifugal force of public assistance were applied to them in the same manner that it has been applied to other groups in our society.

No one disputes the fact that changes in family composition have had a crucial effect on poverty rates during the last ten years. If the rate of family fragmentation had not increased, there would have been 4.2 million households below the poverty level in 1980 instead of the 6.2 million that were actually in poverty then. For Black families, the poverty rate adjusted for this factor, would have been 19.9 percent, a full 9 points lower than it actually was. For white families, the adjusted poverty rate would have been 5.2 percent, about 2 points lower than the published estimate, if you adjust for this factor of family breakup.

I believe that it is clear that poor Americans, particularly minorities, have become the principal victims of the new relativism in family values. Back in 1965, Rev. Martin Luther King, Jr. affirmed that the nuclear family, the group consisting of mother, father and child, was the main educational agency of mankind, and in his words, "the foundation for stability, understanding and social peace on which the whole of society rested." Even in 1965, King labeled the prevailing levels of divorce, illegitimacy and female-headed families found in Black com-

munities a social catastrophe. Today the frequency of these social pathologies in the Black community have increased by a factor of three.

Interestingly, the trend toward the failure of families to form accelerated during the period when the nation was committing an increased portion of its national wealth to helping the most disadvantaged. In 1959, 23 percent of poor families were headed by females. By 1982, this figure was 48 percent. This represents an unprecedented destruction of families.

Why has this happened? What took place over the last twenty years that contributed to this? I think that over the last twenty years, in a well-intentioned effort to help poor families, there is evidence that we have encouraged self-defeating patterns of behavior that destroy poor families and undermine the acquisitions of character traits most likely to lead them out of poverty. Research clearly shows that character traits and work habits make a difference in escaping poverty.

A recent study by the National Bureau of Economic Research compared minority youths who were able to find work with those who were unsuccessful. The survey found a significant correlation between such things as church-going, right attitudes and aspirations in enabling youths to escape inner-city poverty. In fact, church-going reduced socially deviant activities such as crime and drug use and increased school attendance and employment. In addition, several analyses of this study came to the following conclusions or findings that I think are the most depressing if you are a public policy analyst looking at this area.

Persons whose families are involved with major public programs for the disadvantaged do worse in the job market. Youth from welfare homes with the same family income and other attributes as those from non-welfare homes do far worse in the job market. Youths living in public housing projects do less well than youths living in private housing, even if you hold all other factors constant.

The relationship of poverty and family is most easily seen when looking at the status of America's children. For children in this country, the key determinant of poverty is whether or not they are in an intact family. Between 1960 and 1985, poverty among children in two-parent families decreased by almost half. Among minorities, intact families have now attained incomes much nearer the national average. But at the same time, the percentage of children living in female-headed families more than doubled. It is this factor, not economic trends, not lack of compassion, not official unfairness, that is at the root of child poverty in America. The formation of households without a breadwinner, usually through illegitimacy, often through desertion: this is brutal fact. Only one-fifth of our children are in single-parent families, but they make up one-half of all children in poverty. Births out of wedlock, as a percentage of all births, increased more than 450 percent in just thirty years. For whites, the rate went from 1.7 percent to 10 percent in just thirty years; for nonwhites from 16.8 percent to 48.5 percent. We know that women who receive Aid to Families with Dependent Children benefits when they are less than 25 years old remain dependent on AFDC for long periods of time. In fact, 70 percent receive AFDC for at least five years; more than one-third get it for at least ten years. Raised in an environment in which fathers do not provide for their

young and dependency on government is assumed, few children will develop the group skills of self-sufficiency or even the concept of personal responsibility. Young men will not strive to be good providers, and young women will not expect it of their men. Family breakdown becomes cyclical; out-of-wedlock birth becomes cyclical; poverty and dependency become cyclical. The culture of poverty grows.

With those as some main thoughts, let me summarize what I think are the main issues that we face in welfare reform, with an eye on its relationship to the family. First, the current welfare system discourages work and self-reliance. It seduces too many Americans to a life to dependency. In too many cases, welfare offers more usable income than many entry-level jobs. Second, in spite of John F. Kennedy's goal in 1962, which was that welfare programs ought to stress the integrity and preservation of the family unit, today's welfare system makes a mockery of that goal. It destroys poor families. In too many cases, welfare benefits increase when parents divorce or never marry. There is little incentive for young women to marry the father of their children, particularly if these young men have poor long-term job prospects. And, finally, public money is wasted. Much of what Americans willingly spend on welfare never reaches the poor, because it is distributed inefficiently or, in many cases, goes to individuals already above the poverty lines.

I think that many in Washington would rather not focus on these basic facts. They would rather insinuate that the only thing that is wrong with the welfare system is that it has been underfunded by a greedy White House. However much such rhetoric may be politically advantageous, I believe that it ill serves the poor on whose behalf it is spoken. The battle is not between the compassionate and the greedy, but between those who believe that basic reform is needed and those who still resist that fact. Any welfare reform must be directed in such a way that we are not inadvertently robbing the poor of the motivations, aspirations, family loyalties, values and character traits that are ultimately the only engine that drives people out of poverty.

#### BLOODSHED IN SRI LANKA

### HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. KENNEDY. Mr. Speaker, I would like to make my colleagues aware of the present Sri Lankan situation. The editors of the Boston Globe express dismay at the lack of attention paid to the suffering and bloodshed of Tamil civilians in that nation.

We are a nation which possesses solid beliefs in representation and equal rights for all citizens of a democracy. Therefore, I believe the United States should become more aware of the brutality of civil war in Sri Lanka. In addition, we should consider this newspaper's suggestion and urge the Sri Lanka Government to halt human rights violations and allow the International Red Cross to enter the nation. The violence in Sri Lanka is unnecessary and a mutually acceptable political situation must be facilitated in order to prevent further bloodshed.

I urge my colleagues to read the following editorial which provides a good synopsis of the Sri Lanka situation.

[From the Boston Globe, June 19, 1987]

#### BLOODSHED IN SRI LANKA

The outside world has paid scant attention to the suffering of defenseless civilians in Sri Lanka. While governments and opinion makers fret over the carnage on the Iran-Iraq battlefields, in Lebanon, or Central America, Tamil plantation workers are bombed and strafed by the Sri Lankan government of President J. R. Jayewardene.

The bloodletting in Sri Lanka comes as a consequence of decades of discrimination against the Tamil minority by the Sinhalese Buddhist majority. Sinhalese governments dispossessed, disenfranchised and deceived the Tamils.

While refusing to permit the predominantly Hindu Tamils to have provincial autonomy, the government imposed Buddhism as a state religion, and Sinhalese as the official language. Ethnic quotas were set at the island's sole university, drastically curtailing educational opportunities for young Tamils.

The Tamils' sense of oppression and futility has engendered an extremist secessionist movement. Terrorist militants comprise but a tiny fraction of the Tamil population—.01 percent, according to the government's statistics—and the extremists have become as much a menace to Tamil moderates as to the Sinhalese majority. Yet Jayewardene has used the terrorist threat as a pretext for his brutal military assault on unarmed Tamil civilians.

If the bombing and the strafing continue, and if Jayewardene persists in trying to expunge the Tamil demand for civil rights and limited political autonomy, Indian Prime Minister Rajiv Gandhi may be forced to intervene to placate the 50 million Tamils who live in India. Regional intervention could then lead to superpower intervention, as both Washington and Moscow appreciate the strategic value of Sri Lanka's deep-water ports.

For both moral and strategic reasons, Washington should use its influence in Sri Lanka to end the bloodshed. A first step would be for Jayewardene to permit the Red Cross to enter the war zone. Then the central government should be encouraged to implement a federal constitution that would preserve the unity of the nation while granting partial autonomy to the Tamils.

#### ARTSCAPE

### HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. MFUME. Mr. Speaker, in 1982, the Baltimore Arts Festival, Inc., held its first celebration of the arts, called Artscape. The purpose of the 3 days event was to bring to Baltimore, the highest quality visual and performing arts. Over the past 6 years, this annual event has provided the citizens of Baltimore with the opportunity to explore and enjoy the finest in invitational and juried art exhibits; classical, modern, and ethnic dance; classical, jazz, gospel, and country music; traditional and avantgarde theatre; film, poetry, arts, and crafts; and children's activities.

Artscape is also significant because it is a project that involves the entire community.

People from all levels of government, the corporate and private sectors, the arts community, and hundreds of dedicated volunteers have formed a partnership to create what has become one of the finest and largest arts festivals on the eastern seaboard.

Since Artscape began 6 years ago, in the Mount Royal corridor, Baltimore has seen the expansion of the Maryland Institute College of Art, the renovation of the Lyric Opera House and the opening of the Meyerhoff Symphony Hall, in that area. It is a most fitting setting for the festival's rich variety of artistic experiences.

And so, to celebrate the sixth anniversary of Artscape, I ask my colleagues to join me in acknowledging and commending the Baltimore Arts Festival, Inc., and Artscape '87 for fostering an appreciation of the arts and for inspiring interest and participation in this essential part of the American culture and our artistic heritage.

#### WARNING—OIL SHORTAGE LOOMS IN THE FUTURE

### HON. RON MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. MARLENEE. Mr. Speaker, a distinguished petroleum engineer by the name of Howard R. Lowe—a former Montana resident—has issued a frightening warning that should be read by every Member of Congress. Mr. Lowe looks at the future and sees trouble, trouble in the name of an international oil shortage that could lead to worldwide catastrophe.

Mr. Lowe, an oil expert who lived in Saudi Arabia in the 1940's as a geologist, has written a brilliant article entitled "Oil Glut" which outlines our energy policy folly of the past, and suggests if that folly is repeated in the future a possible armed confrontation may be a reality in the 1990's.

Here is a sampling of excerpts from Mr. Lowe's masterful article:

The Western industrial powers are on the brink of disaster unless they solve their long term energy problems. Time is running out; perhaps only three or four years are left. An oil shortage of enormous proportions is in the making \* \* \*.

The real blame lies with American politicians and diplomats, past and present, who have mishandled and miscalculated almost every Middle East situation since the end of World War II \* \* \*.

Those who know the Middle East and its people invariably express the opinion that the U.S. diplomat corps is unimaginative, and exhibits only a superficial knowledge of Islam and the native people. Few diplomats can speak Arabic \* \* \*.

During three Presidential administrations, starting in 1984, an uncomprehending Congress, based on the advice of emotionally motivated environmentalists and conservationists, passed one piece of misguided legislation after the other directed at the petroleum industry. Most of the members of Congress did not realize what long term implications these actions might have on America's future \* \* \*.

The U.S. government's misguided, and sometimes irrational, energy policy actually created the 1979 energy shortage \* \* \*.

The coming crisis will result from inadequate oil supplies to meet world demand, evolving from the inability of oil producing states, OPEC and non-OPEC alike, outside the Middle East to maintain their oil reserve bases and productive capacities. In other words the Middle East countries will control oil prices and supplies. The next shortage will not be contrived \* \* \*!

The pattern of America's energy future is set, and only drastic measures can change it. The Oil and Gas Journal predicts an energy crisis of serious consequences by 1991-1992 \* \* \*.

The major world powers will be jockeying for position within the next three to five years in an attempt to obtain preferential treatment from the only source capable of satisfying their petroleum requirements—the Middle East. Ominously, they will be trying to buy the same barrel of oil \* \* \*.

Mr. Lowe concludes his article thus:

America, the home of the free and the brave. America the home of free enterprise, blessed with the world's largest reserves of fossil fuel committed national suicide. Her realm as the greatest power the world has ever seen lasted just over two centuries. She, like Rome and other great nations of history, leaped into oblivion.

Mr. Lowe's warning should be heard loud and clear throughout the Halls of Congress and the White House. It is uncertain at this time which national magazine will publish Mr. Lowe's article, but when the article is made public America will take notice and demand from Congress a comprehensive and positive reversal of energy policy to prepare us for the 1990's.

We need to utilize our energy wealth, and we must protect ourselves from an international oil crunch.

#### A CONGRESSIONAL SALUTE TO MARY JO WALKER

### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Mary Jo Walker, who was honored at an installation ceremony of the women's division of the San Pedro Peninsula Chamber of Commerce dinner on June 19, 1987.

Mary Jo Walker was born on December 31, 1931, in Minneapolis, MN and grew up in Minnetonka Beach, MN. Mary first became interested in nursing as a junior in high school, and worked as a volunteer nurse's aide at Wayzata Hospital. After graduating from Wayzata High School, Mary was accepted to both Kahler School of Nursing and St. Joseph's School of Nursing, but could not attend due to an ongoing illness. She became a flight attendant for 5 years with Northwest Airlines, but due to her strong desire and commitment to helping others, Mary became a volunteer with the Red Cross.

In 1958, Mary was married to an army officer and had one child, James. Their military travels took them to Texas and Washington

State. During this time Mary continued her volunteer work for the Red Cross as a "Grey Lady." Her duties as a "Grey Lady" were to set up EKG's for female cardiology patients, help with records, and set up the patients room for the doctors. In 1962, as a single parent, Mary moved to San Pedro.

As a parishioner of St. Peter's Episcopal Church, Mary is co-chairman of the Reception Committee. She served two terms as a vestry member and taught Sunday school for many years. On occasion she substitute teaches. Other past volunteer work has included the P.T.A. and the Boy Scouts of America.

Presently, Mary's volunteer activities consist of being treasurer for the Seamen's Church Institute of L.A., a member of the board of directors for the YMCA, advisory board of Salvation Army, board of directors of San Pedro Peninsula Chamber, board of directors of the women's division San Pedro Chamber, and 2 years as president of the women's division of the San Pedro Peninsula Chamber of Commerce. Mary worked over 21 years for Motor Hotel and Restaurants, and is currently working for N.A.R. Properties.

Mr. Speaker, Mary Jo Walker has truly made San Pedro a better place to live and work. My wife, Lee, joins me in congratulating Mary on her many accomplishments. We wish her and her son, James, happiness and all the best in the years ahead.

#### FIREWORKS AT THE CONSUMER PRODUCT SAFETY COMMISSION

### HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DANNEMEYER. Mr. Speaker, as the ranking Republican member of the Energy and Commerce Subcommittee on Commerce, Consumer Protection and Competitiveness, which has oversight over the U.S. Consumer Safety Commission [CPSC], I am happy to see that CPSC's efforts in protecting the public from unsafe consumer products is getting some positive publicity.

A recent July 3, 1987, Christian Science Monitor press account points out that the CPSC and other Federal agencies are working successfully in enforcing laws and regulations on illegal fireworks that pose a threat to consumers and, in many instances, to children. CPSC Chairman Scanlon as well as CPSC Commissioners Dawson and Graham are to be commended for their activities in this area.

I commend the Christian Science Monitor news clip to my colleagues at this time.

#### FEDERAL AGENCIES TAKE AIM AT MAKERS AND SELLERS OF ILLEGAL FIREWORKS

(By Barbara Bradley)

WASHINGTON.—This year's Fourth of July is bringing a government fusillade against people who manufacture and sell illegal fireworks.

Law enforcement officials have launched a two-pronged attack to snuff out the use of fireworks like M-80s, cherry bombs, and silver salutes, which make an explosion but cannot be seen. These "bombs" have resulted in scores of deaths and more than 30 blown-up factories in the last eight years.

The Consumer Product Safety Commission (CPSC) is going after companies that sell components of banned fireworks. Their task has become more difficult as companies set up new distribution networks. The Bureau of Alcohol, Tobacco, and Firearms (ATF) is concentrating on those who mix the chemicals to make the fireworks. In a way, the ATF's task is simpler: they often find clandestine factories when the factories explode.

Both agencies have met with considerable success in the courts over the last two years. They are currently working on cases, and one in particular, that could cut off the largest supplier of illegal chemicals, which "will affect a large number of manufacturers and assemblers," says Thomas Lambert at the AFT.

Successful prosecutions and injunctions against the sale of banned fireworks is upping the ante for dealing in illegal fireworks, says Bruce Zoldan, president of B.J. Alan Fireworks Company, one of the largest distributors of legal fireworks. The government means business," he says, noting that many people have received "\$10,000 fines and five years in prison." And it's having an effect in the marketplace, he says. "I don't think a day goes by when someone doesn't call up and ask if we make M-80s" or other illegal products.

Still, fireworks injuries are on the rise, which is why the government is trying to get at the small group of distributors and manufacturers running the show. According to the CPSC, 12,600 people were injured by fireworks last year, up from 8,300 in 1983.

Getting those people has been frustrating for the CPSC, says lawyer John Rogers. "We catch them, we get an injunction, they go out of business, then they appear the next year under a new name," he says. But the overall effect has been to reduce the number of sellers, he adds.

After a series of successful injunctions against distributors, such companies are trying more complex ways to conceal their sales. Instead of selling the fireworks, they are forming two or more companies and selling components. For example, the CPSC alleges that two mail-order companies in Logan, Utah, were together selling banned products like M-80s. Square Lake Enterprises was selling the chemicals and instructions to make banned fireworks, and Keller Sales Company was selling the tubes and fuses. When CPSC investigators requested products from one of the companies, it sent along a catalog for the other company's product.

Thus the US attorney handling the case for the CPSC hopes to show an association between the two and thus a "conspiracy" to sell illegal fireworks. The case will be heard later this month. US attorney Brent Ward says he believes the companies will agree to provisions making it impossible for the two to sell the products. The CPSC has three other such investigations under way.

The ATF is conducting more than a dozen investigations against people who buy the chemicals and then put them together. As opposed to the targets of CPSC suits, which are generally civil suits and involve a fine, the ATF brings criminal charges involving jail sentences. That, in part, is because of the danger involved with manufacturing the fireworks—a danger often unknown to the people hired to do the manufacturing.

"It's only a matter of time before the factories blow up," says John Conkling, executive director of the American Pyrotechnics Association.

Fireworks manufacturers go to remote areas of the country where unemployed workers are looking for money—the South-east is the current favorite, says Dr. Conkling—and hire these inexperienced people to mix chemicals. The chemicals are so unstable that static from clothing can light a spark that explodes an entire building; in fact, professionals mix them without any clothes on.

An explosion last year in San Francisco destroyed an industrial park the size of a city block, killed nine people, injured 16, and caused \$10 million in damages. Since 1979, the AFT has investigated 32 illegal factories that have blown up. One in Tennessee four years ago gave ATF investigators their biggest break yet. They prosecuted the owner and got information to prosecute 20 other manufacturers.

Given the enormous profit margins for banned fireworks—M-80s cost a few pennies to make and sell for a dollar—prosecutors believe that people will continue to find new ways to avert the law.

#### FARMERS DESERVE INTEREST ON LATE PAYMENTS

**HON. BYRON L. DORGAN**

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DORGAN of North Dakota. Mr. Speaker, last week, I introduced H.R. 2908, the Agricultural Prompt Payment Act of 1987, to provide that farmers who have contracts with the Government receive the same consideration that other contractors get when the Government fails to make its payments promptly.

I'm sure most of my colleagues are aware that since May 1 the Commodity Credit Corporation of the Department of Agriculture has been out of money and unable to make payments to farmers. We recently broke the congressional logjam that was blocking the supplemental appropriations in conference and sent the bill to the President for his signature. As of this morning, he still hadn't signed it, and farmers are still waiting for their payments.

Farmers and grain elevators are owed money by the CCC for storage of grain and other commodities. Some cheese-processing plants are near bankruptcy because of the funding delay. There are thousands of farmers who agreed to idle their land in the Conservation Reserve Program, with an agreement to share the cost of planting grass, but the Government hasn't lived up to its part of the deal. Other farmers who participated in the dairy herd buyout program have slaughtered their cows, thereby losing their source of income, but have not received payment from USDA. How can we expect them to feed their families?

I've been getting a dozen calls every day from farmers who want to know when they are going to get paid. They signed contracts with the Government, and made financial commitments based on those contracts, and they had every right to expect those payments to be made on time. Now many have had to take out loans to cover their financial commitments, and of course, they are paying interest on those loans.

If a farmer owes the Government \$25 and is 2 days late in paying, the Government starts charging the farmer interest. It is only fair that the Government now pay farmers interest on these late payments. USDA has the authority to do so, but has indicated that it will not. I think this is wrong.

Let's make no mistake about it. Congress is to blame for this long delay. We failed to appropriate enough money for the Department of Agriculture last year, and we have failed to act quickly on this supplemental appropriations bill. To make matters worse, this is the fifth time in 2 years this has happened.

It is up to Congress to solve the problem, and that's why I've introduced this bill. Starting on October 1, 1987, if USDA is ever late in making payments again, for whatever reason, they will have to pay interest to farmers who have been inconvenienced by the delay.

All contracts authorized under the Agricultural Act of 1949, as amended, which includes all of the commodity programs, and all contracts related to the Conservation Reserve Program, would have to include a precise payment date. USDA could avoid interest by making payment within 10 days of the payment date, but after that interest would accrue from the contractual payment date.

This will apply to situations when payments are late due to administrative failures as well as delays caused by a lack of funds.

This bill will not cost any more money than would normally be the case if USDA made all payments promptly. If all payments were paid promptly, obviously there would be no interest penalties and this bill would cost nothing. When the CCC is late making payments, it does not have to borrow from the Treasury and thus realizes savings on its own interest expense. This bill would simply transfer these interest savings to farmers, so again there is no more expense than would normally be the case had payments been made promptly.

Let me finally point out that most other businesses that sign contracts with the Government already benefit from this protection from late payments. The Prompt Payment Act, passed in 1982, requires agencies to pay interest penalties when payments are late by more than a few days.

Contracts with farmers have not been covered by these provisions because the Department of Agriculture has been clever in drafting the contracts so they do not come under the provisions of the Prompt Payment Act. USDA has also taken the position, contradicted by the General Accounting Office I might add, that the Prompt Payment Act does not apply when the reason for late payment is a lack of funds.

This bill would remove all ambiguity on both counts, and give farmers the same protection that other businesses have when they sign contracts with the Government. I think our farmers deserve that much, after all they have gone through these past 2 months waiting for payments owed to them. If we are going to force farmers to wait beyond the promised payment date, the least we can do is reimburse them for the interest expense they incur as a result of Government's failings.

I ask my colleagues for their support on this important legislation which would instill some

basic fairness in the way Government handles payments to farmers.

#### PROJECT EXCELLENCE

**HON. MERVYN M. DYMALLY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DYMALLY. Mr. Speaker, Mr. Carl Rowan, the noted journalist, has initiated a program called Project Excellence "to inspire black youngsters to learn to speak and write the English language."

I believe that this is a significant contribution Mr. Rowan is making to this whole question of communication with young people, and I bring it to the attention of the Members, and include it to the CONGRESSIONAL RECORD:

#### A CALL TO "PROJECT EXCELLENCE"

(By Carl T. Rowan)

Rarely during my 39 years as a journalist have I been as proud as I am now to report that my black colleagues in the profession have responded magnificently to my recent call to inspire black youngsters to learn to speak and write the English language.

Every black TV anchor person, correspondent, TV or newspaper executive, middle-grade reporter or editor I have been able to contact has said: "Tell me what I must give." And the media superstars have made it clear that they will give not just their money, but their presence at schools to hand out \$4,000 prizes to high schoolers who believe there is a pot of gold at the end of a well-written article, as well as in the end zone of a football field.

We are going to try to convince black teenagers that becoming a marvelous user of the language of William Shakespeare, Bryant Gumbel and Bill Cosby has nothing to do with proving either that you are "black" or that you want to be white. We want youngsters to understand that speaking and writing well only prove that you know where the routes to success, the levers of power, are in this country.

Washington School Superintendent Floretta McKenzie and I have met and agreed on a program called Project Excellence. The monies collected for Project Excellence—and there will be a lot—will go into the tax-exempt D.C. Public School Foundation. None of the money will go for salaries or any other kind of "overhead."

A committee composed of three or four journalists, a school administrator, an English teacher and a renowned teacher of public speaking will select for prizes annually:

(A) A few youngsters who have excelled as writers and speakers.

(B) An equal number of youngsters who have made the greatest progress in learning to write and speak.

(C) High-achieving black high schoolers from suburban counties as well as the District of Columbia.

We will be able to honor children from all school jurisdictions because leaders of a couple of foundations and wealthy individuals have telephoned me to say, "We'd like to give money to this undertaking."

McKenzie says of Project Excellence: "Today too many young people believe that the obstacles to rewarding futures loom too large, and the journey may appear to lead nowhere."

"One of our most important missions is to show our children that the trek is worth the effort. This scholarship campaign can help to sound the call. By giving this support to achieving students we can begin to convey to all children that their adults are behind them with both encouraging words and substantive actions."

Some self-styled experts on "blackness" argue that the resistance of black teen-agers to standard English "is a way of establishing themselves as black."

Now there is the problem that Project Excellence seeks to address. Kids who associate blackness with being inarticulate, being unable to really read and write, being jobless, being hopeless are in desperate need of new definitions of "blackness."

Deprived black children do not need the destructive nonsense of adults, white or black, telling them that incompetence can become a symbol of racial pride. Since no newspaper, black-owned or white-owned, no radio or television station, no magazine or advertising agency will pay anyone to dispense "black English," where is black English "useful, valuable, even beautiful," as a few deluders of black children are saying?

Some argue that we black journalists can't change a thing, because only the families of black kids and their neighbors in their impoverished neighborhoods can get to them.

Well, I don't believe that. Nor does McKenzie. Nor do my colleagues who are so prominent in journalism in the nation's capital. We are going to prove that we can make a difference, and that, once we do, we are going to provoke, or shame, proud black journalists in other cities to rescue millions of black teen-agers from the peer group trap of defeatism.

#### MEAT LABELING LONG OVERDUE

**HON. TOM LEWIS**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LEWIS of Florida. Mr. Speaker, today I introduced legislation requiring country of origin labeling on meat and meat food products, a measure I believe to be long overdue.

Currently, the labeling of meat and meat food products sold in this Nation fails to provide the American consumer and the American meat producer with the consideration they are entitled.

Under present law, the U.S. Department of Agriculture [USDA] does require country of origin labeling of imported meat. Unfortunately, the labeling requirement does not address the issue of imported meat which is processed or blended once in the United States. According to the USDA, imported meat makes up approximately 23 percent of this Nation's entire beef processing supply. Slightly more than 50 percent of the imported beef is used in sausages, hotdogs, chili, stews, soups and frozen dinners. Thus while we require such labeling, the interpretation of the law and its contribution toward informing the consumer are minimal at best.

The American meat producer has invested much of his time and money to produce and promote a quality domestic meat product. American meat producers are proud of their product and believe the lack of proper identifica-

tion is unfair to producers and consumers nationwide.

My bill requires labeling on wholesale and retail meat or meat food products, whether it be imported or domestic. I believe this provision removes concern that such a labeling law imposes an unfair trade barrier given its application on both imported and domestic producers.

In addition, the bill does not require the labeling of meat products at restaurants but rather requires that meats received by eating establishments be labeled as to the country of origin. Such a provision allows the restaurant the choice of advertising as to their meat product's country of origin.

And finally, my bill takes a tough stand against those who knowingly continue to violate the labeling requirement by withdrawing inspection services to those importers who have been found to have committed a third violation of the labeling law. Such a provision sends a firm, fair and decisive message regarding our intent.

Mr. Speaker, myself, farm organizations such as the National Cattlemen's Association and the American Farm Bureau, as well as consumer groups believe labeling laws are long overdue. American consumers continue to unknowingly purchase meat and meat products, assuming they are domestically produced. My bill addresses this problem in an equitable fashion. Clearly the American consumer and the American meat producer deserve no less.

#### THE PERSIAN GULF SHUTTLE—AND ITS IMPLICATIONS FOR US

**HON. LES ASPIN**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ASPIN. Mr. Speaker, a 12-member delegation of Armed Services Committee members has just returned from the Persian Gulf after 5 days spent meeting with Americans and Arab officials in Bahrain, Kuwait, Saudi Arabia, and Iraq. We learned a great deal on this trip—although the White House appears confused on that point.

In this the sixth in a series of speeches I have been making on the Persian Gulf, I would like to review two aspects of what we learned about Kuwait's tanker plans. Kuwait plans to run an extensive shuttle service moving its oil shipments from its main terminal at Mina al-Ahmedi in Kuwait to Khor Fakkan, just outside the Strait of Hormuz. There the oil would be transferred from the shuttle ship to other vessels, which would carry the oil to its ultimate destinations. The shuttle will take about 10 days round trip versus four or five times as much if the ship were going to Europe. This means two things. First, a shuttle ship will be in the Persian Gulf much more often than a nonshuttle ship, which could then require much more escort service from the U.S. Navy. Second, the use of the shuttle means that Kuwait can move much more of its oil in American-flagged ships than previously anticipated.

The first aspect is the one of lesser importance—but greater attention-getting capac-

ity—the issue of whether Kuwait's plans to shuttle oil imposes any greater burden on the United States Navy. The second aspect is the more important issue of the political implications of our protecting a much greater portion of Kuwait's oil output—a point that seems to have been lost in the hassle over the lesser issue.

I announced on our return that we had received new information on Kuwaiti tanker plans. The White House and State Department have since said there was nothing new at all in what I said. That's interesting. It was news to the United States Embassy in Kuwait. It was news to the military command running the operation. But it wasn't news to the White House. Is the White House once again conducting operational matters outside normal channels? I will be generous and say that I expect what is really afoot is that the White House went into its damage control mode and sought to do everything it could to prevent my comments from having any impact on Wednesday's votes on reflagging.

Is the shuttle plan old or new? The White House is now saying, I am told, that only one ship will be used to shuttle oil down the gulf and that that isn't new. The staff of the U.S. Embassy in Kuwait was with the delegation when it met with the Kuwaiti oil minister and cabled a long message back to the State Department. The message commented:

On the frequency of transits and the use of KOTC tankers, the minister provided new information. . . . As recently as July 1, KOTC operations officials told us that the 11 reflagged tankers would continue to serve their normal destinations.

In addition, the committee staff debriefed the U.S. Embassy staff the night before we met with the oil minister and specifically asked about the possibilities of a shuttle operation. We were told the Kuwaitis have often talked vaguely about sometime perhaps shuttling oil with some of the 11 tankers, but that no such shuttle was currently scheduled.

Further, I point out that the Kuwaitis did not tell us they planned to use only 1 of the 11 tankers as a shuttle. What they said was this. They planned to use the largest tanker, an ultra large crude carrier [ULCC], as a shuttle immediately; they expected "within a few weeks" to sign charter agreements for two American-flagged, very large crude carriers [VLCC's] that they would immediately put into shuttle service; they are looking at the charter of a third American-flagged vessel to use in the shuttle; and they are reserving the option to use four of their soon-to-be reflagged product carriers—that is, tankers that carry refined oil products—on a shuttle.

So the White House is technically right when it says that only 1 of the 11 tankers will be used on a shuttle when the reflagging begins. But it might more accurately say that, in the immediate future, 3 of the 13 Kuwaiti tankers under the United States flag will be on shuttle duty, and that the possibility exists that as many as 8 of 14 Kuwaiti tankers under the United States flag will be used on shuttle service.

That's a jumble of technical facts. But what does it all mean? Really, it means two things.

First, it raises the possibility that more convoys will have to be run than the five monthly round trips that have been planned over the last several weeks. That could require more U.S. Navy ships. This is a technical matter. It can be easily resolved. We could, for example, delay the reflagging until more U.S. Navy assets are in place. Or we could tell the Kuwaitis that they will simply have to bunch more of their ship transits so that they are all confined to the planned five round-trip convoys each month. There are a number of possible ways to address this technical matter. As chairman of the House Armed Services Committee, I am watching this because of my concern over the use of Navy assets.

This technical issue has gotten most of the attention in recent days. But it really isn't the key issue that I think should be the focus of our attention.

The second and more important point is that when we started the reflagging exercise we anticipated escorting about one-third of Kuwait's oil exports. Virtually everyone who looked at this issue seriously said, "No big deal." The Iranians have spent most of the last several months attacking ships that called at Kuwait but did not fly the Kuwaiti flag. They could still do that.

Here are the exact numbers covering the period from last September—when the Iranians first began concentrating on Kuwaiti ships—through June 30. During that 10-month period, 38 vessels have been hit by Iran. Of those, 29 were calling at Kuwaiti ports. Of the 38, 5 flew the Kuwaiti flag. Of the 5, 1, the *Al-Funtas*, is 1 of the 11 tankers to be flagged; 2 others are among the 11 tankers that will retain the Kuwaiti flag; and the remaining 2 were Kuwaiti-flag freighters. Kuwait has a merchant marine of more than 200 vessels.

As one naval officer told our delegation when he was asked what the Iranians would probably do in response to the reflagging: "The same thing they've been doing." In other words, they can continue to attack vessels that call at Kuwait but which do not fly the American flag. If Iran were to repeat in the next 10 months what it has done in the last 10 months, it would only have to change one action to avoid a confrontation with the United States. The only thing it couldn't do all over again would be to attack the *Al-Funtas*, which is about to become the American-flag ship *Middleton*.

In other words, folks in the know figured the reflagging really didn't amount to much.

All that has now changed, however. Instead of carrying, one-third of Kuwait's oil, we could see 100 percent of Kuwait's oil protected. As a result, Iran would not be able to do "the same thing they've been doing." They would have to do something different.

What?

This can be purely speculative. One immediate thought is that Tehran would strike American-flag tankers bound for Kuwait. That's possible, but for the reasons I have outlined in previous speeches in this series, I really do not consider that to be a serious outcome. The Iranians simply are not eager to give us an excuse to go to war.

My first reaction was that the Iranians would shift the focus of their ire to Saudi-bound tankers. While visiting with King Fahd of Saudi

Arabia in Taif last Monday, I specifically asked him if he was concerned that the Iranians, if they were denied the Kuwait option by our flag, might attack Saudi-bound vessels. He didn't pause an instant. He simply said, "No." He didn't explain. Perhaps he was simply overconfident. However, the fact that he responded so swiftly, when most of his statements were delivered carefully and slowly, hinted to me that this was something he had already considered. Perhaps he has a deal with Iran. It is no secret that Saudi Arabia and Iran have worked very closely at the last two OPEC ministerial meetings, last December and last month. In both cases, the final OPEC compromise was worked out by the Iranian and Saudi oil ministers while they met privately for extended periods.

It may not be the easiest relationship—for example, last month it took 5 hours for the two oil ministers to work out an agreement. But they did work one out. Clearly, there is a substantial level of serious cooperation between the two countries on oil policies. Perhaps there is some other component to the Iran-Saudi relationship of which we are not aware. Again, however, that is but speculation, albeit serious speculation.

I cannot answer with any definitiveness the question: What will the Iranians do if most of Kuwait's oil exports are protected? I do know one thing with certainty: Iran will want to take some action. It will not simply stop the tanker war because its favorite targets—unprotected vessels bound for Kuwait—have disappeared from the seas. The challenge for us is to prepare for that unknown future action and not be caught napping.

I need to go over some numbers to explain how Kuwait might arrange to have all its oil exports protected by foreign flags.

Under the original plan, with the 11 reflagged tankers plying the same routes as before reflagging, we would have been convoying about 35 percent of Kuwait's exports. Another 15 percent would have moved on tankers flying the flag of Gibraltar that Kuwait has long had under charter for some time. The Gibraltar flag assures that the tankers will be accompanied by Royal Navy warships. Thus, half of Kuwait's oil exports would be protected under the original plan.

Some oil will be carried on the three small tankers leased from the Soviet Union. The Kuwaitis described that as a negligible proportion of their total exports, however.

Under the new plan outlined to us by the Kuwaitis—with the ULCC shuttle, the two chartered VLCC's on the shuttle, and assuming that the option for the four-ship shuttle of refined products is exercised—the proportion of Kuwaiti oil exports protected by the United States flag will rise to 70 percent. Add the Gibraltar-flag vessels, and the covered portion of Kuwaiti exports rises to 85 percent.

Kuwaiti officials told us that another two or three ships were all that would be required to cover 100 percent of Kuwait's exports. They also said they were looking at additional charters of American- and British-flag vessels.

Neither the Kuwaitis nor the United States Navy are forcing anyone to take oil from the shuttle terminus at Khor Fakkan. That is the choice of Kuwait's customers, some of whom already take oil at Khor Fakkan. Incidentally,

the Liberian flag vessel under Swedish charter that was attacked by the Iranians recently was on the shuttle run from Mina al-Ahmadi to Khor Fakkan.

As the reflagging begins, more customers are likely to gravitate to the shuttle. The more customers using the shuttle, the fewer unprotected tankers sailing to Mina al-Ahmadi. This raises the odds that an unprotected ship will be attacked by Iran. Whereas before, a vessel hit by Iran might be 1 of 100 sailing to Kuwait, now it might be but 1 of 10. With the odds of being hit rising, there is a certain inevitability about a gravitation toward the protected shuttle.

When Kuwait asked us to reflag 11 of its tankers, we should have thought more about the implications, as I said in an earlier speech in this series. The Kuwaitis have certainly been thinking about it. And let me tell you, forget those stereotypes about the desert Arab in his burnoose. The men who run the Kuwaiti oil industry are smart. That is the most prestigious part of Kuwaiti society. It attracts the best they have. And their best is very, very good.

When the Kuwaitis approached us asking to reflag 11 of their tankers, we should have posed a rather basic question: Why would they want protection for only one part of their oil exports—especially when it was the part that wasn't being hit? We failed to work that question. I suggest that the answer is now beginning to emerge. The answer is that the Kuwaitis don't want us to protect a mere portion of their oil shipments.

Yet, while the answer is emerging, the White House doesn't even understand the question. It simply wants to haggle over details.

#### PROTECTED TANKERS IN KUWAITI TRADE

Old name and new name	Tonnage	Type	Shuttle
<b>Kuwaiti vessels reflagged American:</b>			
Ar-Rekkah—Bridgeton	401,000	ULCC	Yes.
Al-Funtas—Middleton	290,000	VLPC	No.
Kazimah—Townsend	295,000	LPC	No.
Umm Casbah—Ocean City	80,000	Product	Maybe.
Umm Matrabah—Chesapeake City	80,000	do	Do.
Umm Al-Aish—Surf City	81,000	do	Do.
Umm Al-Maradem—Sea Isle City	81,000	do	Do.
Gas Al-Kuwait—Gas Queen	47,000	LPG	No.
Gas Al-Ahmadi—Gas Princess	47,000	LPG	No.
Gas Al-Burgan—Gas King	47,000	LPG	No.
Gas Al-Minagish—Gas Prince	47,000	LPG	No.
<b>Chartered from United States:</b>			
Unknown—expected in "few weeks"	265,000	VLCC	Yes.
Do	265,000	VLCC	Yes.
(Under consideration)		VLCC	Yes.
<b>Chartered from United Kingdom:</b>			
Unknown			Yes.
Do			Yes.
<b>Chartered from Soviet Union:</b>			
Marshall Chuikov	c.39,000	Product	No.
Marshall ?	c.40,000	do	No.
Do	c.40,000	do	No.

#### ADVANCING DEMOCRACY

#### HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHUMWAY. Mr. Speaker, earlier this year I had the pleasure of meeting with Armando Valladares, the well-known Cuban poet

who spent 22 years in Castro's prisons. His prison memoirs, "Against All Hope," ignited the conscience of the international community with the horrors of life in Castro's Cuba.

I commend to my colleagues' attention the statement of Mr. Valladares at the recent Conference on Advancing Democracy sponsored by the National Endowment for Democracy which I am including in the CONGRESSIONAL RECORD.

I would like to share with you a brief excerpt from his statement:

The repression of Cuba, the police state established by Castro, has no precedent in the history of this continent. The dictatorship is maintained by terror, bayonets, executions, and concentration camps. Nonetheless, during 28 years Castro has enjoyed the sympathy of many. It is only now that criticisms are scarcely beginning to be voiced and the truth begins to be known. It is becoming known that the Cuban government has been very agile in hiding its terror, in silencing the clamor of its victims by secretly burying their cadavers.

The full text of the statement follows:

#### REMARKS OF ARMANDO VALLADARES

My name is Armando Valladares and I am here this morning because I preside over the European Coalition of Committees for Human Rights in Cuba, a project supported by the National Endowment for Democracy.

For 22 years I was a victim of the tortures of the Cuban dictatorship. In principle, for ethical reasons, I think no dictatorship is good—they all put an end to freedom and all must be rejected.

Nonetheless, just as there are varying degrees of suffering and gravity of one same illness, dictatorships come in varying degrees of oppression and repression.

It would not be historically correct, nor just, nor realistic, to equate the material results of all dictatorships, and their devastation, because in comparative terms of horror the genocide committed by Pol Pot in Cambodia with two and one half million murdered cannot be the same as those deaths produced by the Sandinista or the Paraguayan dictatorships.

One also cannot equate, in statistical terms, the realities of Pinochet's regime with that of Fidel Castro's. Cuba, with approximately the same population as Chile, has 1,700,000 exiles, Chile has only 3,000. In Chile there are opposition political parties who can meet and make public plans to remove a dictator. Their leaders travel abroad, they attack the dictatorship, and return to Chile.

Chile allows inspections by the United Nations to verify human rights violations, and also allows demonstrations in the streets where the people shout their repudiation of the dictator. In Cuba, the degree of repression is such that nothing like that can happen. But despite their differences, both are dictatorships, both are unjustifiable, and both should be repudiated.

I want to say that I have denounced the violation of human rights in Chile, because I am opposed to the torture of a communist. Human dignity is above being a communist, an anticommunist, a white or a black. If I were to accept torture as a means to fight against my political antagonists, I would immediately lose my moral strength to denounce those who torture my comrades, to denounce those who tortured me.

Military dictatorships are local, they are confined within their borders. Pinochet or Stroessner, for example, do not aspire to es-

tablished branches of their dictatorships in other countries, on other continents. They do not support or train guerrillas, they do not foment terrorism in neighboring countries, nor do they have occupation troops to sustain revolutions in Africa or in Latin America.

In the same way, these military dictatorships are severely criticized by liberals, by conservatives, by the left and by the right. They are internationally repudiated. These dictatorships, with a capitalist economic base, are not supported by a defined philosophy, they have not even formulated a battle tactic, nor do they have a dictatorial force that supports them. They can and do disappear and make room for democracy.

The Marxist dictatorships, on the other hand, belong to a transnational of terrorism, to a brotherhood of dictatorships, with the support of the Soviet Union. They have a defined philosophy, a battle tactic, the constant objective of establishing new dictatorships, and the support of extremist groups and parties from around the world, even democratic governments, the press, certain churches and intellectuals.

That is why the dissolution of military regimes of the right has been easier to achieve. They have established dictatorships with their doors semi-ajar. They are not completely closed societies, and it is precisely this accessibility by the press, politicians, and intellectuals that has made it possible for world public opinion to know the horrors of the violations of human rights, to express their disapproval, and to organize campaigns for the freedom of these peoples.

Herein lies the danger which dictatorships of the left see in half-opening their doors. The communist models are the most completely closed of all dictatorships. The free exchange of people and ideas weakens these regimes.

When Radio Marti began its transmissions to Cuba, Castro was infuriated. He invested dozens of millions of dollars in this country to try to impede it. He threatened, he shouted, because it is easier for him to subjugate an uninformed rather than an informed people.

Radio Marti and other radio stations that transmit to Cuba are slowly changing the Cuban situation in many respects. It is now more difficult to fool and disinform the Cubans who have an open window to the outside world, a window through which they can see that other ideas, other social models exist. This has forced the Cuban government to provide a little more information.

The repression of Cuba, the police state established by Castro, has no precedent in the history of this continent. The dictatorship is maintained by terror, bayonets, executions, and concentration camps. Nonetheless, during 28 years Castro has enjoyed the sympathy of many. It is only now that criticisms are scarcely beginning to be voiced and the truth begins to be known. It is becoming known that the Cuban government has been very agile in hiding its terror, in silencing the clamor of its victims by secretly burying their cadavers.

It is necessary to destroy this false image of the Cuban revolution with the truth of what happens there. Totalitarian dictatorships fear nothing more than the truth because they are sustained by lies. Public opinion in these times plays a decisive role in this objective. It cannot remove dictatorships, but it can force them to take care of their image, to loosen their taloned grip, to semi-open their doors.

In the case of Cuba we have proven this. Organized and documented denunciations of human rights violations have achieved the liberation of dozens of prisoners and, confronted by public opinion, Castro has tried to repair a little the damage done to the revolution's prestige by accusations of torture in Cuba.

Because of our denunciations, the Cuban embassies around the world are distributing information, pamphlets and articles which tend to present the country as one respectful of human rights. They are expending tons of paper and money, demonstrating that they are not insensitive to public opinion. Indeed, they have admitted in Italy, in articles distributed by the Cuban Embassy, that the testimony which I offer in my memoirs *Against All Hope*, is true in some respects, but only up until 1968. Now they admit I was mistreated, but only up until that year.

I think that the tribunals which we held in Denmark and Paris, where a group of torture victims from Cuban jails were presented before the press and public opinion, made the practice of torture in Cuba so evident that we forced the Cuban government to admit these facts for the first time.

The periodic publication of information pamphlets, distributed in Western European countries, has also contributed, and perhaps, if we have the necessary resources, we may be able to force Castro to admit that the abuses and violations existed not only until 1968, but until yesterday.

I would like to say that with our work we have managed to sensitize the countries of Western Europe. Indeed, all those which participated in the last U.N. meeting on Human Rights in Geneva voted in favor of an investigation of Castro.

Now the Cuban government is preparing a conference to demonstrate that at present there are no human rights violations. This means that a continuous campaign against human rights violations can obtain results, even in a society as closed as Cuba is, and can force a country to be more careful and to respect the lives of prisoners. The freedom of political prisoners can depend on our work abroad, and our work can also serve to foster and encourage democracy in these closed societies.

#### HON. BRIAN DONNELLY ON THE BEER INSTITUTE

#### BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DONNELLY. Mr. Speaker, I am submitting for the RECORD today an article from the Dedham, MA, Daily Transcript, concerning the outrageous techniques used by the Beer Institute to lobby against excise tax increases.

I was one of the select members of the Ways and Means Committee deluged with mail after the Beer Institute took out misleading and inaccurate ads in newspapers in my district. As this article points out, "beer distributors and retailers" are interested in profits first and consumers second. The Beer Institute is not concerned about regressive excise taxes: They are concerned about their own pockets.

Mr. Speaker, shame on them. In the past 10 years, the average cost of a six pack of beer

has increased 67 percent. But the Federal excise tax on beer hasn't been increased since 1951. You won't see that in any Beer Institute ads.

Like all of my colleagues on the Ways and Means Committee, I am concerned about regressive taxes too. But we are required to raise \$19.3 billion in revenue next year. Unlike the Beer Institute, we will act responsibly.

[From the (Dedham, MA) Transcript, June 5, 1987]

#### TROUBLE BREWING

(By Jeff Peterson)

The malt beverage industry is at it again.

Led by the Washington-based Beer Institute, a powerful lobbying group, the industry is in a lather over a congressional proposal to raise the excise tax on suds. A full-page ad running in newspapers across the country last week claimed the measure could add more than \$1 to the cost of each six-pack.

"Unless you contact Congressman Donnelly," the ad in the Boston area read, "your next beer could cost a lot more."

U.S. Rep. Brian Donnelly, D-Dorchester, is a member of the House Ways and Means Committee, which will hold hearings on the legislation. In other areas of the country, Donnelly's name was replaced with local legislators.

What the ad copy conveniently failed to mention is that your next beer could well cost a lot more anyway—mainly because brewers, distributors and retailers are interested in profits first and consumers second.

To think the Beer Institute cares even remotely about the consumers—other than how fast he can part with a hard-earned sawbuck—is naive.

In news reports concerning the proposal, Beer Institute president James Sanders characterized Congressional supporters of the measure as somehow trying to put one over on beleaguered consumers.

"It's a sneaky way of making beer drinkers pay," Sanders was quoted as saying. "The beer drinkers of America should know about (this legislation)."

Yeah. We should know about it. But I trust beverage industry flunkies about as far as I can toss a case of Bud—which is to say about 10 feet. Their track record is right up there on a par with lobbyists for the prestigious Tobacco Institute for contributing to the commonwealth weal.

And why not? The Miller Brewing Co., after all, is owned by Phillip Morris. You know, the same Phillip Morris which fought every attempt by the government to toughen health warnings on cigarette packages.

After all that's happened, we in Massachusetts should know better.

Remember the brouhaha prior to the enactment of the bottle bill? Bay State voters were warned—no, threatened is more accurate—that beer prices would spiral crazily upward if we dared enact the proposal.

We were told the beverage industry would have to hire thousands of additional employees to collect, sort and transport the empties. We were told Bay State retailers would have to set aside part of their sales space to temporarily store the empties. We were told the legislation would never reduce the trash heaped on Massachusetts highways.

"Human nature is human nature," the lobbyists patronized. "And people are going to toss those empties out their car windows whether there is a 5-cent return or not."

Finally, in a parting shot worthy of Clark Gable, we were told the empties wouldn't be

recycled anyway—they would be collected, sorted and trucked off to landfills.

Well, guess what. The bottle bill—while hardly being a paragon of administrative efficiency—has worked. The containers are being recycled. Litter is down on our roadways.

I run 30 miles weekly. Five years ago my leisurely jog was more like a steeplechase, so heavily were the roadways cluttered with discarded beverage containers. There simply is no comparison between roadside litter now and in the pro-bottle bill days.

Now, any number of cases can be made for raising the excise tax on malt beverages. Some would argue it might put a crimp in the numbers of alcoholics and alcoholic-related deaths on our highways—especially involving teens.

Of course, the industry would holler that raising the over-the-counter price would not increase society's sobriety one iota.

And that's just the point. The industry blowhards who are doing all the shouting about Congress sneaking one over on the beer drinkers of America would be the first to boost prices at a moment's notice.

Remember, retail prices don't necessarily reflect production costs. An old marketing trick is to outlandishly boost the price of a product, re-package it and then market it as a high-quality item. Prior's "Double Dark" brand is one successful example.

I'm not saying I'd particularly relish the thought of another jump in beer prices. In the short 10 years since I became of legal age, the cost of a six-pack has increased on average from \$2.10 to \$3.50.

That hurts. But let's be realistic.

Does anyone really think the Beer Institute is taking out full-page ads in newspapers across the country to spare their loyal customers the agony of spending an extra 50 cents on a six-pack?

Fat chance.

I've got a suggestion. Why don't the brewing moguls take the \$1 million-plus they're spending on this ad blitz and use it to modernize their facilities, upscale aging equipment and increase the efficiency of their distribution and marketing systems. Then take all the savings they'd realize and pass them on to the customer.

But, after all that's happened, we in Massachusetts should know better.

#### WORLD PEACE AND BROTHERHOOD

#### HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. CARDIN. Mr. Speaker, a constituent of mine by the name of Father Joe Breighner came to me with a plan which I believe deserves our note and consideration. His plan has the ambitious goals of world peace and brotherhood.

According to this plan, each nation of this planet would set aside a small tract of land to be sold in even smaller parcels to persons all over the world in exchange for contributions to UNICEF. That way, millions of people of other nations across the world would own small parts of each nation.

The benefits of this plan would be twofold. First, foreign nations would no longer be foreign to each participant in this plan. The ownership of even the minutest lot would change

the owner's perspective of foreign land; the land would be partly their own. This would provide an excellent educational opportunity to learn about the foreign lands with which we share the Earth. It would also provide an opportunity for each citizen to analyze his national as well as his international consciousness, fostering a vested interest in, as well as a greater desire for world peace.

Second, this plan, if implemented by a worldwide agency like UNICEF, would serve as an excellent opportunity to further the causes of saving impoverished children worldwide. This program, in seeking to bring people of foreign countries together, both children and adults, drives toward world peace without which such meaningful goals are all but useless.

In implementing this program, the deeds for the land sold would be drafted by UNICEF in such a manner that any attempt to claim the land sold would be forgone to protect national sovereignties and territorial rights.

Mr. Speaker, in our bipartisan and national interests, I hope that we can find support for Father Joe Breighner's plan for world peace.

#### FINANCING LONG-TERM CARE: AN ADMINISTRATOR'S PERSPECTIVE

#### HON. D. FRENCH SLAUGHTER, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SLAUGHTER of Virginia. Mr. Speaker, with legislation designed to protect our Nation's elderly from the costs associated with a catastrophic illness requiring hospitalization nearing consideration on the floor of the House, I would like to share with my colleagues the remarks made by a nursing home administrator from my district, Mr. Harley Tabak, on the subject of long-term care. These remarks were made during a hearing held by the Republican Study Committee on this topic.

Mr. Tabak, who has been the administrator of Annaburg Manor Nursing Home in Manassas, VA, since 1979, is the vice president of the Virginia Health Care Association and serves on that agency's long-term care insurance task force. As a result of his experience and expertise in this area, I believe my colleagues will find his comments helpful.

I am Harley Tabak, Vice-President for Long Term Care for Prince William Hospital Corporation, and Administrator of Annaburg Manor in Manassas, Virginia, a 245 bed skilled and intermediate care nursing home. I am also the Vice-President of the Virginia Health Care Association and serve on that organization's Long Term Care Insurance Task Force as well as the American Health Care Association's Task Force on Long Term Care Insurance.

I am deeply committed to the development of private insurance for long term care as a result of my nearly ten years experience as a nursing home administrator. I know of the emotional trauma which patients and their families experience when they come into my nursing home and discover that neither Medicare nor Medigap policies pay for their stay in my facility. I

also know of the frustration of trying to provide quality patient care when most of the revenue in a nursing home budget comes from Medicaid. Limited government funding inevitably hampers providers who are trying to offer the care our chronically ill patients deserve and which the American public expects.

Political leaders such as yourselves are finally giving national attention to an issue which few Americans like to think about but which a growing number of American families will confront at some point in their lives—how to pay for the cost of a relative living in a nursing home. President Reagan and Secretary Bowen have taken a courageous first step to providing catastrophic protection for the elderly. However, the Bowen report to the President emphasizes that "long term care is the most likely catastrophic illness risk faced by individuals and families." Nursing home providers know this not only as an actuarial risk, but as a daily tragedy for thousands of Americans. Many are quickly forced to spend down to impoverishment to qualify for the only existing catastrophic protection—the Medicaid program for the poor.

While I do not expect any catastrophic plan to fully resolve the financing of long term care, we must begin to make improvements in long term protection not only for the present, but for the future as well. Every demographic trend shows that the need for long term care will only increase. By the year 2000, the number of Americans over the age of 85 will have doubled. Life expectancy has improved so rapidly that today's 65-year-old can expect to reach an average age of 81. However, although medical advances have contributed to extended longevity, there have not been comparable breakthroughs in the treatment of chronic disabilities associated with old age. Nursing home utilization among those age 85 and over remains 14 times the rate of those age 65-74.

The lack of private long term care insurance and adequate personal resources will continue to force individuals to risk financial devastation in the event of long term care. Although personal savings are the first line of long term care defense, approximately one-third of our population would be impoverished after only 13 weeks in a nursing home. Two-thirds of our elderly would exhaust their financial resources within the first year of a nursing home stay. The Bowen report notes that an estimated one half of Medicaid recipients were not initially poor, but "spent down" their income and resources before becoming eligible. Once institutionalized, such individuals seldom return to the community even if the person's condition improves because of lack of personal resources and the difficulty associated with readmitting a Medicaid patient to a nursing home. Medicaid, originally intended to protect the poor, perversely forces impoverishment, thus ensuring dependency on public assistance.

Secretary Bowen's report places great emphasis on the development of private long term care insurance. Congressman Slaughter's "Health Care Savings Account Act of 1987," H.R. 955 is an example of the type of legislation needed to achieve this goal. The funds in these accounts could be used to purchase long term care insurance. Insurance carriers would also be given additional incentive to more aggressively develop and market long term care insurance knowing that individuals had special funds available to purchase their products.

Proposals such as Congressman Slaughter's which promote the private sector's involvement to help solve the growing problem of paying for long term nursing home care are urgently needed. I do not believe that government can afford to pay the total nursing home bill of the nation. But with government incentives and greater consumer awareness about the financial risk which nursing home care represents to most Americans, I believe that solutions can be found to this complex problem. I appreciate your interest in this vital issue and look forward to helping you in whatever way I can in the future.

### SALUTE TO SIOUX CITY STOCK YARDS

HON. FRED GRANDY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. GRANDY. Mr. Speaker, today it is my honor to pay tribute to an organization that has played a vital role in the agriculture and livestock industry of northwest Iowa for 100 years.

In 1887, Sioux City, IA, boasted a population approaching 40,000 residents. In following years, more settlers would be drawn to the area, enticed by the growing industrial city and surrounding countryside of rich soils and flowing prairie grasses.

It was in this year that the Sioux City Stock Yards was formally established. In honor of its contributions and its place in the region's economy, the 100th birthday of the huge stockyards will be celebrated this week.

Early receipts indicate just how rapidly the stockyards grew. Only 10 years after the business was founded, the number of cattle sold doubled from one year to the next, from 142,238 in 1896 to 294,166 in 1897.

The yards continued their amazing record of growth, even through latter years of depression and volatile ag markets. In fact, in 1973 the Sioux City Stock Yards grabbed the title of No. 1 stockyard in the United States based on its annual receipts. At that time more than 2.6 million head of livestock were processed there.

The award came at the beginning of a difficult time for the yards. New and more stringent Government regulations were enacted. The beef industry as a whole was also suffering from low prices at the markets and high prices at the grocery store.

But the Sioux City Stock Yards came bouncing back. It has managed to cultivate an active market and often yields prices higher than those in nearby cities. The auction ring is filled to capacity most every day and recent improvements in prices has helped booster interest in cattle, hog, and sheep production.

Clearly the stockyards' contributions to northwest Iowa farmers and producers has been and will continue to be an important one. Let us pay tribute to these contributions and wish it all our best for another 100 years of success.

### HATCHET MEN APOLOGIZE TO LEGAL SERVICE VICTIMS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FRANK. Mr. Speaker, 3 years ago, appointees of the Reagan administration to the central office of the Legal Service Corporation, as part of the administration's unrelenting and unjustified war on a program to provide legal assistance to poor people, unjustifiably fired Paul Newman and David Gilbert from the responsible positions they held in the Legal Services Corporation network. Mr. Newman and Mr. Gilbert were dedicated, able, and conscientious public servants who were guilty of nothing other than trying to do the best possible job of delivering legal services to the poor—a mandate given to them by the Congress and continued by Congress despite the Reagan administration's efforts to wipe out the Corporation.

Because of their dedication to their duty, they were fired by rightwing ideologues sicced on the Legal Services Corporation by the extremists within the Reagan administration. The Subcommittee on Courts of the Judiciary Committee, ably chaired by the gentleman from Wisconsin [Mr. KASTENMEIER] held hearings on this subject and it became quite clear to the members of the subcommittee that no valid basis existed whatsoever for the firings. While the Reagan administration refused to relent in its attack on the integrity and careers of these two very dedicated men, the courts were available to them for redress.

Recently, a settlement was reached in a lawsuit which Paul Newman and David Gilbert filed against the Legal Services Corporation as an entity, and Donald Bogard and Gene Potack as individuals. Mr. Bogard and Mr. Potack were respectively the President and the director of Field Services of the Legal Services Corporation by virtue of the Reagan administration's appointments.

Shortly before the trial was to begin in this case, settlement negotiations began. Because the Legal Services Corporation and the other defendants obviously understood that they were in a very weak legal position because there was no justification for their firing of Mr. Gilbert and Mr. Newman, a settlement very favorable to those two gentlemen was achieved. They received a monetary award, and also received letters of apology for their having been fired.

Mr. Speaker, it is not rare that the rightwing ideologues in this administration have erred. What is rare is for them to be forced to acknowledge that error as a result of judicial action. I ask that the three letters of apology sent to Messrs. Newman and Gilbert be printed here.

LEGAL SERVICES CORPORATION,

Washington, DC, April 22, 1987.

PAUL NEWMAN, Esq.  
Lexington, MA.

DEAR MR. NEWMAN: The Legal Services Corporation regrets the circumstances surrounding your termination in 1984, including any implied criticism of your overall performance. The Corporation acknowledges

your years of long and professional service to the Corporation.

Yours truly,

TIMOTHY H. BAKER,  
Secretary.

LAW OFFICES OF GENE M. POTACK,  
SUITE 201, 414 FIRST STREET  
Menominee, MI, April 8, 1987.

PAUL NEWMAN,  
Lexington, MA.

DEAR PAUL: I regret the circumstances of your termination from the Legal Services Corporation in 1984. To the extent that this termination implied any criticism of your integrity, that implication is removed.

Very truly yours,

GENE M. POTACK.

MAY 28, 1987.

DEAR MR. NEWMAN: I regret the circumstances of your termination from Legal Services Corporation in 1984. To the extent that this termination implied any criticism of your integrity, that implication is removed.

Very truly yours,

DONALD BOGARD.

NATIVE SONS OF THE GOLDEN WEST, ARROWHEAD PARLOR NO. 110 CELEBRATE THEIR 100TH ANNIVERSARY

### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LEWIS of California. Mr. Speaker, I would like to take this opportunity to recognize a truly remarkable group of dedicated citizens. On the 18th of July of this year, the Arrowhead Parlor No. 110 of the Native Sons of the Golden West will celebrate the 100th anniversary of its formation.

The Arrowhead Parlor has been an integral part of the city of San Bernardino. Indeed, throughout its history, numerous business, professional and civic leaders of the city of San Bernardino have been members. Known for its dedication to the preservation of the great heritages and traditions of San Bernardino, Arrowhead Parlor No. 110 has dignified dedicatory ceremonies of public buildings and have been ardent supporters of innumerable charitable and civic activities.

Mr. Speaker, it is clearly evident that the Arrowhead Parlor No. 110 of the Native Sons of the Golden West should celebrate their 100th anniversary with great pride. I ask that my fellow Members of the House of Representatives join me in saluting this outstanding organization's many fine achievements. I wish them continued success for another 100 years of meaningful service to their community.

KURT WALDHEIM—WE MUST NOT FORGET

### HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LANTOS. Mr. Speaker, I was saddened and appalled by a report in the New York

Times last week that Austrian President Kurt Waldheim will visit West Germany at the invitation of Richard von Weizaecker, the president of the federal republic. It would be a tragic and unfortunate decision for the President of the Federal Republic of Germany to ignore the justified outrage of American citizens and the citizens of many nations about Kurt Waldheim.

As my colleagues know, Mr. Speaker, Dr. Waldheim's name has been placed on the watch list by the Department of Justice, which means he will be denied entry into the United States by the Department of Justice for his role in Nazi atrocities in the Balkans during World War II.

Just a few weeks ago, my dear friend Rachel L. Gottstein wrote an excellent letter to the editor of the Anchorage (Alaska) Times in response to an article published earlier in the Anchorage Times by Tom Fink criticizing the Justice Department's decision to place Dr. Waldheim's name on the watch list. I urge my colleagues in the House and my friends in the Federal Republic of Germany to read her letter.

#### COULD YOU FORGET?

DEAR EDITOR: Mr. Waldheim himself can tell us best where he was and when during the second World War. Until he decides to be honest with his own conscience, people like Mr. Fink, will be able to blame Mr. Waldheim's war actions on "Jewish Investigators." The atrocities perpetrated by the Nazis during World War II were not only against the Jews. They were against Christians and all nationalities as well. They were crimes against humanity.

Many Nazis fled Germany after the war to escape punishment. They fled to Argentina, to Brazil to the U.S.A. etc. To become citizens of these countries, they changed their names and their identities so as to live as everyone else. People from all walks of life, from different countries and religions seeking justice have banded together in order to find these Nazis. To quote Mr. Fink "We have delivered nearly half a dozen naturalized American citizens to different foreign countries for trials based upon allegations of Nazi atrocities. We ought not to be delivering U.S. citizens to foreign governments to be tried on actions which occurred 40 to 50 years ago." Mr. Fink, I want to ask you a question, if someone killed your mother and father in a crematoria, burned them alive, at the age of 28, could you forget? Even after 40 or 50 years?

If someone took your little cousins 6 and 7 years old and started cutting pieces off their bodies to see how long a child can suffer pain before dying, and you stood by and had to watch, could you forget even after 40 or 50 years?

If someone took your young brother and started throwing him against the wall to see how long it takes for the skull to crack and all the insides to spill out, while you mother and father stood watching. Mr. Fink could you forget, even if it was after 40 or 50 years?

If they took all the young teenage girls in your family and daughters of your best friends and raped them sadistically in front of your eyes, then cut off their breasts, and when they were done with them, threw them into a pit, poured kerosene and ignited this human torch whose screams pierced the air, and your flesh curled, and you felt as though you were going to explode, but

they made you stand there and watch, and listen, till the last scream stopped. Mr. Fink, could you forget?

Maybe you could. Mr. Fink, I have been trying to forget for 42 years. I have not succeeded in erasing these memories from my mind; not for one day, not for one night, not for one moment. I have run the world from one country to another to forget. I have come to this beautiful country of the U.S.A.—the home of the free, the land of the brave, the kind, the fair, the compassionate. The U.S.A. soldiers came and liberated us, General Eisenhower said he will never forget what his eyes saw and his ears heard. So I came to look at the U.S.A. government as my saviour.

Now I read your article and find out that a man who wants me to forget is a former member of the state legislature. My Alaskan friends can you explain this to me? Rachel L. Gottstein.

### VA EMPLOYEES VOICE STRONG SUPPORT FOR THEIR MEDICAL COMPUTER SYSTEM

#### HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. MONTGOMERY. Mr. Speaker, a controversy over the effectiveness and cost of the Veterans' Administration's medical computer system, known as the Decentralized Hospital Computer Program [DHCP] system, has arisen in the Congress. As chairman of the Committee on Veterans' Affairs, I have scheduled many oversight hearings on this important medical computer system over the past several years and the reports on its effectiveness and costs have been uniformly very positive.

Since our hearing of April 8, 1987, on this important subject, I have received many letters from veterans and Veterans' Administration employees in support of the DHCP.

I would like to share with my colleagues a copy of a letter which I received from Dr. Sam A. Threefoot, chief of staff at the VA Medical Center in New Orleans, LA, which demonstrates how the VA employees feel about "their" medical computer system.

The letter follows:

NEW ORLEANS, LA,

March 20, 1987.

Hon. G.V. (SONNY) MONTGOMERY,  
House of Representatives,  
Washington, DC.

DEAR SONNY: It is rumored that there are pending proposals to withhold funds intended for the Veterans Administration Decentralized Hospital Computer Program (DHCP). Such a move would set the V.A. health care back for years. The V.A. has been behind other health care systems and is only now getting its programs activated on-line with considerable improvement in patient care management. Any cessation or delay would have a serious impact on direct patient care.

Now, with DHCP it is possible to control and expedite patient scheduling; permit physician determination of all medications a patient is receiving and thus control duplication and costs; transmit laboratory results to clinics and wards without extended delays; track patient admissions and clinic appointments for both patient care and re-

sponse to inquiries from Congress or other legitimate sources; determine eligibility; calculate appropriate lengths of stay for each diagnosis as a guide to most efficient and quality care; compare cost data and use to correct inefficient procedures, and many other uses to improve patient care and hospital management.

Interruption in the use or expansion of the DHCP would have a drastic negative impact on management and morale after waiting so long for a functioning system and then to have it placed in a stagnant or regressive state.

Thank you for taking the above benefits into consideration and for your assistance in the progression and expansion of the V.A. Decentralized Hospital Computer Program.

Sincerely,

SAM A. THREEFOOT, M.D.

## UNION CORRUPTION OR UNION BUSTING

### HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. STOKES. Mr. Speaker, as many Members are aware, the press has recently revealed that the Reagan administration is preparing a suit that seeks to place the International Brotherhood of Teamsters under the control of the Federal Government. Shortly after this news became public, our colleague, WILLIAM CLAY, chairman of the Subcommittee on Labor-Management Relations, House Education and Labor Committee, has the opportunity to participate in a dinner honoring Robert Sansone, an official of the International Brotherhood of Teamsters and a distinguished citizen of St. Louis. Chairman CLAY's remarks at that dinner have since attracted some attention and merit the consideration of the Members of this body. I wish to share those comments with my colleagues.

STATEMENT OF HON. WILLIAM L. CLAY AT A DINNER HONORING ROBERT C. SANSONE, PRESIDENT OF LOCAL UNION 682, JOINT COUNCIL 13 AND THE MISSOURI-KANSAS CONFERENCE OF TEAMSTERS, AS THE NATIONAL COMMITTEE FOR LABOR ISRAEL (HISTADRUT) "MAN OF THE YEAR," JUNE 11, 1987

If you are like me, you were touched during the singing of our national anthem, especially recalling the words "our flag was still there." Those words cause me to reflect about my concern and worry about this flag and this country. I am shocked to read that the U.S. Government is preparing to place 1.7 million members of the International Teamsters' union under federal control. I have never heard of anything so preposterous in my lifetime. It's one of the most outlandish, most incredible schemes ever devised to subvert the rights of working men and women to be effectively represented in collective bargaining. This issue has very little to do with corruption and racketeering. It's basically an attempt to destroy an integral part of organized labor.

The Justice Department is also in the process of preparing the same kind of takeover of three other unions—the International Longshoremen, the Hotel and Restaurant Workers and the Laborer's International. President Reagan has used every means at his disposal to destroy unionism—now it's the courts.

The only governments to my knowledge who control, operate and dictate to union members are those governments behind the iron curtain and under the influence of the Soviet Union. That's a sordid indictment of the world's longest continuous democracy to engage in, while celebrating the 200th year of its birth.

As an excuse for this gross invasion into affairs, which by law, custom and tradition should be left to management and workers, our government offers a lame excuse that in the last five years more than 100 Teamster officials and consultants have been convicted or indicted for embezzlement, mail fraud, bribery or racketeering. Since there is a total of 1.7 million Teamsters and approximately 15,000 Teamster Union officials, I suggest this ratio of convictions and indictments is the same as in every other sector of American society. If it is to become the standard for the federal government to assume control, then certainly the city of New York should be in trusteeship. And Lord knows that every brokerage house in Wall Street is in line to be taken over by the U.S. government.

I am voicing my opinion on this subject, not only as a member of the United States Congress, but also as a life-time member of Teamsters' Local 688—and a dues-paying member of Bill Stoghill's service employees' local.

## AFTER 15 YEARS IN REFUSAL, RELEASE THE BRAILOVSKY FAMILY

### HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. HOCHBRUECKNER. Mr. Speaker, I request the assistance of the House of Representatives on behalf of a Soviet refusenik family which has been waiting for permission to emigrate for over 15 years.

Dr. Viktor Brailovsky, his wife, and their family first applied for permission to emigrate on March 10, 1972. They received the first official notification of their refusal in January 1973. Their youngest daughter, Dalia, born in 1974, has lived her entire life as a refusenik.

Eleven years ago, in 1976, the Brailovskys requested an official explanation for their refusal. They were told that the Moscow State University had objected to Irina's departure due to her alleged access to secret information. This allegation has been contradicted by the former rector of the university, Prof. Anatoly Lugunov. In October 1976, Viktor was given permission to go to Israel, but not with his wife or children. Permission, however, was conditioned on Viktor giving testimony against Anatoly Scharansky. Viktor refused to do this and so he and his family remain in the Soviet Union—15 years after their initial application.

As is the case with all the people who have applied for exit visas from the Soviet Union, the Brailovskys instantly lost their jobs. Whatever contact Irina may have had 15 years ago with "State secrets" while working with computers, a field where 1 week's breakthrough is outmoded the next, can surely no longer be of any significance.

On July 6, I sent the following draft letter to all Members of this body. I hope that my col-

leagues will join me in sending this letter to Secretary Gorbachev on behalf of the Brailovsky family.

General Secretary MIKHAIL GORBACHEV,  
The Kremlin, Moscow 103132, RSFSR,  
U.S.S.R.

DEAR MR. SECRETARY: We are writing to request that you allow Dr. Viktor Brailovsky, who has been invited to speak as a guest lecturer at the State University of New York at Stony Brook, his wife Irina, and their children Leonid and Dalia, along with Irina's mother Fania Feffer, to emigrate and rejoin Viktor's brother Mikhail in Israel.

The Brailovsky family first applied for permission to emigrate over fifteen years ago, on March 10, 1972, and received notification of their refusal in January, 1973. Eleven years ago, in 1976, Viktor and Irina requested an official explanation for their refusal. At that time, they were told the reason was that Irina had access to secret information through her job at the Computing Centre of the Moscow State University.

Permission to emigrate has been denied despite the fact that Professor Anatoly Lugunov, the former University Rector, has confirmed that Irina's work had not been secret and despite your statements during an interview on French television in October, 1985, that no one would be denied an exit visa due to state security reasons for a period longer than five years, ten at the most. This promise was reiterated at your April meeting with Speaker of the House Jim Wright and his delegation. Viktor and Irina Brailovsky both lost their jobs after they first applied for exit visas in 1972. Neither has worked in any capacity which would give them access to secrets in the past fifteen years.

Granting the Brailovsky's request to emigrate would add to the growing momentum of improvement in relations between our two countries. We hope you will review the Brailovsky's long standing case and grant their request for exit visas.

Sincerely,

GEORGE J. HOCHBRUECKNER.

## MOZAMBIQUE: ORIGINS OF A FAMINE

### HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LELAND. Mr. Speaker, Mozambique has become an issue of growing interest and importance to the United States Congress in recent weeks. The United States Government, in response to a food crisis in Mozambique that threatens the lives of 4.5 million people, has pledged \$75 million of food and nonfood assistance. Other measures are being discussed to provide for expanded humanitarian and infrastructure assistance.

The factors which have caused this famine are complicated and show no signs of abating. In order to meet the needs of the people of Mozambique in an effective manner, it is necessary to understand the causes of the famine. I commend the following piece, prepared by the House Select Committee on Hunger, as a useful background for under-

standing the tragedy taking place in Mozambique.

#### MOZAMBIQUE: ORIGINS OF A FAMINE

Mozambique, strategically located on the Indian Ocean and rich in natural resources, is crossed by three major rail lines and an oil pipeline which provide essential trade links for the landlocked nations of Zimbabwe, Zambia, Malawi and Botswana. The central provinces of Tete and Zambezia are prime agricultural regions fed by the Zambezi River which have the potential of making Mozambique a food exporter. Rather than benefiting from location and resources, however, Mozambique today stands on the brink of a human catastrophe of massive proportions as an estimated 4.5 million people, in a nation with a total population of 14 million, face acute malnutrition and starvation. Ironically, it is the country's potential importance to the economic vitality of Southern Africa which places so many people in peril as Mozambique has become a primary target of the regional economic and military sabotage campaign being waged by the minority government in the Republic of South Africa. South Africa, as an integral component of its desperate struggle to maintain apartheid, seeks to retain and deepen regional dependence on its economic, energy and transport facilities. RENAMO, the anti-government insurgency force within Mozambique, is thus supported and largely directed by South Africa.

RENAMO and its campaign of terror bear overwhelming responsibility for the human crisis within Mozambique today. RENAMO forces are killing peasant farmers, destroying schools and health clinics, burning crops, pillaging villages and on occasion murdering international relief workers. RENAMO has wreaked havoc on Mozambique's infrastructure, blowing up rail lines and bridges, destroying irrigation systems. RENAMO's activities in combination with lingering drought in several areas of the country now imperil more than a third of the population of the country. Mozambique has the highest infant mortality rate in the world, with 325 of every 1,000 children dying before age five. 1.8 million people have been internally displaced, another 420,000 are refugees in bordering countries.

The government of Mozambique is solidifying its relations with Western governments and institutions as it dismantles Marxist economic systems. The British government has begun a military training program with the Mozambican armed forces, and other Western European nations are providing significant relief and economic assistance. The U.S. Government has expanded its support of the government and has consistently labeled RENAMO as an illegitimate terrorist group funded and directed from outside Mozambique. U.S. relief assistance is a significant portion of the donor community's response of the humanitarian crisis in Mozambique.

The following pages provide a brief background on the recent history of Mozambique and outline the origins of the famine now stalking the country. The situation in the country, already grave for millions, is likely to worsen over the next several months. The political complications of the Southern African region and Mozambique's particular role in the evolution underway in that region ensure that this crisis will require the attention of the outside world for the foreseeable future. This document provides context of the evolving crisis.

#### MOZAMBIQUE'S COLONIAL LEGACY AND EARLY YEARS OF INDEPENDENCE

Mozambique achieved its independence on June 24, 1975, after an eleven year struggle against Portuguese colonial rule. The Front for the Liberation of Mozambique (FRELIMO), the dominant liberation force in the country, quickly came to power. FRELIMO's victory led to a mass exodus of the Portuguese who had run the country for nearly five hundred years and whose departure left the economic and administrative structures in shambles. Many Portuguese property owners set fire to farms and factories as they left. The colonialists left behind a country hardly prepared for nationhood. Literacy among Mozambicans stood at only seven percent, the number of college graduates was negligible, the labor force was largely unskilled, the industrial base weak, the infrastructure poorly developed, and the foreign exchange reserves depleted.

The FRELIMO government responded to the situation by adopting a Marxist economic strategy of seizing all private land, abolishing private medical and legal practices, and setting up collective state farms and factories. The government also suspended most civil liberties, and many dissidents were sent to "re-education" camps. FRELIMO turned to the East for assistance, partly because of the perception that the U.S. and NATO allies had supported Portugal during the independence struggle. In 1977, Mozambique signed a Treaty of Friendship and Cooperation with the Soviet Union and for several years received large amounts of mostly military aid from the Soviets and Eastern bloc countries.

#### RECENT CHANGES IN MOZAMBIKAN POLICY

In the years that followed independence, FRELIMO presided over a gradual economic decline due to its own economic policies, to worsening drought conditions and to a growing counter-insurgency. At Frelimo's Fourth Party Congress in April, 1983, the government acknowledged its economic policy mistakes and vowed to move Mozambique in a new direction. The emphasis shifted from state farms and large government projects to private sector initiatives and support for peasant and private farmers. The government demonstrated a commitment to a more pragmatic economic approach, joined the World Bank and the International Monetary Fund in 1984, and agreed to reschedule its large external debt payments. Earlier this year, the government devalued the currency by over 80 percent as part of its efforts to address an overwhelming foreign exchange deficit.

The other significant policy development in recent years was the signing of the Nkomati Accord with South Africa in March, 1984. Largely at the urging of the U.S., Mozambique entered into an agreement with South Africa to deny the use of either nation's territory as a base for "violence, terrorism, or aggression" against the other. While Mozambique largely lived up to the Accord by expelling African National Congress (ANC) guerrillas, the South African government admitted that it continued providing aid to RENAMO forces in Mozambique after the agreement was signed; the Mozambican government asserts that this aid continues.

#### RENAMO—THE INSURGENCY

RENAMO, also known as the Mozambique National Resistance (MNR), is the insurgent movement opposing the FRELIMO government. RENAMO was established in 1977 by Portuguese exiles, disaffected FRELIMO

members, and the Rhodesian Central Intelligence Organization. With the fall of the minority regime in Rhodesia, the South African Military Intelligence began funding RENAMO and has since used RENAMO as a key element in its strategy of regional destabilization.

The efforts of RENAMO are focused on destabilizing the government and making large regions of the country ungovernable. The insurgency has been highly effective in disrupting civil administration in several provinces of Mozambique. RENAMO's primary targets have been the transport and power infrastructure—which serve several Southern African nations in addition to Mozambique—resulting in increased regional dependence on South Africa and additional transport costs to the region of at least \$300 million per year.

The more vicious side of RENAMO's efforts is manifested in its attacks on peasant farmers, food production and distribution systems and social services. These attacks have directly resulted in lower levels of primary health care such as vaccination coverage rates, decreased primary school attendance, declining food production, and increased malnutrition and starvation. According to the UN, the 1983-84 famine in Mozambique that took over 100,000 lives was caused not primarily by drought or poor agricultural policies, but was instead the result of RENAMO's disruption of rural life and food production, destruction of Mozambique's ability to raise export earnings to purchase food, and outright prevention of food relief operations. The famine that now threatens 4.5 million lives in Mozambique is also directly attributable to RENAMO.

As well as staging raids on food production and food relief operations, RENAMO has destroyed 484 health posts since 1982 (42 percent of the total) depriving over two million people access to health care. Insurgent attacks have also resulted in 40 percent of the primary schools being destroyed or abandoned, leaving 300,000 children without education. Local health workers have been killed, wounded, and kidnapped by RENAMO, halting vaccination programs throughout the country. Relief workers have also been attacked and killed, and as a result many areas are completely inaccessible to the emergency relief effort.

Outside observers state that RENAMO has unrestricted freedom of movement in only 10-15 percent of the country, contrary to its claim of command over 80 percent of the nation. U.S. Agency for International Development and international development and relief officials have said that in the areas RENAMO is active, it does not appear to exercise any administrative control.

#### REGIONAL AND INTERNATIONAL COMPLEXITIES

##### 1. Mozambique's Regional Importance

Mozambique plays a pivotal role in the development of Southern Africa. As one of the nations that border on South Africa, it is directly affected by South Africa's efforts at regional destabilization. Mozambique is an important target for the South African regime due to the routing of regional transport arteries through the country—transport routes essential for reducing the dependence of Southern African nations on the Republic of South Africa; three of the most essential routes run through Mozambique—the Beira Corridor, the Limpopo Line, and the Nacala Line.

Zimbabwe, which previously used Mozambican rail lines to transport the majority of its imports and exports, now depends on

South Africa to move from 60 percent to 90 percent of its trade depending on the conditions of the Mozambican lines. Other landlocked states of Southern Africa are similarly dependent on South Africa for transportation, creating a situation which has several negative implications. Routes through South Africa are usually much longer, making transportation costs higher. Also, South Africa receives the revenues for carrying the goods that Mozambique and others would receive if they handled the transportation. Most importantly, by controlling the region's vital transportation links—their lifelines to the outside world—South Africa keeps the region in a stranglehold. In order to counter this dependence on South Africa and to foster regional development, the nine majority-ruled nations of Southern Africa have joined together to create the Southern African Development Coordination Conference (SADCC). The primary objective of SADCC is to improve the transportation infrastructure by rehabilitating the railroads which run through Mozambique, Angola, and Zimbabwe.

### 2. Mozambique and the East Bloc

In the first decade of independence, Mozambique relied heavily on technical and military assistance from the Soviet Union and other Communist bloc countries. A large number of Soviet, Cuban and East European personnel, military as well as technical advisors, were stationed in Mozambique. In 1980, Samora Machel, president of Mozambique, asked to join the Council for Mutual Economic Assistance (COMECON), the Soviet bloc's economic alliance. The request was turned down and, along with a growing disillusionment with the inadequate technical assistance being provided by the East bloc countries, led Machel to explore openings with Western nations. By 1981, Mozambique was pursuing a policy of non-alignment, permitting the return of some private enterprises, and was seeking Western investment and economic assistance.

Mozambique retains ties to the Soviet Union. The Treaty of Friendship and Cooperation with the Soviet Union is still in effect, and it is believed that hundreds of advisors from the East bloc are currently in Mozambique. The Soviet Union, however, provided very little assistance for the 1984-85 famine emergency and is providing little to meet the current needs. This fact has not escaped the notice of the government of Mozambique. At a emergency donors' conference in Geneva in March, the Soviets pledged \$282,000 for humanitarian assistance to Mozambique against total pledges of over \$200 million. The United States pledged \$75 million and is perceived and recognized as a major provider of humanitarian assistance by the government.

### 3. Mozambique and the United States

FRELIMO's ties to Marxist ideology and to the East bloc obviously resulted in poor relations with the U.S. in the early years after independence. Relations were further strained by reports of human rights abuses, including the detention of political opponents in "re-education" camps, and by Mozambique's criticism of U.S. policy towards South Africa. As a result, Congress imposed a ban on all non-food assistance to Mozambique in 1977.

By 1980, a combination of events led to a warming of relations between the U.S. and Mozambique. Machel's disillusionment with Soviet aid, his subsequent turn to the West for assistance, discussions of economic liber-

alization, the release of political prisoners, and a greater appreciation by U.S. policymakers of the regional importance of Mozambique all led to closer ties between the two nations. Congress attached a waiver to the Mozambique aid ban, and in 1981, with the onset of the drought, the U.S. provided food aid and technical assistance. In 1983, an economic assistance program was launched to support private sector agricultural development, and the program is still being funded at approximately \$10 million annually.

More recently, Mozambique's decision to join the World Bank and the IMF have favorably impressed the Reagan Administration as signs of genuine commitment to economic reform. Further, the signing of the Nkomati Accord between Mozambique and South Africa and Mozambique's subsequent expelling of South African opposition forces led to closer U.S.-Mozambique ties. In January 1985, the Administration announced that it would propose a small amount for military training and non-lethal military equipment to Mozambique, but the request was dropped under Congressional pressure. President Machel visited Washington in September 1985 and was warmly received by President Reagan. In May of this year, Secretary of State George Shultz assured visiting Mozambican officials that the U.S. Government was committed to supporting the Mozambican government and had no intention of recognizing RENAMO.

The European allies of the U.S. have also been supportive of Mozambique in recent years and have provided significant amounts of aid and foreign investment. Italy is the second largest donor of assistance to Mozambique this year after the U.S., and the European Economic Community is the third. Great Britain has begun to provide military training to Mozambican soldiers in Britain and in Zimbabwe and plans to expand this program to train soldiers in Mozambique. The Thatcher Government is currently exploring ways to expand development assistance to Mozambique as well.

Certain outside groups, however, are pressuring the U.S. Congress to oppose the Administration's policy of establishing closer relations with the government of Mozambique. Some groups have advocated that the Administration open a dialogue with RENAMO and use them to assist in the relief effort, ignoring the fact that it is RENAMO that has basically created the current crisis and has exacerbated it by its deliberate attempts to hinder the delivery of relief supplies.

### THE EMERGENCY

Mozambique is facing a famine of historic proportions: of a total population of 14.2 million, it is estimated that 4.5 million are currently at risk of starvation. The cause of this crisis is not drought. Precipitation in 1985-1986 was within levels considered normal or above normal for most of the country. The southern provinces—Gaza, Maputo, and Inhambane—have been abnormally dry, but the major food producing regions have had adequate rains. According to the U.N., the primary cause of the food crisis is terrorism being carried out by RENAMO. Attacks on farmers and rural communities have forced many to abandon food production and to leave their land altogether. By cutting the main transportation arteries inside Mozambique, particularly the rail lines, RENAMO has made the distribution of food within the country difficult or impossible in many regions. An estimated

1.2 million people are inaccessible due to RENAMO activity, and many of the others can only be reached by armed convoy, by sea, or by air.

Conditions within Mozambique today are desperate. 1.8 million people have been internally displaced, and another 420,000 have become refugees in bordering countries. The mortality of children under five in Mozambique is over 325 per 1,000, along with Angola's rate the highest incidence in the world. Only 30 percent of the population has access to health services partially as a result of attacks on health facilities by RENAMO, and only 13 percent of Mozambicans have access to safe water. Meanwhile, food production in Mozambique has fallen far below the already low expectations. It was originally estimated that domestic food production would be roughly 90,000 metric tons in the 1987/88 crop year, but officials now expect only 60,000 tons and outside observers as little as 40,000 tons. The result is a food deficit of between 650,000 and 750,000 metric tons.

In order to meet this emergency food need, as well as the equally important non-food relief needs of Mozambique, the U.N. in February of this year launched an urgent appeal for \$243 million in assistance to Mozambique. Representatives from donor nations met in Geneva on March 31 and collectively pledged \$209 million in humanitarian assistance. The U.S. pledged \$75 million in relief aid, including 150,000 metric tons of P.L. 480 emergency food commodities and 43,000 metric tons of food aid from the Section 416 program. Through AID's Office of Foreign Disaster Assistance, the U.S. will provide \$3.4 million to UNICEF to procure and deliver vital medicines, as well as funds to assist CARE and World Vision in organizing and carrying out the distribution of food and other operations.

The major problem in Mozambique, however, remains the distribution of the food and non-food emergency assistance. The off-take capacity at the ports is limited and must be expanded if sufficient supplies are to be delivered. Due to RENAMO's attacks on Mozambique's transportation infrastructure and on relief workers, internal distribution is both difficult and dangerous; and in many areas there are not enough trucks to distribute the food. The World Food Programme is coordinating the UN response and is detailing plans for an expanded rail, air, and sea distribution. In May of this year, WFP launched the first of 35 planned airlifts to inaccessible regions.

Along with the need for more trucks, there remains a food deficit of over 200,000 metric tons, as well as a requirement of \$4.7 million for health projects, \$5.7 million for the provision of water, \$5.8 million for relief and survival items and \$8.4 million for agricultural inputs. The UN is currently reviewing the needs in Mozambique in light of the pledges made at the Geneva conference, and it is expected to issue another appeal this summer.

PROVIDING SHELTER FOR THE HOMELESS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. GARCIA. Mr. Speaker, this House has passed a multimillion dollar homeless housing assistance bill that will help alleviate some of the problems of homeless individuals and families. However, it is unfortunately not enough, because the problem continues to grow, and our budget for such programs continues to diminish. The housing bill now awaiting a House-Senate conference is a necessary step in the cure for our Nation's housing ills. It, too, is a good bill, yet the administration threatens a veto, thereby ensuring that the homeless problem will be exacerbated. It is plain that the problem has grown as the funds for housing have dwindled in the last 5 years. The situation is shameful, but the States have put in their fair share to hold down the number of homeless by being creative, and certainly by being more realistic and generous than the Federal Government has been.

New York City has been at the forefront in terms of providing shelter for the homeless and housing for low-income families. The city is again proving its seriousness in this uphill battle. I am enclosing an article from the July 10 New York Times, outlining the city's program to house 1,750 homeless families and individuals. It is important that we remember that this Nation's housing problem is not simply a once a year debate on the House floor. It is an ongoing one, faced daily by our cities, and one they deserve our help with.

1,750 HOMELESS OFFERED CHANCE FOR NEW HOMES

(By Alan Finder)

Sixteen nonprofit groups have been selected to develop and operate housing for about 1,750 homeless people, the Koch administration said yesterday.

The groups will renovate vacant, city-owned buildings to provide temporary and permanent housing, both for individuals and families. The city will spend \$31 million of its capital funds to finance the renovations, and \$8 million more in state and Federal money will be made available to the local, non-profit groups.

The announcement yesterday at a City Hall news conference began the third year of the program, under which the city sells the vacant buildings to the groups for \$1 each and pays for the reconstruction. The city also has promised to provide social and medical services to the homeless people who will eventually live in the buildings.

In the first two years, 25 nonprofit groups were selected to participate, city officials said. Three projects approved in 1985 are under construction and two others will begin construction soon, officials said.

VARIED GROUPS SELECTED

Most of the 20 sites selected last year are undergoing the city's land-use review procedure, under which they must be approved by the Planning Commission and the Board of Estimate.

The groups selected yesterday included churches, settlement houses, foundations, local housing corporations and other nonprofit agencies. Some of the renovated

buildings will be used for temporary housing; others will house residents permanently. Many will be set aside for people with special needs, including battered mothers, children in need of foster care, graduates of drug treatment programs, the elderly, the mentally disabled and pregnant teenagers.

"The people who enter these facilities require the special care that is provided," Mayor Koch said. "The organizations, that have been designated are making an important contribution to the solution of the homeless problem. I would like to congratulate the groups and thank them for the help they will provide."

FATAL MISSION IN NICARAGUA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. HOWARD. Mr. Speaker, there has been a good deal of talk about heroes in the current hearings on the Irangate investigation. I would like to share with my colleagues a commentary by the writer Jimmy Breslin which appeared in the July 9 editions of the Daily News of New York. Mr. Breslin, in his inimitable style, helps put the kind of heroism we are witnessing in Central America in perspective. The current Irangate hearings won't give us a portrait of Father Dan Driscoll or of the horrors he and his parishioners face, so it is well that we attend ourselves to Mr. Breslin's commentary.

[From the Daily News, July 9, 1987]

FATAL MISSION IN NICARAGUA

(By Jimmy Breslin)

"When they hit the land mine, the truck was thrown 20 yards in the air and landed upside down," Dan Driscoll, the Maryknoll priest, was saying on the phone from Managua.

"And he lived?"

"He did. Father Ignacio came out alive. But Brother Tomas was killed right away. Father Ignacio was on his back and Brother Tomas was dead. Brother Tomas was on top of him. Brother Tomas' legs were stuck in the wreckage. The legs had been severed, I think. I know that Father Ignacio couldn't move."

This was yesterday morning, and Driscoll was in Managua for a funeral. He is the pastor of a parish out in the poor rural areas north of the city. He was talking of a land mine that had blown away the life of a member of the Catholic Franciscan Order, Brother Tomas Augustin Zavaleta, 40, and injured Driscoll's friend, Father Ignacio Urbina, who is 31 and the Franciscans' superior in Nicaragua. They hit the land mine on July 3.

"Whose land mine was it?" Driscoll was asked.

"Only one side puts land mines on the roads in Nicaragua," Dan Driscoll said.

As I spoke to him on the phone, here in front of me on television was Oliver North, who spoke so earnestly about Nicaraguan freedom fighters.

"What were they doing out there?" I asked Driscoll.

"This is a case of the church accompanying the people," Driscoll said. "Many Nicaraguans riding trucks to work have hit these

land mines. It is the job of the church to be with them. That was what Father Ignacio and Brother Tomas were doing."

The last time I saw Driscoll was in May, when he came up from Nicaragua for rest and he was in a doctor's office in Manhattan. On television that afternoon they had Robert McFarlane, once the national security adviser; the hearings have been on for that long. That day, Driscoll didn't want to watch McFarlane because of what he represents, which is death. "America says we have to stop communism and all I'm doing is burying Catholics," Driscoll said that day. Driscoll, 4-foot-11 and with white hair, then talked about going back to his parish in the Diocese of Matagalpa.

"It's a fine life for a priest," he said. "There is so much to do."

"It could be a little dangerous," somebody said to him.

Driscoll stared with his blue eyes and said nothing. And then he went back to Nicaragua, because, of course, he doesn't know any other way to do it.

And now yesterday, another witness on television, this time Oliver North, and another day of hearings, with the talk centering on who said what and when and who took orders or didn't, here was Driscoll on the phone again and he could see North on television in Managua, but of course he didn't want to, and, again, he was talking about more Catholics killed while America tries to stop Communists. In this case, Brother Tomas, dead on a road.

Earlier this year, somebody in the Franciscan office asked Brother Tomas if he wanted to be stationed in California for awhile.

"I think I'd rather stay here," Brother Tomas said.

Brother Tomas took a parish in Matiguas, which was perfect territory for him. There was fighting in the area that made it almost impossible for the poor to farm or do much to help themselves. On the other hand, Brother Tomas knew there was a farming cooperative in Matiguas that is funded by the Catholic Relief Services, part of the American Bishops' Conference.

And then on July 3, in the evening, Brother Tomas and Father Ignacio were in a truck and riding with them were two women who worked for the parish, Emperatriz Martinez, 45, and her sister-in-law, Digna Martinez, 40, and at 5:30 p.m. they hit a land mine and now all this patriotism and hard-guy talk that you hear on the television came down to what it always does: Somebody else does the dying.

"When Father Ignacio tried to move, his back hurt so much, he screamed and soldiers came," Driscoll was saying yesterday. "He said that he was afraid that they were Contras and that they would kill him before he could announce what they had done. But The Sandinistas put Father Ignacio on a mule, and put Brother Tomas' body on another mule and then they carried Emperatriz on a stretcher. Her sister-in-law only had some shrapnel, I guess. They got Father Ignacio and Emperatriz to the hospital in Managua."

"How is Father Ignacio?"

"He is having surgery tomorrow. He has broken vertebrae."

"And the woman?"

"She died."

There was silence. Then Driscoll said, "She was a widow who was dedicated to the church. This is a terrible blow to the Franciscans."

"Did you bury him?" I asked Driscoll.

"They had three Masses for him here," he said. "They buried him back in El Salvador."

"Now what do you do?"

"I go out to my parish."

"Watch yourself."

He didn't answer. He never really does when you talk to him about getting hurt.

On the television now, here was North talking with the counsel, Niels, and everybody kept telling me that North was putting on a great show, but I found there was very little thrill to looking at a man who tells me how important it is to do things like put land mines on country roads in Nicaragua so that democracy flourishes.

## BLACK WORLD JOURNALISM AND ADVERTISING AWARDS

### HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SAVAGE. Mr. Speaker, on June 19 of this year, Capital Spotlight publisher R.E. "Ike" Kendrick, WOL-AM general manager Cathy Hughes, and restaurateur Mickey Lewis were honored by the Black Journalism Review as Journalists and Advertiser of the Year at Woodies Hilltop Pub.

The Black World journalism and advertising award were given to the honorees in recognition of their individual contributions, and in commemoration of the 100th anniversary year of Hon. Marcus Garvey's birth. Mr. Garvey published a newspaper called the Black World, which helped spread the message of self-sufficiency, racial pride, and self-help to the more than 500,000 members of Garvey's Universal Negro Improvement Association [UNIA] in the early 1920's—at the dawn of Harlem's black cultural renaissance.

According to Black Journalism Review editor Askia Muhammad,

Publisher Ike Kendrick is the undisputed "Dean" of black newspaper publishers in the Nation's Capital. Since October 2, 1953 his weekly the Capital Spotlight has illuminated the goings and comings of Washington's black society which boasts of having more blacks holding college degrees, masters, Ph.D's, more black professionals, top government officials, educators, diplomatic personnel and journalists than any other city in America. There is no other journalist anywhere in the country more deserving of recognition than this pioneer.

Last September, the Broadcaster of the Year Cathy Hughes led a 13-week community boycott of the Washington Post magazine which has resulted in much improved sensitivity to news stories that reflect positive black images in the magazine and the newspaper. Ms. Hughes has built WOL-AM, as the general manager and owner, into one of Washington's more powerful radio voices.

Advertiser of the Year Mickey Lewis is the proprietor of Woodies Hilltop Pub. He has "contributed to the revitalization of Georgia Avenue near Howard University by presenting first-quality jazz entertainment, and then cre-

atively advertising his cultural creation," Muhammad said. Mr. Lewis, a bail bondsman, formerly managed "Torts" and other jazz clubs in his long career of presenting quality entertainment to Washington audiences.

Mr. Kendrick is a veteran of more than 45 years in the newspaper business, when he began as an assistant to W.A. Graves, publisher of Washington's Gailey News and the Nightlife. Since 1942 his byline has detailed the glory days of brilliant social events, and allowed him to rub shoulders with guests that included the wives of two presidents—Mrs. Eleanor Roosevelt and Mrs. Bess Truman—as well as many stars of stage and screen including Shirley Temple. In those days, when some guests attended benefits for worthy charities such as the Polio Foundation at Washington's elegant Lincoln Colonnade, they were venturing across the "color line" because of segregation, even in the Capital City.

Performers that Ike Kendrick chronicled include all the legends of his time: Count Basie, Duke Ellington, Cab Calloway, Louis Armstrong, Louis Jordan, Charlie Barnett, Tiny Bradshaw, Jimmie Lunceford, Ella Fitzgerald, Sarah Vaughn, Billy Eckstine, Roy Hamilton, Ruth Brown, James Brown, Jackie Wilson and Jackie "Moms" Mabley. And while many talented writers have been associated with him, his most memorable associates will always be the colorful socialites from a bygone era.

There were more than 75 organizations that made up the Metropolitan Area Council of Social Clubs that Mr. Kendrick formed. Members of the council included groups such as: Elite Mesdames, Toppers, Club D'Accord, Club Entre-Nous, Jack and Jill, Guardsmen, Continentals, Tall Girls, Jolly Beggars, The Moes, the Sweethearts of Distinction, and of course the predominantly black Greek-letter fraternities and sororities. They sponsored elegant events, and their group recited one motto—"Eat, drink and do your thing. And, read Spotlight to find out where."

In his popular column, "Spotology," Ike Kendrick once wrote,

Each generation has to eventually admit that "the good old days are gone forever." But they will long be remembered.

In his tribute to Mr. Kendrick BJR Editor Muhammad said,

June 19 is a day for remembering. We remember the date as "Juneteenth," the anniversary of the Emancipation Proclamation officially ending slavery in Texas, and we at Black Journalism Review remember the accomplishments of Advertiser of the Year Mickey Lewis, Broadcaster of the Year Cathy Hughes, and a lifetime of journalistic contributions by the "Dean" of Washington black publishers, Black World Publisher of the Year, Robert E. Kendrick—"Ike." We Remember, and we call upon all Americans to join us in saluting these distinguished citizens.

Founded in Chicago in 1976, the Black Journalism Review is a quarterly periodical which focuses on the news, communications, and entertainment media from a positive black perspective.

## LEGISLATION TO PROVIDE FEDERAL FUNDS TO STATES FOR CLOSED-CIRCUIT TESTIMONY IN CHILD ABUSE CASES

### HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. TRAFICANT. Mr. Speaker, today I am introducing legislation that will authorize up to \$20 million in Federal funding for States that have laws permitting the use of closed-circuit testimony in child abuse cases. Under my bill, States with such laws will be allocated a minimum of \$50,000, with additional funds being provided based on the population of the State.

These funds could only be used to initiate or expand facilities and training of personnel for the implementation of closed-circuit testimony in child abuse cases. States would distribute the Federal funds to local governments and the grants would be made on a matching basis with the States paying 25 percent of the grant. Eligible States would apply to the Bureau of Justice Assistance for funds under this new program. Under the bill, States receiving Federal funding under this program would be required to submit a yearly report to the Bureau of Justice Assistance summarizing the impact of the activities carried out with the Federal grant. States would also have to file similar yearly reports to Congress.

Mr. Speaker, I believe that this legislation is an important measure that will encourage States to initiate and expand the use of closed-circuit testimony in child abuse cases. I recognize the sixth amendment requirement that a defendant be able to confront his accuser. That is why my legislation deals only with live closed-circuit testimony—not videotaped testimony. The grant program authorized under the legislation I am introducing today will apply only to those States that have in effect a law that permits: the closed-circuit televising of testimony of children 17 years of age or younger in criminal proceedings for the violation of laws relating to the abuse of children; and that counsel for defendants in such proceedings to be physically present in the room throughout the period during which such children testify.

Mr. Speaker, I offer this legislation today because I believe that the expansion of closed-circuit testimony will greatly assist in the prosecution of those vile individuals who sexually, physically or mentally abuse children. The evidence in child abuse cases usually centers wholly on a child's testimony. Prosecutors are often frustrated because a child becomes terrified when confronted with his or her abuser and "freezes" on the stand. In cases where a child cannot tell his or her story, the judge has the option to declare that child incompetent to testify. In most instances the judge does exercise this option. In addition, young children who have been through the traumatic experience of being abused are often unable to effectively relate details of sexual encounters. Most disturbing is the fact that evidence shows that psychological harm can occur to abused children who testify in open court.

Courts have recognized that closed-circuit testimony is a solution to this problem. In State of New Jersey versus Sheppard, a New Jersey court allowed closed-circuit testimony to lessen the child's stressful emotions. The courts have also ruled that the use of closed-circuit testimony is not in violation of the sixth amendment—if defense counsel is able to cross-examine the witness. Sixth amendment problems are also addressed by my bill in that the defendant will be able to watch the child's testimony on closed-circuit television and convey his or her observations to counsel by audio.

Finally, Mr. Speaker, in United States versus Benfield, the Eight Circuit Court of Appeals ruled that a videotape deposition was in violation of the confrontation clause—however the court found that closed-circuit testimony would be constitutional. Clearly, closed-circuit testimony has proven to be a constitutionally acceptable way to better prosecute child abuse cases—without violating the rights of the accused. The use of closed-circuit testimony is a reasonable and effective way to lessen the trauma to the tragic victims of child abuse. Most importantly, closed-circuit testimony will assist prosecutors in getting more convictions.

This legislation is a balanced and reasonable measure that demonstrates congressional support for the use of closed-circuit testimony in child abuse cases. I urge all my colleagues to support this important legislative initiative.

#### LONG-TERM CARE INITIATIVES

### HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. CRANE. Mr. Speaker, during the current debate about the problem of catastrophic care for the elderly, we must continue to look to the private sector for a viable solution. Prof. Joseph Drew, during the Republican Study Committee's April 30, 1987, hearing on long-term care, presented an important overview of the various private sector solutions for long-term care for the elderly. I urge my colleagues who wish for a better understanding of what role the private sector can provide in offering workable solutions to the question of long-term care to read Professor Drew's testimony below:

Honorable Members of Congress, good morning. My name is Joseph Drew. I am an associate professor of public administration in the Department of Political Science at Kent State University in Kent, Ohio.

I would like to preface my remarks this morning by expressing my appreciation to the committee for extending to me an invitation and permitting me the opportunity to testify before you on this most critical matter—the financing of long term care. I would ask the indulgence of the committee this morning by permitting me to address my arguments to the most impaired subgroup within the total long-term care population—the elderly in nursing homes.

In the time permitted I will contain my comments to two basic themes. First, I would like to outline in summary form, the basic private sector alternatives being put forth on the national agenda which seek so-

lutions to the problems of financing long term care for the elderly in nursing homes.

Second, I will address the fundamental criticism typically lodged against proponents of private sector alternatives and the erroneous conclusions which typically follow because of this criticism. This point will be underscored by an illustration of how the private sector can dispel this fundamental criticism.

At the combined federal and state levels we are currently spending a total of \$9.3 billion dollars per year for the long term care nursing home patients who are elderly. The amount spent exclusively by the states is \$4.1 billion. As our society ages, our elderly nursing home population will virtually double in the next thirteen years. The net financial impact of this doubling will mean that by the year 2000 we will be supporting a nursing home population equal to the total number of elderly now in nursing homes. Moreover, we should expect these expenditures not to double, but to perhaps triple, from \$9.3 billion to \$27 billion dollars as the elderly who will require this level of care will be older and sicker and as health care costs continue to escalate.

If no alternatives are found to the current method of financing long term care in nursing homes, we will have a system which takes middle class Americans, who have worked and saved all their lives, and forces them to deplete their personal resources, impoverish their remaining spouses, liquidate their estates and live on \$25 per month as wards of the state. For \$27 billion dollars per year, this constitutes a national disgrace. How to avoid this tragedy is the subject of my second theme this morning, a summary of the major private sector alternatives proposed to finance long term care.

#### SUMMARY OF PRIVATE SECTOR ALTERNATIVES TO LONG TERM CARE

For the past several years I have been involved in researching and writing a book on the various alternatives being put forth to finance long term care in America. While these alternatives are numerous, I have assembled for this presentation today, a summary of those which are dominant. Additionally, for purposes of clarification, I have grouped these alternatives into five major categories: Insurance Policies, Home Equity Conversions, Individual Medical Accounts, Continuum of Care Communities, and Tax Incentives. Because tax incentives are often included as subsections of the alternatives proposed, in the interest of time, I will not discuss tax incentives.

Below, you will see the range of major private sector alternatives presented as solutions to financing long term care in America.

#### MAJOR PRIVATE SECTOR ALTERNATIVES GROUPED BY CATEGORY

**Insurance Policies:** Extension of the current "Medigap" policies; Traditional Whole Life Policies with a Long-Term Care Rider (Convertible Life); and Specific Long-Term Care Policies.

**Home Equity Conversions:** Reverse Annuity Mortgages (RAM's); Deferred Interest RAM and RAM with Interest; Sales/Leaseback Agreements (SLA's).

**Individual Medical Accounts:** Individual Retirement Accounts for Long Term Care; Modifications of Existing IRA's; and Health Care Savings Accounts.

#### Continuum of Care Committee

**Tax Incentives:** Deductions for Premiums Paid to Insurance Companies; Removal of

State Premium Taxes; Elderly Dependent Deductions; and Elderly Care Credits.

#### INSURANCE POLICIES FOR LONG TERM CARE

The first of these are the insurance group alternatives. This is the attempt to expand the concept of life and/or health insurance to long term care. Specific policies for long term care are only one option offered through the insurance industry. Other variations, such as extensions of the Medicare Part B supplementary policies, convertible life policies or health insurance policies with long term care riders exist, as well. Since there are others testifying today from the health insurance industry, I will defer to those panelists for a discussion of the other insurance options and focus on policies specific to long term care.

A number of insurance companies have already begun marketing long term care policies. The entrance and departure of insurance companies from the market has been fluid. Our research indicates that, at this time, there are currently some 35 companies across the United States selling these types of policies.

There have been attempts at developing comprehensive prototype policies. The policies currently on the market, however, vary considerably in terms of limits on period of coverage, per diem reimbursement rates, deductibles, and whether home health care may be substituted on a ratio basis for nursing home care or not. Additionally, they all require medical underwriting for purchase. A rapid expansion of this market would help to narrow the variation in the area both of premium and benefit these areas and cause some standardization.

Premiums generally are age graded. Given that the risk of institutionalization increases with age, premiums are pro-rated accordingly. To illustrate this point, AIG, one of the insurance companies aggressively marketing long term care insurance, will sell one of its policies to an individual, age 65, for approximately \$725 per year. This premium jumps to \$1,000 if the same policy is purchased at age 66-69.

There are three major disadvantages associated with the use of insurance policies. First, because of the cost of premiums, there is not equal access to this option. For a husband and wife to each purchase a long term care policy at age 66-69 would require a \$2,000 per year premium.

Second, given that policies are highly variable in their premium and benefit levels, Americans will have to accept variation in quality of care in nursing homes.

A third problem has to do with the viability of many of the firms currently selling these policies. Where companies are driven out of the market based on competition, we have an immediate prescription for a future catastrophe under this alternative. Imagine if you will, the case of an individual in a nursing home in his second or third year who receives a notice that his/her insurance company is in default. The premium is returned benefits cancelled. Since these policies all require medical underwriting, what is the elderly person to do?

#### HOME EQUITY CONVERSIONS

The second group of alternatives have to do with home equity conversions. Basically, these alternatives argue that for persons who need to finance nursing home care, the existence of a sizable portion of dollars exists in the equity the elderly have in their homes. Statistically, some 75% of all elderly homes are owner-occupied and, of these, 80% are mortgage-free. Research has shown

that approximately fifty percent of the elderly have equity in their homes of \$50,000. However, the conclusion should not be drawn that these are wealthy individuals. In fact, two thirds of the elderly poor are homeowners. What has occurred is that while their homes have increased in value over the years, their incomes have decreased to the point where they are income poor. As such, their only real asset is their home.

There are two major variants of home equity conversions, Reverse Annuity Mortgages, commonly called RAM's, and Sales and Leaseback Agreements, referred to as SLA's. While both of these major options have variations, essentially they function as follows: each requires an elderly homeowner to enter into an arrangement with a financial institution—normally a mortgage banker. The elderly borrow against the accumulated equity in their homes to receive a monthly cash income, or a lump-sum to purchase an annuity. Under the RAM options, the homeowner retains title of the property. RAM's may be structured so that equity can be drawn down at a fixed or variable rate of interest over a fixed term. The RAM is payable on the sale of the property, or death of the borrower.

Under SLA's, the title transfers to the financial institution. The elderly in turn are given a lifetime lease option. Monthly payments are provided to the elderly. Upon their death, disposition of the property is at the discretion of the financial institution.

While home equity conversions do afford a considerable base of funds, the viability of this alternative, in my estimation, has been greatly exaggerated. The average long term care patient is in a nursing home for 2.4 years, or 30 months. At \$2,000 per month, this already constitutes \$10,000 over the amount that the one half of the elderly, who do own their homes, have as equity. Therefore, for the average long term patient who attempts to utilize this device, there is an immediate \$10,000 shortfall.

Even if the elderly utilize other savings on investments to offset the costs of nursing home care, selling the equity in their home means that the remaining spouse, usually a woman, will have depleted her savings and now has no home in which to live, nor money to live on. After a lifetime of homeownership and savings, this family, with resources depleted, would be forced to go on welfare.

As mechanisms to purchase long term care insurance by covering the costs of premiums, Home Equity Conversions have limited utility. The available research has shown that the total percentage of persons who would spend 5% of their income for such policies would only be 30-35%. Despite what proponents argue, to quote the findings of a major study which looked at this use of Home Equity Conversions, "the two major current forms of home equity conversions do not easily provide increased financing for long term care".

Additionally, home equity conversions as an alternative would be unacceptable to a majority of the elderly population in behavioral terms. Research indicates that the elderly are reluctant to convert the equity in their homes for purposes of financing long term care. In San Francisco, California and Buffalo, New York where home equity conversions have been marketed and offered for over two and one half years under pilot projects, the total number of conversions have been one hundred. Additionally, monies generated from these conversions

were utilized by the elderly specifically for the purpose of supplementing their monthly incomes for consumption needs rather than for long term care insurance premiums or direct payment of long term care services.

#### INDIVIDUAL MEDICAL ACCOUNTS

The third set of alternatives are those classified as Individual Medical Accounts or IMA's. These are basically of three types: Modifications of existing IRA's which would permit a portion of their accumulated funds to be used for health care; LTC/IMA's, which are IMA's to be used exclusively for long term care; and Health Care Savings Accounts, which could be used specifically for acute or long term medical care needs. The latter two could exist in addition to Individual Retirement Accounts (IRA's).

IMA's were designed to work similarly to traditional IRA's, but to be specifically utilized for health care or long term care needs of the elderly. IMA's could be purchased from a host of financial institutions. The funds put into these accounts would, in turn, be invested and a certain return provided to the investor in the form of reinvested dividends. The account would, after a sufficient number of years, have resources adequate to cover the health care needs of the elderly person. When needed, the individual would draw down on his/her account. If not needed, the accumulated funds in the account would return to the estate upon the death of the individual. As an incentive to purchase these IMA's, proponents have urged that some percentage of the amount committed be treated as a direct dollar credit against current tax liability.

A major advantage of the IMA's is that they not only provide immediate relief for the problem of long term care financing, but that they can provide a vast stream of funds into the capital markets for other forms of expansion in the domestic economy. This is so because IMA's, if utilized for long term care exclusively, mean that huge reserves will be built up as virtually everyone pays in but only five percent of the population will ever be drawing down on their accounts.

The principal disadvantages of IMA's, like the insurance options, is that affordability is dependent on the availability of discretionary income. For a large group of individuals, their current taxable income is insufficient to make tax credits or deductions a sufficient inducement. It should be recalled that three fourths of America's taxpaying households have combined incomes of under \$30,000 per year. While the regular IRA notion of deferring income attracted only a small percentage of this group, almost 60% of those households with combined incomes over \$50,000 purchased IRA's. The proposed tax credit, in contrast to the deduction, appears to be a very favorable inducement, and could alter these percentages. Independent of this possibility, for a sizable portion of the population, coverage would simply be unattainable under this alternative.

Additionally, while the notion of a tax credit would function as an inducement to purchase IMA's at the individual level, it would have a deleterious effect on the size of federal revenues. One suggestion to overcome this negative effect might be to limit the size of the aggregate credits in a fiscal year to an amount equal to that which would otherwise have to be paid out for long term care in a given fiscal year under existing programs.

#### CONTINUUM OF CARE RETIREMENT COMMUNITIES (CCRC'S)

A fourth and final group of alternatives are those which propose the utilization of continuum of care communities (CCRC's) or life care communities. These are communities which provide a hierarchy of levels of care on a single campus. As the level of impairment increases for an individual, they may move within the same community, from living independently in a separate apartment, to assisted living, to a skilled nursing care facility. This movement can be accomplished with a minimum of disruption in their social environment. Thereby, the pain of change and accompanying physical impairment is not compounded by the usual isolation from friends. Additionally, for the elderly living alone, this arrangement provides a sense of security, in that no matter what befalls them, they will be taken care of at whatever level of need they may require or elect.

There are currently over 300 CCRC's in the United States with approximately 90,000 residents. Most are located in the southwestern or western parts of the United States. Recently however there has been a growing market in the midwest. The majority of CCRC's are organized on a not-for-profit basis and are owned by religiously based organizations.

CCRC's generally require an entrance fee or accommodation fee. Generally this fee is used to defray the capital costs of construction, and consequently is often substantial. Median entrance fees in 1981 were \$45,000 for a one bedroom apartment, \$63,000 for a two bedroom apartment. For luxury CCRC's the accommodation fee can be upwards of \$100,000 or more. It is important to note that these accommodation fees do not include ownership or any real property rights, but are strictly entrance fees. Should an elderly person or couple choose to leave the CCRC, entrance fees are sometimes refundable on a pro-rated basis, but this is not universal.

The CCRC's provide a basic package of services for a set monthly fee. More intensive services are offered on a menu basis. The cost of these monthly services, on average, range from approximately \$900-\$1,200 per month. For CCRC's where there is no entrance fee, the monthly service charges are normally higher.

The profile of a typical resident of a CCRC is as follows: a median age of 76 for men and 78 for women, a median monthly income of \$1,200; personal assets valued at between \$70,000 and \$200,000 and, approximately 70% of the residents move to a CCRC from residences within 25 miles of the facility.

There are three major shortcomings of CCRC's. First and foremost is their limitation to access for everyone due to the entrance fees. Research has estimated that only 25% of single individuals and 40% of couples would be able to afford this type of long term care environment. Other research findings have argued these percentages to be substantially lower.

Second, it is questionable whether CCRC's that require an entrance fee are really a good investment. Had the principal of \$45-50,000 been invested in some other financial instrument and drawn interest, the interest could be used to purchase a safer neighborhood or guarded apartment complex, maid service, or better health insurance. This could be done while individuals maintained

their original principal for themselves or their estates.

However, the third and most critical findings concerning CCRC's is the lack of financial viability of these enterprises. Many CCRC's have failed due to: underestimation of future operating costs; related to this, a tendency to expand for purposes of increasing cash flow—thereby increasing capital debt; inadequate capital financing or entrance fees, insufficient demand, or for a combination of these reasons. Since the residents who have paid entrance fees are not owners, should a CCRC go into default, the resident has little or no claim on the resources of the defunct corporation.

#### A CRITICISM COMMON TO THE ALTERNATIVES DISCUSSED

For each of the private sector alternatives discussed so far, I have noted their relative advantages as well as their disadvantages. But as they currently stand, there is a fundamental criticism of them as a group. This criticism, of course, comes from those who propose a solution aimed at expanding, not limiting the role of government in this policy arena. At this point let me say that from my perspective, the assumptions upon which the critics make their claims are accurate. However, the solutions derived by the critics are not necessarily the correct ones. As an advocate of the free market in this policy arena, please permit me to elaborate on this point for it is perhaps the most significant point I will make today.

The critics view the private sector solutions as functioning for only a limited group of persons—those with the economic resources to make purchases in the market. This market of consumers has at its disposal various levels of resources which permit them to be segmented vertically along economic lines. When the free market or private sector alternatives are applied to this vertically segmented group of consumers, the goals of the free market—to provide choice, liberty, and to do so efficiently begins to work—but only for some.

At this juncture, the argument pivots on the fundamental principles of finance—risk and return. Specifically, the market alternatives do not work because suppliers are constantly trading off risk and return. From the perspective of suppliers, the lower economic segments of the consumers have something in common with the upper end of the market—namely, the risk of institutionalization. Yet, the inability of the lower stratum to provide any return, under any of the private sector alternatives is a fact. Therefore, for a group at the bottom of the economic scale, there is no viability of coverage by the private sector, and certainly the issues of choice and liberty become moot points. The critics, then, conclude that this demonstrates the failure of the private sector, and then arrive at the erroneous conclusion that the solution is to be found in the public sector! This would mean an expansion of government intervention, universal taxation, expanded regulation, increased bureaucracy, and rationing.

#### CONCLUSION

If the arguments of the critics of the private sector are valid then what should be done?

From my perspective, the critical role of government is to create organizational structures which permit individuals to have choices and provide them with a guaranteed return on their investment beyond psychological security. This can be done through the private sector. The challenge,

however, is to merge this philosophy of public choice with the concerns of equity. To do this requires modifications of basic private sector alternatives. Specifically, the organizational designs developed and promoted must attempt to insure that persons at the lower economic levels have the same opportunities as others when they confront the market. How can organizational arrangement be developed to accomplish this goal? Perhaps a brief illustration will help.

My colleague, Mr. John Allen, and I, are currently revising a draft of just such a solution under the aegis of the CATO Institute. Our solution is a complete private sector alternative to the financing of long term care in nursing homes. We are excited about this proposal because it illustrates one way in which government can increase choice through the private sector.

Our preferred vehicle is the long term IMA account which we have merged with industry wide standardized vouchers to act as the currency of exchange in long term care. To address the problem of those at the lower end of the market, to afford them choice they cannot afford, we have proposed the creation of a holding company composed of those companies licensed to sell IMA's in America. A portion of the return from funds invested by traditional market purchasers of long term care IMA's would be placed in something called the aggregate account which is administered by the holding company specifically for those persons unable to purchase long term care IMA's.

When persons from this subgroup require nursing home care, they would draw down on the industry-wide voucher from the holding company, and purchase their services in the market—making their choices as individuals. Since our proposal requires that an industry-wide voucher be the currency of exchange, nursing home proprietors would neither care nor be interested in knowing the background of the client. The voucher would act as a guarantee that payment would be made, as well as guaranteeing the right of every individual to make choices about relocation from one nursing home to another should the quality of care be unsatisfactory.

For individuals who do not utilize nursing homes during their lifetime (or other long term care arrangements), the funds accumulated in their long term care IMA's revert back to their estates upon their deaths. Simply put, either you get the benefits or your estate gets the benefits, but the government doesn't! For those who utilized the holding company account, nothing reverts to their estate, as they contributed nothing.

Now let us contrast this solution with virtually any of the public sector proposals which rely on taxation and regulation for viability. Our alternative calls for a reduction of taxes not an increase. It provides both psychological security as well as a financial return on the investment, something that taxes do not. Since it deals with a market, it is self-regulating both in terms of quality and costs. As important as these other points are, however, this proposal not only addresses the instrumental needs of the elderly who require help in financing nursing home care, it provides a huge pool of revenues to financial institutions and in turn to the capital markets to help finance and expand our domestic plant and equipment and thus decrease unemployment. This is what I mean by the challenge that confronts us as we search for organizational solutions which expand our choices while

we solve our problems. I am optimistic that this can be done. Thank you.

ADDRESS OF ASSISTANT SECRETARY OF STATE ELLIOTT ABRAMS TO WASHINGTON WORLD AFFAIRS COUNCIL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LAGOMARSINO. Mr. Speaker, recent events in Panama and Haiti have caused concern among Members of Congress and the Administration and have called into question the prospects for a prompt and orderly transition to democracy in both those nations. Assistant Secretary of State Elliott Abrams addressed the Washington World Affairs Council last night on the issue of movement toward democracy by Panama, Haiti, Suriname, Paraguay, and Chile.

Because of space limitations, I have had to take the liberty of editing Secretary Abrams' remarks, thus removing his discussion of Suriname and Paraguay, as well as several other paragraphs. I urge my colleagues to obtain the full text of Secretary Abrams' remarks. His timely comments place in clear perspective the administration's commitment to promoting democracy in all those nations in the Western Hemisphere where it is not functioning fully and freely.

I urge my colleagues to read carefully Secretary Abrams' thoughtful analysis and to give their full support to his statements of U.S. commitment to promoting democracy and to showing as he says, "in this matter there is no partisanship, there are no divisions between legislative and executive: here, truly, politics stops at the waters' edge."

REMARKS OF THE HONORABLE ELLIOTT ABRAMS

Events in Panama this month have highlighted a dilemma central to U.S. foreign policy. It is the challenge of how to support democratic change—not against the will of a closed communist dictatorship tied to the Soviet Union, but with a friendly people with whom we have a record of cooperation and a base of common democratic values on which to build. This challenge creates a genuine dilemma because change in friendly countries may in the short run entail some risks—of instability, polarization, and uncertain relations with the United States. We know that. But we also know that the risks will become much larger—unacceptably large in the long run—if there is no opening toward a democratic political order.

I want to speak today about this issue, not only in Panama but also in four other countries in this hemisphere—Chile and Haiti, Paraguay and Suriname—where the transition to democracy is in trouble or in doubt. I want to put to the side for a moment the very different problems in Nicaragua and Cuba, and concentrate on states which do not define themselves as Soviet allies, and which claim to adhere to our own democratic ideals. Since my three and a half years as Assistant Secretary for Human Rights, this has seemed to me a central issue in U.S. foreign policy.

I would like to begin with Panama, where the foremost public issue today is quite simply democracy.

Panama and the United States share deep historical ties and important commercial and strategic interests. The Panama Canal is the source of a unique relationship. In 1979, after many years of negotiations under four U.S. presidents, the U.S. and Panama were able to reach agreement on two treaties that establish a twenty-year blueprint to transfer the Canal to Panama and which provide a regime for its permanent neutral operation. The commitment of the United States—of our government, of both major parties, and with them of the American people—to those agreements is firm. The Panama Canal Treaties are in no way affected by this month's events in Panama.

What these events do affect is Panama's position in the growing community of democratic nations. The 1984 national elections, the first since 1968, suffered from glaring imperfections but seemed to help propel Panama into the flow towards democracy that is powerfully moving the hemisphere and, indeed, the world. But in 1985, Panama's civilian President was forced to resign. Constitutional procedures were followed, at least formally, and Panama remained an open society consistent with its position as a world crossroads. Nevertheless, the setback to democracy was real. This month's events are a second major setback.

There is no one model for democracy, and there is no one path all countries must follow to get there. Panama's solutions must be home-grown. But the resurgence of democracy, in Latin America and throughout the world does more than inspire the many Panamanians now calling for their own democracy. It also establishes standards of freedom and tolerance that must be met if the outcome of a democratic transition is to earn the respect and support of democrats around the world.

The calls for democracy in Panama have already prompted some curious reactions. Fidel Castro's press has rallied to support the Panamanian military leaders against the people of Panama. Last week Nicaragua's Comandante Daniel Oretiga even went himself to Panama to praise the "brave and decisive" actions taken to repress opposition. I imagine everyone here saw that photo of Gen. Noriega in happy comradeship with his Sandinista visitors. Praise from the Communist dictators of Cuba and Nicaragua is a telling sign that Panama needs international democratic support.

The protests in Panama followed allegations of wrongdoing levelled by the former second-ranking military officer shortly after he was forcibly retired. The officer charged widespread corruption and involvement by the Panamanian Defense Forces in electoral fraud in 1984 and in the 1985 murder of a prominent government opponent, Hugo Spadafora. These are not new accusations, but it is the first time they were made by a member of the Panama Defense Forces.

These charges touched a raw nerve. There were several days of demonstrations in Panama's major cities. Opposition activities were spearheaded by a group called the Civic Crusade, a coalition of business and civic groups, political parties and the Catholic church. At the height of the protest, the Civic Crusade called for the removal of the commander of the Panama Defense Force; for immediate national election; and for the military to get out of politics. The coalition

urged non-violent opposition to the government and called for a general strike; from the banging of the pots and pans to respecting that general strike, the people of Panama responded. Protests reached a peak by June 12; it was not until June 16 that the Civic Crusade announced suspension of the general strike.

On June 11, in response to these activities, the Panamanian government imposed a nationwide state of emergency which suspended many constitutional guarantees. There were violent incidents, and hundreds of persons were arrested, most of them for a few hours or overnight. To protest government censorship rules, major opposition newspapers—traditionally vocal, outspoken and irreverent in their criticism of the government—stopped printing. Until then, their ability to publish had helped keep Panama from being more widely perceived as a dictatorship.

After several days of unrest, business activity returned to normal. But one fundamental thing has not returned to normal. The old complacency inside and outside of Panama over the inevitable dominance of the Panamanian Defense Forces in the nation's politics is gone. As Panama's Catholic Archbishop described it, "This crisis really shook the country. If we simply close our eyes, we're going to have deeper and deeper rifts."

An extensive and previously underestimated political opposition has emerged, with the participation of the Catholic church, a broad cross-section of the business community and civic associations, and people from a wide economic and social spectrum. These newly active groups, together with the political parties already in opposition, will continue to press for democracy.

These events occur in a mixed context. In recent years many nations of Latin America have worked hard to escape the classic cycle of unstable alternation between civilian governments that lack the authority to govern and military governments that lack the legitimacy to last. While Panama's 1984 elections were its first direct elections for president in more than 16 years, the lack of sustained progress towards democratic rule has been a growing disappointment. The 1984 elections succeeded only partially in moving the country away from military dominance. Many Panamanians believed they had been manipulated to favor the regime's preferred candidate, Nicolas Ardito Barletta, who was an honorable man and a capable economist but inexperienced in politics. In 1985, even this tenuous democratization suffered a strong setback when President Barletta was pressured into resigning after reports that he intended to name an independent body to investigate the Spadafora murder. He was succeeded as by Eric Arturo Delvalle, the civilian vice president.

Panama's human rights record has been a relatively even one. The 1985 murder of regime opponent Hugo Spadafora—a crime which, to our regret, remains unsolved—still stands out as an aberration, not as part of an established trend. Similarly, the recent limits on press freedoms have been particularly disturbing because Panama has generally experienced substantial press freedom. This failing is especially disappointing in a country which has such close historical ties with the United States. Let me state flatly that we view the recent press censorship in Panama as utterly indefensible.

How can Panama move toward democracy? Panamanians alone can answer that question. But, as President Reagan has said,

the United States can and must "foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—which allows a people to choose their own way, to develop their own culture, to reconcile their own differences through peaceful means."

At this key moment in the history of Panama, we are making our views clear—in our private discussions with President Delvalle and General Noriega, and in our public statements. Our starting point is that freedom of expression and an end to press censorship are essential prerequisites if the people of Panama are to resolve their problems by democratic means.

Freedom of expression is in turn a critical step towards democratic reforms that will lead to free, fair, untarnished elections in which all political parties may participate. The timing of elections is a matter for the people of Panama themselves to decide, and we are and will remain impartial in the struggle among the candidates in those elections. But we are not neutral on democracy, and Panama needs to hold free elections to satisfy its people's demand for democracy.

In the long run, of course, democracy in Panama will depend on more than just elections, even regular and competitive elections. It will require changes in the relationships between the military and civilians. Civic organizations in Panama, and indeed many in the United States, should remember that the Panama Defense Force has provided unique services in those rural sections of Panama often ignored by the urban elites. Its contributions to national security and rural development make the PDF a vitally important part of the fabric of Panamanian society. For their part, military leaders must remove their institution from politics, end any appearance of corruption, and modernize their forces to carry out their large and important military tasks in defense of the Canal.

In this last endeavor, the Panamanian military can count on the support of the United States. Strict adherence to the canal treaties by both partners is a fundamental part of Panama's democratic future. Deep military involvement in politics neither supports civilian rule nor helps Panama fulfill its role as defender of the Canal.

Over the years, the Panama Defense Forces have made substantial progress in these areas, and we are proud of the support provided to these ends by the United States. We look forward to the day when the Panamanian military has earned a new basis of respect—respect based on enhanced professional military capacity to guard national borders, defend the Canal, and to continue to fight drug traffic and maintain public order; national respect based on the defense of a democracy which serves the hopes and aspirations of all of Panama's citizens.

Friendly countries other than Panama are also having their troubles in achieving the democratic transitions to which they are committed.

In Haiti, General Namphy's calendar for transition to democracy—intended to bring about the inauguration next February of a freely elected president after a generation of despotism—has hit an obstacle. At issue is the relationship between the government and the provisional electoral commission created by the new constitution adopted with strong popular support just last March. The impasse, which we hope will be

promptly resolved, could put at risk the many accomplishments of the transition to date.

General Namphy's government has made a commitment to a successful democratic transition. Haitian democrats have invested a year and a half of hard work to make it happen. The integrity of the provisional election commission is the best guarantee of a result that the Haitian people will respect. Haitians, not Americans, must decide upon the proper balance. Fortunately, the government, the election commission, the political parties, the churches, and other responsible democratic bodies have all expressed a willingness to keep the process moving forward through dialogue and a spirit of common effort.

The vast majority of Haitians want democracy. And they want successful, well-prepared elections. In these objectives, they have the unqualified support of the United States. Of that no-one should have any doubt.

The Haitian military did not seek, but has accepted, its responsibility to guide Haiti to free elections. To date it has fulfilled this responsibility admirably, and we congratulate them for their efforts and General Namphy for leading these efforts. But some, including some within the military and some representing the deposed clique, seek to manipulate events in a way that would return Haiti to the feudal form of government that existed under its Duvalier Presidents-for life. Just as no one should doubt our support for dialogue and democracy, no one should doubt our willingness to terminate aid to any government that abandons, thwarts or prevents this transition to democracy. Our assistance to Haiti will continue, and will continue to enjoy bipartisan support, only as long as Haiti remains on the democratic path. We will do all we can to assist this transition to democracy and all we can to defeat the scheming by Duvaillierists, Macoutes, and their henchmen to restore the old order.

In Chile, since the armed forces deposed the Marxist government of Salvador Allende in 1973, President Pinochet and his military colleagues have made repeated promises to return the country to civilian, democratic rule. Fourteen years of military rule later, Chile's democratic future is still very much in doubt.

Escalating polarization, armed conflict, severe repression, further international isolation—all are likely if the Chilean people's democratic aspirations remain blocked indefinitely. The new democracies among Chile's neighbors are already grappling with critical national problems such as military-civilian relations and achieving sustainable economic growth. Instability next door can only sap energies best directed elsewhere.

There is another dimension as well: Chile remains a special target for foreign Marxist-Leninists. The discovery last summer of massive quantities of terrorist arms, which US experts determined were smuggled into Chile with the help of Cuba, has removed all reasonable doubt. The Communists' strategy is long-term. Their secret arsenals were stored in a way that made clear their design for future use. Chile's Communists and their foreign backers are betting that Chilean armed forces will not fulfill the promise to restore democracy, that President Pinochet will not step down when his current term ends in March 1989. They reason, and with some logic, that their strength and popular appeal will rise if the

democratic opposition is unsuccessful in bringing about a transition through dialogue, as was sought by Chile's National Accord.

The Pinochet government has put into place a framework for an institutionalized transition to what it calls "a protected democracy". According to the controversial constitution adopted in 1980, no later than March 1989 there is to be a plebiscite on a presidential candidate selected by the military junta, which includes President Pinochet. If this candidate is not approved, open, competitive elections are to be held within a year.

Many within Chile have urged a constitutional change to replace this single-candidate plebiscite with the type of free, competitive election used in democracies to elect leaders. Some have urged selection of a consensus figure to lead the country back to democracy. President Pinochet has not announced his candidacy, but officials of his government have made clear that he is running.

Chile is thus approaching a crucial turning point. It could go either way, toward democracy or toward protracted confrontation, toward a government based on a popular consensus or toward the chaos that would accompany a government whose legitimacy is broadly questioned at home and abroad. Whether election or plebiscite, some test at the polls is set to occur, perhaps as early as September 1988.

What is clear now is that if the next government of Chile is to have the legitimacy necessary to move the country to full democracy, it is essential that the electoral and political process in Chile be fair, honest and transparent. The public must have access to views of peaceful political opponents of the Pinochet government, through all means of communication, including television. As the Chilean Catholic Church recently made clear, the voter registration process, which has begun but is proceeding very slowly, needs the active support of all Chileans to ensure broad participation in the critical choice Chileans will face.

What can we do to help? Recognizing that our leverage is limited—we provide no military and no developmental aid to Chile—we can still do a great deal to provide encouragement to those working for democracy. Although we are barred by Congress from providing training, we can try to enhance contacts with the Chilean armed forces, who have the key role in a democratic transition. The Chilean military has a long and proud history of professionalism, which many would like to revive. We can continue to make clear, as we have, that the United States supports democracy and human rights in Chile. To be most effective, we need to tailor our actions to individual circumstances—and to not undercut those in Chile who are working toward a democratic outcome. This means endorsing and publicly supporting steps by the democratic opposition toward flexible and pragmatic positions—as in the National Accord. It also means speaking out against the violent communists, and urging the government to agree to political dialogue, and to curb human rights abuses, especially by prosecuting those responsible for human rights violations. We can translate these concerns into action: as we did by sponsoring and joining consensus on fair human rights resolutions on Chile in the United Nations Human Rights Commission in 1986 and 1987, and by continuing to withhold our support of international development bank lending to Chile.

Our goals are clear: it is our policy to support a transition to a fully functioning democracy in Chile as soon as possible.

In all of the countries I have discussed today, the military has a large role to play and a special choice to make. Their decision is of historic importance for their own institutions and for their countries.

They can decide to follow one kind of advice—the advice to "maintain order" or to "keep a strong hand"—by remaining in power or by designating a civilian government of their choice. In this case, as protectors of their own narrow interests and of one political faction, they would be not the guarantors of but the roadblock to national development.

This path is well travelled in Latin American history, and it has sometimes provided stability in the short run. Under today's circumstances, however, it cannot end internal pressures for democracy, and it certainly cannot be the basis of support from this hemisphere's democracies, including the United States.

The other decision the military can make is in favor of a true democratic opening. Because election results are unpredictable, this choice may appear to entail some risks. But this is shortsighted—free, regular and open political competition is an essential asset in their nation's quest for security and development. A military establishment that leads the way to such a solution will be a truly national institution, protecting the nation as a whole in its exercise of political freedom. This is the best guarantor of long-term stability; it will earn the military the respect of its citizens and the support of the United States.

The civilian and military leaders of Panama, Haiti, Suriname, Paraguay and Chile who are seeking democracy have our support. They have that support not because we seek to intervene in internal politics or because we are playing favorites. Quite the contrary. Respect for human rights and for democratic procedures is the best guarantee of nonintervention and self-determination in the face of abuse and aggression from the communist world and the far left as well as the far right. And it is the only path to smooth, respectful, productive relations with the United States.

In the words of the National Bipartisan Commission on Central America, recent events have "destroyed the argument of the old dictators that a strong hand is essential to avoid anarchy and communism, and that order and progress can only be achieved through authoritarianism."

Those who believe the United States will countenance disruption of the movement toward democracy, who believe we will accept self-appointed spokesmen for "order" against popular cries for democracy, misread both the Congress and the Administration. In this matter there is no partisanship, there are no divisions between Legislative and Executive: here, truly, politics stops at the waters' edge.

## AIRLINE WAR OVER RESERVATION SYSTEMS

**HON. JAMES J. FLORIO**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, consumers are up in arms over the decline in the quality of airline service. Instead of concentrating on improving their basic airline service, however, the major airlines seem to be putting their time and money into a war over airline reservation systems. And travel agents are being put in the middle.

What follows is a recent article from Business Week describing this airline war.

### A SHOVING MATCH IN THE TRAVEL AGENCY

John C. Noble, president of Minneapolis-based Northwestern Business Travel, made a bundle for United Airlines Inc. last year. Even though fewer than 5% of the 180,000 airlines tickets sold by his 12 offices were for United flights, the other 95% were booked through United's computerized reservation system, called Apollo. So, United was able to charge other airlines \$1.85 for every leg of each trip booked. The bottom line: In 1986, United got almost \$1 million in fees from Noble's bookings and Apollo equipment rental. This year, Allegis Corp. (page 42), the renamed parent of United, expects the system to generate \$360 million in revenues.

With airlines in their eighth year of cut-throat pricing since deregulation, providing information and transaction processing has become a lot more profitable than selling seats: Market leader Sabre, the system owned by AMR Corp., American Airlines Inc.'s parent, produced pretax margins of 30% last year vs. 5.2% from tickets. Now other airlines are applying more financial muscle to beef up their smaller systems, and American and United are finding themselves in a dog-fight with TWA and Northwest, which jointly own the PARS system; Delta, the owner of Datas II; and Texas Air, whose service is called System One.

The two leaders expect to hold their own, partly by spending billions over the next five years to upgrade their systems. But the three challengers are shoveling huge amounts into their systems, too—and asking Congress and the Transportation Dept. to rein in the front-runners. Observes aviation consultant George James, president of Washington-based Airline Economics Inc.: "There's a huge battle going on, with three on the offense and two on the defense."

### MONEY AND GUMPTION

Indeed, the basis of competition has shifted markedly since Apollo and Sabre took off in the mid-1970s. Then it was a question of having the vision and the technical expertise just to create a system. Since then, the other carriers have narrowed the technological gap and developed information strategies of their own. Now, to help attract and lock in agencies, all five are offering not just reservation systems but more in-depth data processing services as well. System One, for example, has bought a leading supplier of accounting and management-information systems for travel agents. United and American are revamping their systems with International Business Machine Corp.'s new PS/2 personal computers, which are powerful enough to handle all the front- and back-office chores of a typical agency. Such

value-added products will help "maintain market share and profit margins," says Barry A. Kotar, who heads Apollo.

The carriers are also banking on more aggressive marketing to gain share, and the weapons are money and gumption. "Cash incentives are all over the ballpark," notes Vincent E. Vitti, president of VTS Travel Enterprises Inc., a metropolitan New York agency. "You can negotiate for cash up front, lower automation costs, additional compensation over the years—a variety of terms." Insiders at American already expect Sabre's pre-tax margins to plummet from a high of 40% in 1985 to 20% this year.

The reason the competition is so heated is that it's essential to provide competitive reservation systems to protect ticket profits. With all the mergers and acquisitions deregulation has inspired, the top five airline companies—Texas Air, AMR, Allegis, Northwest, and Delta—now serve about 80% of the flying public. If the average fare for each leg of a trip is \$100, and an airline has to pay almost \$2 for a booking on someone else's system, the slim profits at most carriers can quickly get eaten up.

### BIDDING WAR

Such numbers are particularly important to Frank A. Lorenzo, whose Texas Air Corp. is the largest U.S. airline holding company and the leader in cheap fares. Chairman Lorenzo, whose empire was founded out Continental Airlines Inc. and New York Air, acquired System One when he bought Eastern Air Lines Inc. in 1986. As Texas Air continued to grow last year by acquiring People Express and Frontier Airlines, System One expanded, too. The wholly-owned information subsidiary says it has increased its installed base of terminals by 47%, to 20,000 worldwide, in the past year.

Among the challengers, Texas Air has been the most aggressive, offering travel agents cash incentives to switch to System One. Continental and Eastern are now forking over "several million dollars" to agents, says Richard E. Murray, president of System One. "You have to have the critical mass to generate the revenue stream," he explains.

By enticing agencies to switch, System One is forcing some legal issues that could blow the reservations game wide open. For instance, Texas Air has accused American and United of putting travel agencies into "economic bondage." It is encouraging agents to challenge two standard clauses in each company's contracts: One states that if an agency adds any new equipment to its system, its contract is automatically extended to five years again. The other says that if an agency breaks its contract it must pay the equipment rental fees for the life of the contract plus "liquidated damages" equal to 80% of the estimated booking fees that the agent would have generated. The amounts can be staggering. Northwestern Business Travel's Noble estimates that he would have to pay almost \$4 million in liquidated damages to get out of the four years left on his contract.

To get the issues into court, System One promised in early June to pay all legal costs for agencies that switch to its system. It hired David Boies, a prominent lawyer with New York-based Crayth, Swaine & Moore, to handle the litigation for five agencies that have been sued, two by United and three by American. In one suit, filed against Long Island's Austin Travel on Feb. 26, United is seeking \$408,495 for equipment-leasing costs plus \$900,000 in punitive damages for breaking contracts at three agency

locations. Austin is claiming that the liquidated-damages clause is illegal.

Suits such as Austin's are seen as pivotal by many travel agents, who predict a bidding war if Austin wins. PARS, the TWA-Northwest Airlines system, would "buy us out tomorrow," Northwestern Business Travel's Noble contends, and "even give us a little percent of our bookings" because some of his agencies are located in Minneapolis, Northwest Airlines' principal hub. Already, he notes, American, Northwest, and Eastern have called on him to switch. But they weren't willing to pay his hefty \$4 million in liquidated damages. "That's why it's been pretty fixed."

### THE LINEUP IN AIRLINE RESERVATION SYSTEMS

Company, System	As of May, 1987	
	Subscriber locations	Terminals installed
American Airlines	12,467	52,397
Sabre (percent)		38
United Airlines	8,944	40,688
Apollo (percent)		30
Texas Air	6,289	20,000
System One (percent)		15
TWA and Northwest	4,264	13,814
PARS (percent)		10
Delta	3,100	9,300
Datas II (percent)		7

Data: Travel Weekly

### REASONABLE DAMAGES?

Vitti of VTS Travel Enterprises thinks liquidated damages will be "thrown out as a restraint of trade." But not everyone is so sure. Mark Pestronk of Pestronk & Associates, a travel law firm in Fairfax, Va., that handles contract negotiations and other legal matters for some 100 travel agencies, thinks such damages "are reasonably related to the damages suffered by the airline."

Even if the liquidated-damages clause remains, it is likely that more and more agents eventually will switch to reservation systems run by the biggest airlines in their areas. Pestronk says. It's in the agency's interest to use the system of the dominant airline, he explains, because agents tend to book the most flights on those airlines. And by subscribing to the systems of these carriers, agencies can negotiate special privileges—such as higher commissions for volume purchases, faster service, or better access to the last available seats.

As a major part of their information strategies, PARS, Datas II, and System One already are wooing customers in their major hubs. Delta Air Lines Inc. says it has converted 88 agencies since last October. System One and PARS says they're signing 100 a month.

The fight for growth is pushing into other areas as well. All five systems, for example, are looking abroad. Already, some 400 travel agents in Europe lease Sabre and Apollo directly, while 1,500 agencies in Japan will soon find Sabre's data bases added to the reservation system of All Nippon Airways Co., Japan's No. 2 carrier.

Congress and the Transportation Dept. may also have a say in which way the reservation system battle goes. Encouraged by Congress, Transportation announced on Feb. 2 that it would investigate airline-owned systems, their effect on competition, and their pricing tactics. The investigation is ongoing, and some analysts wonder whether the government might eventually require airlines to get out of the information business altogether. But that won't

happen soon. In the meantime, the battle will continue over the one really profitable business the major airlines can boast.

## WOODLAND TOWNSHIP: PAST GENERATIONS—FUTURE ASPIRATIONS

### HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. HENRY. Mr. Speaker, in this year of Michigan's sesquicentennial celebration, we cannot overlook the small community of Woodland Township as its citizens gather together to celebrate the 150th anniversary of the township's first settlers.

Located in northern Barry County is a heavily wooded area, the township has a rich historical heritage which began in autumn 1837, when three young bachelors settled on land which heretofore had only been known by local Indians. The silence of the forest was broken by the sound of the pioneer's ax as the settler's cleared the land for the first three farms. Soon other families followed and in late 1841 the Michigan Legislature passed a law declaring the area a township called Woodland. An election was held, and in April 1842, the first township supervisor was elected.

Still heavily wooded, the village of Woodland sprang to life with the building of the first business—a blacksmith shop. Connected only by paths through the woods, other businesses slowly came into being. In the late 1840's, German immigrants began to settle in the township, clearing and draining undesirable waste land and through their efforts developed some of the finest farms in southern Michigan. Many descendants of the German settlers live in the township today.

The first settlers in the region saw in addition to the heavy forests, many swamps. Suffering from a variety of illnesses caused by the mosquito infested waters, the pioneers over a period of 20 years worked hard to drain the swamps and clear the land to plant crops. Taking advantage of the rich groves of trees, maple sugar became the major source of income in the predominately agricultural community. In fact, entire farms were paid for from maple sugar.

Other businesses had a more difficult time getting started in the sparsely populated area. Churches were a different story, however, and the settler's strong Christian faith was evidenced by the number of churches—of all denominations—built in the second half of the century; 966 men, women, and children resided in Woodland Township at the beginning of the Civil War in 1860. When the war ended 5 years later, 25 had laid down their lives for the Republic and life as it had been known prior to the war was gone forever. In the next 30 years, a township hall was built and is still used today. Fraternal organizations were formed, the first brick building was built, other businesses started up, including the Woodland Exchange Bank and the Woodland News. And in 1889, the Chicago, Kalamazoo and Saginaw Railroad began service and eventually provided four trains daily. Small settlements

## EXTENSIONS OF REMARKS

cropped up along the rail line and brought new businesses to the township as well.

Numerous schools were built in the middle 1800's. One of the original schools stands today in historic Charlton Park—a renovated village, located in Barry County, which brings 19th century rural Midwestern culture back to life. The township was also the site of one of Michigan's first consolidated school districts when township schools merged in 1923 and the cornerstone was laid for a new 12-grade school. In 1961, Woodland Township School District merged with Lake Odessa School District and became the Lakewood School District. A new high school was constructed and the former Woodland Township School is now used as an elementary and junior high school.

One hundred and fifty years after the arrival of the first three young pioneers, a number of the churches still exist, and some of the businesses have remained open for nearly 100 years. Gone are the railroad tracks and with them a few of the original settlements. And the farms are fewer, but larger. Yet, with the exception of one section of land, the woods have been preserved throughout the township and the area continues to be a "woodland."

As evidenced by the fact that descendants of many of the first settler's live in the township today, residents are proud of their community. Setting aside August 14, 15, and 16, 1987, township citizens and visitors alike will celebrate a weekend filled with historical recollections, music, dance, old fashioned meals, and dedications. Mr. Speaker, please join with me in offering congratulations to the citizens of Woodland Township as they celebrate their 150th birthday, a time—as the theme of the celebration suggests—to reflect on "past generations—future aspirations."

## A CONGRESSIONAL TRIBUTE TO THE WHITESBOG VILLAGE

### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SAXTON. Mr. Speaker, it is with great pride that I come before the House today to honor Whitesbog, where some of New Jersey's famous cranberries and blueberries are grown. Whitesbog has recently celebrated its third annual blueberry festival.

Not only is the Whitesbog Blueberry Festival an exciting event, which attracts over 5,000 people, it is also an opportunity to learn and experience the rich history of New Jersey's blueberry culture. This event is sponsored by the Whitesbog Preservation Trust, a group dedicated to preserving the turn-of-the-century agricultural settlement. The main function of the festival is to activate interest in the village and the Pinelands.

Whitesbog was acquired by the State of New Jersey with Green Acres funds in 1966. The land was incorporated into Lebanon State Forest and fell under the jurisdiction of the Division of Parks and Forestry, Department of Environmental Protection, and in 1982 was nominated to the National Register of Historic Places by the New Jersey Conservation Foundation. Whitesbog is part of the New Jersey

Pine Barrens, which is an area of over 1 million acres and stretches across seven counties in central and southern New Jersey. This whole region is rich in natural and cultural resources.

Of special importance to the region's economy are the Atlantic white cedar, the native cranberry and the high bush blueberry. Because of this active blueberry industry, hundreds of workers used to live in Whitesbog for 6 months out of the year, adding significantly to the Pineland economy. However, inventions intended to ease some of the burdens of these migrant workers, such as the cranberry scoop of the 1930's and the wet harvesting of the 1960's, have replaced the hundreds of seasonal pickers once needed.

Another interesting note is that the blueberry, which came into being as a result of cranberry farmers looking for a crop to grow during their off-season, has now surpassed the cranberry in population.

Many of those who attended the festival saw a documentary depicting the vivid history of Whitesbog. Others chose to listen to the bluegrass music provided by five local bands, or to run in the 10-kilometer race. What was the award for the winners? Twelve pints of native New Jersey blueberries.

Again, I congratulate the Whitesbog Village in their efforts to preserve this turn-of-the-century agricultural settlement.

## "OMINOUS" TRADE BILL

### HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. LAGOMARSINO. Mr. Speaker, with the Senate currently working on its version of a trade bill I would like to bring to the attention of my colleagues an editorial from the July 7, 1987, edition of USA Today regarding this legislation's effect on consumers.

I hope this will be found useful.

#### PROTECT CONSUMERS FROM THIS TRADE BILL

If the Senate trade bill debate were a B movie, the script would have the hero plunge all 1,013 pages into cold water. That's how Hollywood disposes of a bomb.

The timing could not be worse for this ticking bundle of protectionist legislation, which seeks to shield U.S. firms from foreign competition.

Just as the country's massive trade deficit—\$170 billion last year—shows signs of easing the Senate bill, and an earlier House version, could blow up any progress.

Government statistics and the best barometer of all, stacks of business orders, shows that we are selling more products abroad that were made in the USA:

Our exports improved for the second consecutive quarter for the first time since the 1981-82 recession.

Last year, for the first time since 1950, the USA led other nations in improving manufacturing efficiency.

And, for the first time ever, an Ohio industrial components firm is selling air-conditioning equipment to Japan and refrigeration products to Europe. A Wisconsin maker of gasoline engines is recapturing lost Japanese markets.

But the trade bill before Congress ignores this progress and dwells instead on punishing foreign competitors and babying industries that need a swift kick, not protection.

Crammed into the work of nine Senate committees, and further bloated by 125 amendments, are sweetheart deals for everything from textiles to shoes to wheat gluten.

While some provisions in the bill might be positive, they're buried in an avalanche of shortsighted selfishness. One proposal even seeks federal relief for businesses smarting from fair trade practices by aggressive foreigners.

Presidential discretion to cope with sensitive trade matters would be hopelessly compromised by language requiring negotiations and demanding retaliation against foreigners if talks fail.

Who will be hurt by this congressional machismo and special-interest largess? Consumers denied the choice between competing products and workers who lose their jobs when other nations respond with tougher quotas and tariffs.

As the Senate continues debate, some critics are whining because it does not provide even more unabashed protection for U.S. businesses. They want legislation over plant modernization, insulation over product innovation.

While Congress gropes for ironclad protectionist language, foreign engineers design better products. While lawmakers haggle over subsidies, the foreign firms invest in research and development. While too many domestic companies grind out the same old goods, the Japanese turn out new product lines.

Worse yet, when foreign sales reps come to the USA, they are ready to do business in English. Our side fumbles with menu French, mumbles "dos-cervezas-por-favor" Spanish, and has trouble saying "hello" in Japanese.

But this bill is written in a language many of our companies understand: protectionism. That makes it a real bomb.

Defuse it before it blows up in the economy.

## TRAVEL SCAMS ARE A MAJOR CONSUMER RIPOFF

**HON. JAMES J. FLORIO**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, travel scams are now a major consumer ripoff. Scam artists are calling and offering consumers phony \$29 trips to Hawaii. If consumers ever get a trip, it costs them far more than \$29, and likely more than comparable packages from reputable travel agents or airlines. But most consumers never get a trip and are out \$29. But the scam artists have pocketed the \$29—from thousands of bilked consumers.

What follows is an article discussing this increasing fraud:

[From the Fairfax (VA) Journal, July 2, 1987]

**TRAVEL FRAUD: YOU WANNA \$29 TRIP TO HAWAII?**

(By Derald Everhart)

It was about this time last year, in the heat of the summer vacation season, when a

New Carrollton, MD man got a call from a travel company in Texas.

Did he want to buy a Vacation Passport Certificate good for a trip for two to Hawaii, including air fare and lodging, the caller asked.

The certificate would cost only \$229.90, plus the names and phone numbers of five other people who might also be interested in the promotion, the caller offered.

The man accepted the offer, and gave the caller his credit card number and the five names.

He got the certificate, and the charge showed up on his card billing, but he never got the trip. And because the company has gone bankrupt, he won't be getting his money back either, according to Donna Crocker, executive director of the Prince George's County Consumer Protection Commission.

This man's problem one of 11 travel scam complaints filed with the county's consumer commission during the past two months, Crocker said. She believes there are many more that haven't been reported.

"We see only a very small number of the complaints," she said. "Some people may only be out \$39 or \$49, and don't report it. They think, 'Well, they got me that time,' and let it go. That keeps us from getting to the people sooner."

Consumer affairs offices in Northern Virginia are receiving the same types of complaints. Pam Cole, an investigator for Arlington's Office of Citizens and Consumer Affairs, said offering a free round trip and accommodations for two for the price of a second round trip plane ticket is a common scam.

"The actual round trip fare will be more than it would have cost the consumer to purchase two round trip fares and accommodations," Cole said.

Telephone solicitors can be running a scam when they promise you a free vacation if you verify your identity by giving them your credit card number over the phone.

"We strongly suggest to the consumers that they don't do this," said Larry Breden, assistant chief of the investigation and licensing division of Fairfax County's Department of Consumer Affairs.

Giving your credit card number over the phone is an open invitation for someone to make fraudulent purchases using your card number, he explained.

Cole said Virginians who buy over the phone have three days by law to cancel their purchase. Like other consumer advocates, they recommended doing business with a firm you know, asking a lot of questions and paying nothing in advance.

Three of the Prince George's County complaints are considered open cases; the rest have been referred to the appropriate attorneys general offices in the states from which the companies operated, Crocker said.

But none of the victims has recovered the money they were charged for the travel promotions. The losses reported ranged from \$99 to several hundred dollars, though none was more than \$1,000, she said.

In most cases, the county's consumer agency is able to do little more than refer complaints to the attorney general's office in the state from where they called, since the actual crime was committed there, she said.

With the New Carrollton man's case, when the commission filed a complaint against the company with the Texas attorney general's office, they found Texas au-

thorities had "two cardboard boxes" full of similar complaints, she said.

"By the time we've heard about them, they're out of that state," Crocker said.

The vacation spots mentioned most often in scams are Hawaii and Florida. The states from which many of the scams originate include Florida, Illinois, California and Texas, she said.

"It's giving a bad name to the industry. The industry is very concerned," Crocker said.

The travel industry is so concerned about travel scams that the American Society of Travel Agents in April sponsored a seminar in Washington called "What is a Travel Scam?" for government investigators from numerous agencies, including the Federal Trade Commission and the U.S. Postal Service.

"We've been getting hundreds of calls a week," said Ray Greenly, director of consumer affairs for the travel agent association, based in Alexandria. "People still believe they can go to Hawaii for \$29."

The scams have come to the travel industry, Greenly said, because even bona fide travel agents sell a product—travel—you can't see or sample before you buy.

"They're painting a picture for you," with brochures and other promotional devices, he said.

Greenly sees only one way to fight it. "The best we can do is to educate people."

Greenly suggests consumers ask the caller to send additional written information concerning the offer, such as costs and accommodations, before agreeing to purchase. Reputable travel firms will be happy to do so, he said.

Also, be aware of the date of the travel package. Greenly said the scams sell packages more than 6 days in advance so as to avoid involving the credit card companies in the recovery of the individuals' money. Most card companies will not allow customers to dispute charges more than 60 days from the billing date, he said.

## THE CHINESE SILKWORM AND THE ARCTIC CARIBOU

**HON. DON YOUNG**

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. YOUNG of Alaska. Mr. Speaker, with all the discussion about trading arms with Iran, reflagging vessels, and oil tankers being attacked in the Persian Gulf, it is sometimes difficult to see the forest for the trees.

Toward an end which I hope will include the stirring of Members' thought processes about U.S. goals, I submit for the RECORD the following article, which appeared in the Washington Times, July 7.

The article, entitled "The Chinese Silkworm and the Arctic Caribou," sheds some much-needed light on our present dilemma, and while I do not necessarily embrace it in its entirety, it represents how our raging debates must appear outside of the beltway.

Thank you, Mr. Speaker.

**THE CHINESE SILKWORM AND THE ARCTIC CARIBOU**

Question: What do Chinese Silkworm missiles and Arctic caribou have in common?

Answer: They are both threatening America's energy security.

Iran is said to be installing Chinese-made Silkworm cruise missiles near the entrance to the Persian Gulf, thereby threatening to cut off a significant portion of world oil shipments. America may very well strike at the Iranian missile installations before they can begin sinking oil tankers.

How did we get this close to a war with Iran, when kidnapping our entire embassy staff in Tehran didn't start one?

While in international waters and far outside the declared "war zone," the USS Stark has hit by two Iraqi Exocet missiles, and 37 U.S. sailors lost their lives. America's response has been to increase our "presence" in the Gulf region. In other words, the United States is going to rattle its sabers to ensure the flow of oil from the Persian Gulf.

Halfway around the globe, the Arctic National Wildlife Refuge serves as a breeding ground for about 150,000 caribou on the North Slope of Alaska. It is also considered to have an enormous potential for oil production, much like North America's largest oil field, Prudhoe Bay, only 70 miles away. But radical environmentalists consider any threat to the caribou's environment more critical than U.S. energy security.

In 1986 America imported approximately 7 percent of its oil from the Persian Gulf. About 10 percent of our total supply of oil now comes from Alaska. Without immediate action, we can expect to see these numbers reversed as declining Alaskan production is replaced by Persian Gulf crude. Unwilling to increase domestic production, America must protect the Gulf's tanker routes or risk another oil shortage. Of course, America's dependence on Middle Eastern oil is negligible compared to that of Western Europe and Japan. But it will continue to grow without efforts to avoid increased dependency.

Besides the fear of an oil shortage, American "strategists" worry that the Soviets will finally achieve the czarist dream of warm-water, year-round port. While there can be no doubt that the Russians seek to dominate the entire Eurasian landmass, they could hardly increase their present threat to international shipping with a navy sailing out of the bottle-necked Persian Gulf.

Except for oil, the Persian Gulf would be no more significant than that "Russian Lake," the Black Sea. Much greater threats to world shipping exist in the Soviet naval bases already built in many Third World harbors—such as Cam Rahn Bay, Vietnam. It lies next to the shipping lanes between Japan and the major oil-producing regions of Asia. The Soviet navy can already cut off Japanese oil, not just from the Persian Gulf, but from Indonesia as well. So the year-round port theory just doesn't hold water.

Until the Stark attack, the United States practically ignored the indiscriminate attacks on neutral shipping in the Persian Gulf. Iran and Iraq have both attacked defenseless merchant vessels outside the declared war zone. Ironically, Iran has been more careful in picking its naval targets than Iraq. Iran is known to identify ships visually before launching an attack, while Iraq has always attacked blips on radar screens.

So freedom of navigation and respect for international rights are not the primary factors behind America's "presence" in the Persian Gulf. Even a Soviet-inspired takeover of Iran would not require greater Ameri-

can involvement than in, say Afghanistan—were it not for oil.

The final argument in favor of U.S. intervention is the specter of Moslem fundamentalism dominating the Middle East and possibly destroying Israel. But Islamic fundamentalism poses a new threat to the Soviet Union, not to Israel. The Moslem minority along the Soviet's southern border grows increasingly restive under the atheistic rule of communism. Israel was at war with its Arab neighbors long before the Ayatollah Khomeini took power, and Israel will be surrounded by belligerent states long after Mr. Khomeini dies.

Strategically, Iran is obviously the "pick of the litter" in the Gulf and our long-range policy should prepare for a return of U.S. influence in future Iranian governments. America's support of our traditional adversary—Iraq—at the expense of our traditional ally—Iran—simply opens the way for long-term Soviet gains. We will lend credence to the mullah's charge of being the "Great Satan" by supporting Iraq so blatantly. And we concede post-Khomeini Iran to Soviet domination.

The bottom line is that we stand ready to go to war in the Persian Gulf because of the Gulf's huge petroleum reserves. Yet Congress delays action on oil exploration in the Arctic National Wildlife Refuge until after its August recess.

Is this an example of our national priorities? We let American boys die to protect Japan's oil supplies, but refuse to risk the loss of a single caribou. It's hard to believe, but it's true. America's energy policy is being dictated by Mr. Khomeini and caribou.

If the Iranians were smart, they would surround their Silkworm missile sites with caribou. We wouldn't touch them.

#### THE LACK OF AN ENERGY POLICY

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. RICHARDSON. Mr. Speaker, this country does not have an energy policy. Many States in the Southwest, especially New Mexico, are suffering from huge energy dislocations, particularly in the oil and gas area.

Recently, Mr. William Decker of Horizon Gas Co. of New Mexico and Texas provided me with these newspaper articles which highlight the predicament of the oil and gas industry. Several articles, contain some very good suggestions, such as decontrol of natural gas, that I commend to my colleagues for perusal and examination.

In the absence of an energy policy from the administration, the Congress should fill this policy vacuum.

[From the New Mexico Business Journal, July 1987]

NOT ANYMORE: PRODUCING AND SELLING OIL AND NATURAL GAS USED TO BE EASY

(By Anthony Gardella)

Last year New Mexico's natural gas production dropped 23 percent, the lowest since 1956. And in April of this year, for the first time in anyone's memory, no drilling rigs were digging holes anywhere in the San Juan Basin. The days of high prices, low competition, long-term contracts and mo-

nopoly pipeline companies have passed, maybe forever. The business of finding, selling and buying natural gas will never be the same.

The energy business is famous for its boom/bust cycle. Craggy speculators once laughed when they went bust; they knew it would turn around if they could just hold on long enough. But optimism and meek bankers may not be enough this go 'round. Decontrol demands fundamental readjustment.

Consider just a few of these changes:

The Gas Company of New Mexico now faces stiff competition from third-party, cut-rate providers in the interstate market.

Major interstate pipelines have lost their monopoly status, leaving some producers who never had to market their product scrambling for customers.

The scramble has created an unprecedented spot market; long-term contracts are gone and distributors now accept bids good for only 30 days.

It's a buyer's market now, which lowers the cost for industrial natural gas users. This could mean that the big users in California could well become bankers for New Mexico producers.

#### A WHOLE NEW GAME

"We're going to have to get into a whole new way of doing business in the oil and gas industries," says Bob Grant, a petroleum geologist, former state legislator and head of Gov. Garrey Carruthers' energy and minerals transition team. "The day is over when a pipeline would put a meter on your well and pay you according to a long-term contract. It's (now) an uncontrolled, chaotic spot market."

John Ackerman, president of the Gas Company of New Mexico, calls the changes "radical."

"It's pretty radical for bigger customers to go third party," Ackerman says. "Historically, Gasco did everything under its tariff. I found the gas for you. I processed it. I transported it to your home. I read the meter. If you had a leak, I'd come out and fix it."

Not anymore. Throughout 1985 and 1986, under the Natural Gas Policy Act and the New Mexico Natural Gas Policy Price Protection Act, price controls on much of the state's gas were lifted and the breakup of pipeline and distributor monopolies began. The Public Service Commission forced distributors under its authority to open their systems to gas owned by other companies. Contract carriage was born, which meant that producers and users could make their own deals and pipeline companies had to carry their gas, like it or not. (Interstate carriers were similarly affected, but the transition has been slower.)

"The new rules have created choices," Ackerman says. "You can go somewhere else to buy your gas. There's a company in Colorado that's supplying several New Mexico hospitals. They use our lines to transport it. I think it's resulted in lower total costs to customers, but the risks have changed, too. Not everyone understands who has the risk, or for what."

Gasco is the largest interstate distributor and its corporate policy, says Ackerman, is to move New Mexico gas first (as long as costs are competitive). But in-state consumption of gas is only 10 percent of total New Mexico production. The remaining 90 percent is piped to other states, chiefly California.

New Mexico natural gas competes with other forms of energy, as well as other pro-

ducers of gas. And the biggest energy users, like California utilities, are getting smarter and more flexible. Southern California Edison, for example, has the ability to switch from gas to fuel oil at the push of a button. They base their buying decisions, then, on which fuel delivers the cheapest btu.

In effect, California is our only natural gas customer of consequence, and the Golden State has gone shopping.

#### SPOT MARKET

Last April, California's Public Utility Commission moved to take advantage of the energy glut and the new open access rules. The PUC told local distribution companies (LDCs) to abrogate long-term supply contracts. Pipelines holding "take-or-pay" contracts with San Juan Basin suppliers found themselves bidding for 30-day contracts from three large LDCs: San Diego Power and Light, Southern California Edison, and Pacific Gas and Electric. California now buys 60 percent of its gas on the spot market and competition, especially from Canadian producers, is strong. The California PUC is now moving to free other LDCs and even its larger industrial users to contract directly with the gas producer who has the lowest price.

For example, say a San Juan producer is able to nail down a West Coast contract. If it's "dry" gas (that is, gas not produced along with oil), then it's labeled "prorated," or in a common pool. The lucky producer with a contract will be pumping the gas right out from under other well owners who have no customers, or who don't want to sell to anyone at today's prices.

"In today's marketplace," Ackerman says, "the rules seem to be (in) contradiction. It amounts to trying to solve both an economic problem and a legal problem with one stroke of the pen. I'm not so sure we can do that."

Neither are producers, who seem to be about evenly split; some want to hold on to the old rules while some want to freely compete.

"Many producers feel that if they can hold on, things will get better," says David Cohen, a former chairman of the New Mexico PUC. "I don't see it that way. The industry has changed radically, and producers can't just assume that they will have a market anymore."

#### NEW RULES, NEW PLAYERS

The cliché is that one man's downfall is another's opportunity. Under the new rules of this segment of the energy game, pipelines that once controlled gas from wellhead to wholesale customer are reduced to common carriers. Pipelines such as El Paso Natural Gas are abandoning their marketing function and realigning themselves as transport companies. And although California can, in theory, shop for the best price month-to-month, the administration is a nightmare.

"It's been an absolutely dramatic change from long-term contracts to deals made on the phone and a handshake," Grant says. "Companies we've never seen in New Mexico will emerge to handle the details."

"There is a whole network of relationships between producer and end user," says Cohen. "(Someone) has to nominate the gas into the pipeline, do the billing, insure quality. I think a whole new industry will emerge—a service industry responsible for contract management."

"Cohen is now a Santa Fe lawyer who represents nationwide gas marketing compa-

nies. He predicts another fundamental change—the demise of the smaller, independent producer. The nature of financing drilling deals is changing. People used to invest in speculative drilling ventures. Today, except for those who drill because they have to protect a lease, practically no one is drilling, especially on spec.

"What's beginning to emerge," Cohen says, "is the end user, who needs the gas, finances the drilling. If they can lock in a price and get control over the variable cost of gas, they're going to do it. As more decentralized purchasing of natural gas occurs, it's going to get harder for the small producer to take part. Large producers will be favored and courted."

#### A CAPITOL RESPONSE

The state's take in direct taxes on oil and gas has plummeted—from \$367 million in 1985 to \$235 million in 1986, mostly due to a 22.4 percent decrease in natural gas production (by comparison, oil production only fell by 3.5 percent). The 1987 Legislature recognized that the 11 cent (per mcf) fixed tax tended to make New Mexico natural gas noncompetitive.

Lawmakers changed the tax to 3.75 percent on "new" gas, aligning our rates with Texas and Oklahoma. In 1990 the percentage tax will apply to all interstate gas produced in New Mexico.

New legislation also encourages producers to form marketing cooperatives, according to Darwin and Van De Graaff at the New Mexico Oil and Gas Association, but he says that changes at the state legislative level will probably have limited impact.

"The biggest threat is the encroachment of Canadian gas," Van Graaff says. "We've asked the governor and the congressional delegation to make sure Canadian gas isn't being unfairly subsidized. It's sure coming in cheaper than we can afford to produce it, and it's beating us up in the marketplace."

Effective this month, the Energy and Minerals Department, created under the Jerry Apodaca administration, will be absorbed by the National Resources Department in accordance with Gov. Carruthers' reorganization. Grant and Cohen are eyeing the reorganization anxiously.

"As transition team chairman I took the position that now is not the time to do away with the Energy and Minerals Department," Grant says, "and I don't mean that as a criticism of Garrey Carruthers. He's governor. But traditionally the secretary of Natural Resources is more accustomed to dealing with state parks and with game and fish than the economic forces that drive New Mexico. We've got to be out there represented at every meeting of the California PUC. We have to face it. At least in the near term our future is in California."

"I don't see any signs that the Governor's office is evolving any kind of energy policy or anything indicating a strong focus," Cohen says. "We're moving into a significant new era, and the state needs to take a leadership role in trying to deal with those issues."

#### MARKETING—THE KEY

At the Oil Conservation Division, Bill LeMay will be the man in charge of oil and gas policy for the Carruthers administration. A geologist, he's been in the oil and gas business and represented small producers for 30 years.

"The state's involvement is going to continue, if not accelerate," he says. "We're the only state that has been giving testimony in PUC hearings in California. We'll continue

that, and we'll explore some other markets—Utah, for instance, and Arizona. But I don't know anyone today who fully understands natural gas marketing.

"The Legislature created two new positions for a new gas marketing department, and while we don't intend to fill the role of a broker for gas producers, we can identify markets and analyze them for producers."

Still, LeMay admits that the biggest obstacle to developing new markets is a physical one. Our pipelines all go west—to California. Only a limited number of paper transfers, essentially accounting transactions between producers, has ever resulted in a sale to eastern markets. Even if demand rose suddenly, LeMay says that producers would have a hard time bouncing back. The game has changed too much.

"The muscle is out of the industry. In 1981 we had about 4,500 rigs operating (statewide)—now we're under 1,000. So a lot of the good, qualified geologists, engineers and land men are leaving. I don't think we could respond to a severe gas shortage next winter. We couldn't put 1,500 rigs in the field, and that's only a third of our previous capacity.

"It's a whole new thing," LeMay says, "because we're talking about the complete dismantling of what used to be a turnkey operation. The New Mexico producer used to just a drill a well, sign a contract, and forget about it."

Not anymore.

#### FIRING UP GAS DECONTROL

Decontrol of natural gas may be right around the bend. The Energy and Justice departments have already proposed easing some of the more onerous federal controls on natural-gas prices. And President Reagan is expected to call once more for complete deregulation of natural gas in his State of the Union address later this month. The only real impediment left is Congress, where many members have been wont to listen to "consumerist" soothsayers instead of economic reason.

The past 12 months of partial decontrol have seen natural-gas prices decline sharply, not "fly up" like some Naderites and the Citizen/Labor Energy Coalition predicted. The most expensive category of gas has dropped almost a dollar per thousand cubic feet, and major gas pipelines variously report declines ranging from 9% to 31% in their average gas costs over the past two years. "Partial decontrol has resulted in lower natural-gas wellhead prices, despite the claims by many that a partially free market environment would lead to higher prices," says Nicholas Bush, president of the Natural Gas Supply Association.

Last month, the departments of Energy and Justice recommended a further easing of controls. They proposed that the "vintage" of so-called old gas discovered before 1974 be eliminated. The current ceilings on old gas range from 31 cents to \$2.52 for a million British thermal units. The DOE plan would allow all this gas to be sold at prices up to \$2.52. The Federal Energy Regulatory Commission now has the proposal open for comment, and action is expected by June.

Experts don't believe, however, that all old gas necessarily will be sold at the top price of \$2.52 per million BTUs, which is around the current market clearing level. Instead, much old gas could be sold economically at \$1.50 to \$1.75, with producers increasing their revenues on higher volume

sales and consumers benefiting from more plentiful supplies at lower average prices. Indeed, one estimate predicts that so much additional old gas production—perhaps 34 trillion cubic feet—will come on stream that the economy will benefit by more than \$25 billion during the next decade.

With the move toward further natural-gas price and transportation deregulation under way, there really isn't any sound reason to retain controls. "Full deregulation of well-head prices would bring significant benefits to consumers," says Mr. Bush. "There is simply no rational argument not to eliminate the remaining wellhead controls on natural gas as a way of eliminating the distortions that have plagued this industry—and consumers—for more than 30 years."

It is to be hoped that Mr. Reagan, in his State of the Union address, can light a fire under Congress to act quickly on complete decontrol of natural gas. As long as controls continue, relatively inexpensive forms of natural gas will remain shut in the ground, while consumers are forced to accept other higher-priced gas. This system has never made any economic sense, for either producers or consumers. Perhaps now, looking at the heartening experience of partial decontrol, Congress will see the light at the end of the pipeline.

[From the Wall Street Journal, Apr. 17, 1987]

#### TURNING ON THE GAS

Congress is finally treating the U.S. energy industry as an adult, letting it make its own decisions. Soon gone may be the federal rules that tell utilities and large companies what fuels they can burn in new power-generating facilities. Coal, natural-gas and oil producers could then compete freely for new customers, based on price and availability, rather than being fettered by federal rules.

Before it recessed the Senate moved by unanimous consent to repeal the key provisions of the Power-plant and Industrial Fuel Use Act of 1978—a regulatory nightmare left from the "energy crisis" days when the U.S. was said to be "running out" of indigenous fuel sources. It prohibits the use of natural gas and oil in most new industrial and power-plant boilers, leaving coal as the only major option besides nuclear energy. The House Energy Committee is expected to take up a similar measure after the Easter recess, following unanimous approval by a House subcommittee.

The coal lobby had been blocking repeal of the legislation for years, despite the efforts of the Reagan administration. The coal industry had come to accept that oil and natural gas would be allowed to compete for new electricity-generating contracts. But it insisted that new plants be "coal capable." That meant hefty investments in equipment and extra land to handle future coal use. "National security," the coal people argued, was at stake in case of another shortage.

Recently, Sen. J. Bennett Johnston (D., La.), chairman of the Energy and Natural Resources Committee, struck a compromise. New power plants need only have "sufficient inherent design characteristics" to permit future coal use. The utilities aren't required to buy any additional land or equipment. The Johnston compromise won the key support of Sens. Wendell Ford (D., Ky.) and James McClure (R., Idaho), as well

as the National Coal Association, American Gas Association and Natural Gas Supply Association.

A fight still looms, however, over decontrol of natural-gas prices. The Senate measure includes repeal of the "incremental pricing" requirements of the Natural Gas Policy Act of 1978—another legislative offspring of the "energy crisis." Incremental pricing places a federal surcharge on natural gas for boiler use. The program makes it hard for interstate pipelines to respond competitively to other fuel-price changes. The House energy subcommittee has rejected an amendment to abolish incremental pricing.

It's taken six years since complete oil decontrol for Congress to learn that the federal government doesn't belong in the energy business. We guess that's progress. Members of Congress are recognizing that both consumers and producers benefit from a free market in energy. To achieve this goal, Congress should do away with the remaining controls on natural-gas prices.

[From the Dallas Morning News, May 18, 1987]

#### MYTHS ABOUT CURRENT ENERGY SITUATION

(By George P. Mitchell)

My parents were Greek immigrants, and when I was little they would tell me fanciful *paramithia*, grandmothers' tales. Here are a half-dozen *paramithia* about the current energy situation.

The oil import fee is a dead issue. Controversial, yes. Dead, no. The Energy Department's new interagency study is badly flawed, but at long last the administration seems to agree that the United States faces a national security risk because of our dependence on imported oil.

Most of the options discussed in the study have Catch-22 features: They would be of benefit after world oil prices rise, but if prices rise, the options aren't essential. The domestic industry has been badly battered. It will take four years to restore its infrastructure and another 10 for the United States to become 75 percent energy self-sufficient. Of all the measures being discussed to revive the domestic oil industry, only a variable import fee would stimulate domestic exploration and development right now. For that reason, the support for an import fee remains strong. Don't count it out.

Decontrol of natural gas will give a big boost to the natural gas industry. Natural gas prices should be decontrolled because they warp the market in a part of the energy industry where there is adequate domestic supply. But the main beneficiaries would be the major oil companies, who own most of the gas that would be affected; decontrol will do little for, and it might even hurt, the independents, who drill nine out of every 10 wells in the United States.

Currently, of all the gas now being produced in the United States, an estimated 17 percent is sold at an average price in the range of 70 cents per thousand cubic feet. That's half the going price for gas offered on the depressed spot market, somewhat more than one-third of the average price of all gas. With decontrol, that 17 percent would trend up toward the spot market price while the higher-priced gas would head down. The new prices won't revive drilling for natural gas, which was down by one-third last year.

Eighteen-dollar oil is a fair compromise between the \$25 when the price slide started and the \$8.50 low reached last summer. American oil companies can produce and sell already-discovered oil at \$18 and still make money. But they can't afford to look for oil at that price. A study by the accounting firm of Arthur Anderson & Co. showed that the average cost of finding and producing oil in the United States from 1981 through 1985 was more than \$15 per barrel. By contrast, Saudi costs, including transportation, are only one-fifth as much as ours. Selling American oil for \$18 is equivalent to liquidating the domestic industry.

Quit worrying; the United States really is energy rich. We're very rich in coal and quite rich in natural gas. Assuming better incentives become available, we've got enough oil—supplemented by a large increase in natural gas production—so that we can supply 75 percent of our needs for a while. Even though we are the Saudi Arabia of coal reserves, environmental and other costs will prevent that fuel from taking the place of oil and gas until there is great technological advance in controlling acid rain and other pollution problems.

The government needs to invest far more than it does in research aimed at fully developing our oil and natural gas resources in order to see us through the 15 to 20 years before coal's problems are defeated and other fuels are made more practical.

A half-billion barrels in the strategic petroleum reserve insulates the U.S. from any significant security problem. Don't set national policy based on that half-fact. True, if we went to war, our own domestic production plus that available from friends and from the reserve would provide for military and, to some extent, civilian needs. That assumes a polite war, with conventional weapons. However, the greatest danger is the confrontation that would arise if an antagonist nation tried to interrupt our oil supply from the Persian Gulf.

Two other points about security: First, under the agreement on an international energy program, the United States is obligated during a supply disruption to share its oil with other nations, so there's less in our pot than you might think; and second, the long-term impact on our already-critical balance-of-payments deficit of importing 8 million or 9 million barrels of oil daily, at steadily increasing prices, is a painful prospect.

Don't worry—the Organization of Petroleum Exporting Countries never will get its act together. OPEC will be the winner in spite of itself. At present, the world's excess production capacity is about 12 million barrels daily, and if that were all that matters, we'd have nothing to worry about. But two-thirds of that excess capacity rests in the Persian Gulf minicartel of Saudi Arabia, Kuwait, Qatar and the United Arab Emirates. Meanwhile, the productive capacities of other oil nations, OPEC and non-OPEC alike, are gradually shrinking and worldwide consumption is increasing. It's clear then that in just a few years all the excess capacity except that within the mini-cartel will be sopped up, and prices will go skyward.

Look for oil to be between \$30 and \$35 per barrel in 1990 or 1991, compared with about \$19 now. Look for gasoline lines to start reforming. And that's no *paramithia*.

**TWO HUNDRED YEARS AGO  
TODAY AT THE CONSTITUTIONAL  
CONVENTION (JULY 10)**

**HON. PHILIP R. SHARP**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHARP. Mr. Speaker, when the new special committee reported its deliberations on the issue of representation in the House of Representatives, a new split—this time between northern and southern delegates—developed in the Convention.

General Pinckney and John Rutledge of South Carolina challenged the committee's report which allotted 35 spots in the House to the Northern States and only 30 to the Southern States.

In a speech on the Convention floor, Pinckney said,

I do not expect the Southern States to be raised to a majority of representatives, but wish them to have something like an equality.

Primarily because the Northern States had a significantly greater population than the Southern States, the Convention voted to accept the committee's recommendation.

**PUBLIC REMAINS CONCERNED  
REGARDING INSURANCE ISSUES**

**HON. JAMES J. FLORIO**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, the liability insurance crisis remains a reality for many businesses, professionals and others throughout the country. Congressional deliberations on insurance have made progress, but the issues remain complex. A recent article in the New Jersey Star-Ledger by Herb Jaffe does an excellent job of summarizing the current situation. Given the complexity of the issues, it is fortunate that the subject has received the kind of high caliber coverage provided by Mr. Jaffe. His article follows:

**JERSEYANS IN VANGUARD OF EFFORTS TO  
REFORM FEDERAL INSURANCE REGULATIONS**  
(By Herb Jaffe)

WASHINGTON.—Four public officials from New Jersey have become key players in a battle shaping up in the hearing rooms of Congress that could substantially alter every aspect of the insurance system.

Fueled by public dissatisfaction over the nature of practices by a number of insurance companies in all lines of coverage, the fight has brought the state insurance commissioners to Washington defend their regulatory role.

One of the commissioners is Kenneth D. Merin of New Jersey, an admitted "nonconformist" who is neither defending his role as an insurance regulator, nor being averse to a limited form of federal regulation.

Furthermore, Merin doesn't care whether the McCarran-Ferguson Act is amended, despite a position paper which the National Association of Insurance Commissioners (NAIC) said has the "unanimous approval of the commissioners—in opposition to modifying the McCarran act."

The 42-year old law, which is the basis of state regulation of all forms of insurance, has become a subject of consternation in the House Judiciary Committee, and specifically with its chairman, Rep. Peter W. Rodino Jr. (D-10th Dist.).

The McCarran-Ferguson Act specifically grants the states the authority to regulate and tax insurance. But it also exempts the insurance industry from certain provisions of the federal antitrust laws, which Rodino said has worked to the disadvantage of the public.

Two other congressmen from New Jersey, Rep. James J. Florio (D-1st Dist.) and Rep. Matthew J. Rinaldo (R-7th Dist.) have been involved with hearings in the House Commerce Committee's subcommittee on consumer protection and competitiveness.

Florio, chairman of the subcommittee, wants to know whether there should be a role for the federal government in regulating any aspect of insurance.

Rinaldo has taken the position that in view of the liability crisis which left many without insurance and others with exorbitant premiums, Congress should thoroughly review the insurance procedures to see what is needed in the regulatory code to prevent any such recurrence.

The liability crisis, which specifically hits businesses, municipalities and recreation entities, has left a bad taste that still annoys many officials.

But Merin is the only member of the NAIC to urge significant reforms that include some extent of federal participation.

"One of the reasons the insurance crisis occurred was due to the lack of a strong regulatory system," said Merin, who has remained here for several days after testifying at a hearing in Florio's subcommittee on Wednesday.

Merin said he believes the "liability crisis" is waning. "The insurance industry is in the midst of a recovery, and it seems to be going back to business as usual.

"But in light of the devastating effect the crisis had on commercial insurance buyers, I don't think we want to go back to business as usual," he asserted.

Referring to what he called a "dramatic turnaround" in "ideology" by some insurers, Merin said he is certain "there will be a major change in insurance regulation within the next few years."

"I think the insurance industry will ask for federal regulation," he said "In the next five to 10 years, you'll get pleas from the industry to relieve them of state regulation," Merin predicted.

He said that while the industry has little difficulty with the relatively mild regulatory procedures prevalent in most states, "they're getting fed up with New Jersey because of the data we're always asking them to provide."

"I think they're also getting fed up with New York, California, Texas, Illinois and Florida for the same reasons," he added.

Merin explained that almost every state has its own major insurance differences, such as auto insurance in New Jersey, workers compensation in Maine, medical malpractice in Florida and West Virginia, and granery problems in some of the western states.

"Someone in the industry will wake up some day and say, 'Let's create a federal agency, with uniformity, and then we can go out and dominate it.'

"Of course if they do that, we might be right back where we were before passage of the McCarran act, when industry practices

were really bad," Merin said. Florio, whose subcommittee will conduct another hearing Tuesday on the need for long-term health care insurance for the elderly, said last week's hearing on the effects of the liability crisis "produced a consensus that there is a need for uniformity within the regulatory framework."

His reference was to the fact that each state is regulated by its own set of insurance rules and, without uniformity, the system is unable to function properly, since insurance is a form of interstate commerce.

Florio also noted financial factors which state insurance departments use to determine the solvency of companies are particularly in need of a uniform system of analysis to protect consumers. He said the latest NAIC information showed that more than 400 insurance companies are on "the NAIC's list of financially troubled companies."

"I think some degree of federal action will evolve in the solvency area, because sooner or later someone is going to start saying that something has got to be done in that area," the South Jersey congressman said.

"As a result of the hearings, my goal is to have packages of responses ready and available when the public starts insisting that something has to be done," Florio added.

He said that another hearing by his subcommittee later this year will bring in representatives from the National Association of State Attorneys General.

They, like the National Association of State Legislators and a long list of other state government agencies, trade associations and consumer organizations, have gone on record in favor of eliminating the antitrust exemption under the McCarran act.

"They're going to be advocating more federal regulation in different areas, such as airline scams and insurance fraud," Florio said.

"I think Commissioner Merin is correct, that the industry people are starting to say that maybe the federal government is the lesser of two evils, that maybe we should have a federal regulatory system.

"Either way, there's a whole new dynamic at work, and the states may ultimately have to share some of their regulatory responsibilities," Florio said.

Rinaldo, who is one of the ranking minority members of Florio's subcommittee, said the industry "must bear some of the responsibility for the crisis" which, he added, caused great consternation among the public.

Referring to the industry's argument that the proliferation of tort lawsuits and higher jury awards is forcing up premiums, Rinaldo stated:

"All too often insurance companies are ready to settle out of court. They're ready to settle quickly and, as a result, pay out for frivolous and nuisance suits that don't even belong in the courts."

Rodino has been the leading voice in search of insurance reform for most of his 39 years in Congress. In recent years, he has focused his attention on the industry's immunity from provisions of the antitrust laws.

"I believe something has to be done to assure that the insurance industry, like all other industries, is subject to the antitrust laws," Rodino stated.

"I endorse the concept," he said of a bill introduced last month by Rep. Don Edwards (D-Calif.), that would remove the antitrust exemptions from the McCarran-Ferguson Act.

"We'll have hearings on the bill later this fall. We'll give the companies the opportunity to tell us how they would be able to function without the exemption.

"This is a very important issue to consider. The industry has prospered with the exemption, unlike many other industries which do not have antitrust exemptions," Rodino said.

But the most outspoken opponent of any effort to alter the McCarran law is the NAIC. Among other things, the state insurance commissioners openly fear they would lose some of their regulatory authority if the act is modified.

In a position paper released last week, the NAIC stated:

"Proposals to modify McCarran are based on the unsupported belief that such action would solve or rectify the liability insurance crisis and the unexamined assumption that the industry should be treated in the same manner as others in the free market sector.

"Clearly, those advocating such a change have a heavy burden to modify federal policy which has permitted states to regulate effectively the insurance industry in excess of 40 years.

"After careful evaluation, state insurance regulators have determined that the reasons advanced do not justify modification of McCarran. Rather, such action would further exacerbate the problems in availability and affordability and impair effective state regulation."

#### MOUND BAYOU CENTENNIAL CELEBRATION

**HON. MIKE ESPY**

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ESPY. Mr. Speaker, this week, the city of Mound Bayou is celebrating its 100th anniversary as the first all black community founded in the United States. I am honored to be able to participate in the Mound Bayou Centennial Celebration, entitled "One Hundred Years in Retrospect." Mound Bayou has a proud history, and this celebration will reflect that proud history through its songs, dances, activities, and speeches given by prominent black leaders from the State of Mississippi and other parts of the Nation.

Mound Bayou was founded in 1887 by Isaiah T. Montgomery and Benjamin T. Green. Mr. Montgomery, who would later be the only black delegate to Mississippi's Constitutional Convention of 1890, was a former slave of Joseph Emory Davis, brother of Jefferson Davis. Mr. Montgomery purchased the Davis plantation at Davis Bend after the Civil War and lived there with his family until he moved to Mound Bayou.

Mr. Montgomery and Mr. Green, accompanied by their cousin, J.P.T. Montgomery, and 12 families, most of whom came from Davis Bend, Warren County, MS, surveyed the site of Mound Bayou in Bolivar County and cleared it for occupation. The site was named after Indian mounds and a bayou. The population had reached 183 before the end of the first year of settlement. In February 1898 the residents petitioned the Governor to incorporate the village, and in August the charter was signed and sealed.

#### EXTENSIONS OF REMARKS

By 1910, Mound Bayou had grown to half the size of nearby Cleveland, MS. The business life of the community centered around the production of cotton, although timber provided a natural resource of income. An article written at this time listed over 50 businesses operating in the progressive town. In 1912, Mound Bayou citizens applied to the Governor and received the status of a town.

The town experienced periods of depressions and disasters and struggles for rebirth during its colorful history since 1910. When the results of the 1970 census revealed that Mound Bayou had an official population of 2,134, an increase of 57.6 percent over 1960, the governing officials proclaimed the municipality to be a "city" on May 12, 1972. During the decade between 1970 and 1980 U.S. census count, Mound Bayou was shown to be the fastest growing municipality in Bolivar County.

I am extremely proud to represent this city in the U.S. Congress and to participate in the 100th anniversary ceremonies honoring the city of Mound Bayou, MS.

#### VINCENZO A. CRIVELLO— STRENGTHENING THE TIES BETWEEN THE UNITED STATES AND ITALY

**HON. LEON E. PANETTA**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. PANETTA. Mr. Speaker, I would like to inform my colleagues of the excellent work of Vincenzo A. Crivello, a citizen of Italy who has dedicated his life to helping his fellow countrymen as well as his former countrymen who have come to this country to live.

Vincenzo A. Crivello was born in 1910 in San Vito Lo Capo, in Sicily. His parents were Nino V. and Esperanza Crivello.

Although he remained in Italy, members of his family immigrated to the United States and have distinguished themselves in a number of fields.

Mr. Crivello became an attorney in Italy and was subsequently elevated to judge. He was later named an inspector general for the Judicial Department of Sicily. He worked on important post-war projects involving both Italy and the United States.

In 1966, he visited family members in Monterey with his wife, Enzina, and their children, Nino, and Esperanza. He and his father shared in a tribute from Italian-American communities for assisting Americans of Italian heritage who were having difficulties of various kinds with the Italian Government.

Through the years, Mr. Crivello has offered his assistance to countless United States and Italian citizens. In doing so, he has helped strengthen the ties between our two great countries.

July 13, 1987

#### 200 YEARS AGO TODAY AT THE CONSTITUTIONAL CONVENTION (JULY 11)

**HON. PHILIP R. SHARP**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHARP. Mr. Speaker, on July 11, 1787, the Convention tried to determine how in the future to adjust the number of places each State would be allotted in the House of Representatives.

The Framers foresaw the expansion of the Nation beyond the original 13 States. Therefore, they believed, the Constitution must be able to adapt to the changing dimensions of the country.

Virginia's Edmund Randolph proposed requiring the national legislature to provide for both a census and an estimate of wealth for each State and to adjust future apportionments of the House of Representatives according to the results.

That plan initially faced resistance from some delegates who feared instituting a strict formula would eventually work against the existing States when the western territories were settled and became heavily populated.

Thus, for now, the proposal was defeated.

#### ANTITRUST AND THE SUPREME COURT NOMINATION

**HON. JAMES J. FLORIO**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, the pending nomination of Judge Robert H. Bork to the Supreme Court will give rise to a thorough examination of his views. Judge Bork's views on a number of subjects are controversial. One such subject is antitrust. The following article from the Washington Post discusses the debate concerning Judge Bork's views on antitrust and the contention that his approach is at odds with the congressional intent underlying the antitrust laws.

[From the Washington Post, July 8, 1987]

#### BACKERS OF TOUGH ANTITRUST ENFORCEMENT HIT BORK

(By Morton Mintz)

Leaders of the National Association of Attorneys General and others advocating tough enforcement of federal antitrust laws have sharply criticized President Reagan's nomination of U.S. Appeals Court Judge Robert H. Bork to the Supreme Court.

New York Attorney General Robert Abrams, the association's president-elect, has called Bork "a radical judicial activist" and said "the only type of restraint [he] has favored is the restraint of trade."

In Bork's scholarly and judicial writings on antitrust, he has "advocated complete abandonment of the clear intention of the framers of the antitrust laws" and "both disregarded and sought to distort [the] historical record," Abrams said in a statement.

Michigan State University economist Walter Adams, coauthor of "The Bigness Complex," which was published early this

year, said. "To picture Judge Bork as a conservative who believes in judicial restraint is madness."

Bork is "a radical of the right" and "a committed and articulate ideologue—a true believer in the tenets of 19th century social Darwinism," Adams said in an interview and a statement.

Bork's posture on antitrust "reflects judicial activism *ad extremis*"—an inclination to "substitute an ideological belief in what the laws ought to be for what the laws enacted by Congress are and were intended to be," Adams said.

West Virginia Attorney General Charles G. Brown, who succeeded Abrams as chairman of the association's antitrust committee, said in an interview that Bork's antitrust positions "are often inconsistent with the principles of those who drafted our antitrust laws. His confirmation would only serve to weaken the laws that were designed to safeguard our free marketplace."

Bork has a "distorted view of competition [that] denies the values of diffusion of power, economic opportunity, and innovation," Brown said. "Bigness isn't badness, but it isn't goodness, either, and Judge Bork thinks it is."

But Abrams' comments drew fire from New Mexico Attorney General Hal Stratton and a spokesman for Utah Attorney General David L. Wilkinson.

Stratton accused Abrams of trying "to bash President Reagan and the Justice Department." In Salt Lake City, Associate Deputy Attorney General Paul M. Warner said that Wilkinson is "much more comfortable with Bork's position than with Abrams."

Wilkinson "strongly supports" Bork, whom Reagan called "the most prominent intellectual advocate of judicial restraint."

And Oregon Attorney General Dave Frohnmayer, a Republican who is now president of the association, said in an interview, "Everything I know about Judge Bork leads me to believe that he would not try to be a superlegislator."

Bork consistently has argued—in his book, "The Antitrust Paradox," in other scholarly writings, and in his opinions as a judge of the U.S. Court of Appeals for the District of Columbia—that Congress enacted the antitrust laws to enhance "consumer welfare" and the "business efficiency" that underpins welfare. The laws have no worth "other than economic efficiency," he told the U.S. Chamber of Commerce in a 1984 speech.

Bork also has criticized the law prohibiting mergers where the effect "may be substantially to lessen competition or tend to create a monopoly," has urged no government interference with mergers of competitors so long as no more than 60 to 70 percent of a relevant market is affected, and has called for the removal of obstructions to mergers by conglomerates.

By an overwhelming vote last March, while Abrams was chairman of the attorneys general antitrust committee, the association adopted a set of uniform guidelines for efforts to block the kinds of mergers that nearly all of the state attorneys general view as anticompetitive but that the Reagan administration probably would allow.

New Mexico's Stratton and Utah's Wilkinson were the only recorded dissenters. Both said that some states were unrepresented when the vote was taken.

Justice Department antitrust chief Charles F. Rule and Federal Trade Commission Chairman Daniel Oliver opposed the guidelines.

The guidelines "do not adequately take into account the dynamic nature of competition, and the ability of market forces to forestall most attempts to restrict output and elevate prices to the detriment of consumers," Oliver said.

Frohnmayer, who had defended the guidelines as "an example of cooperative federalism," said that at the upcoming Senate Judiciary Committee hearings on the nomination the questioning should focus on the issue of "judicial competence and integrity," rather than be "a searching ideological examination."

But he also said that whether Bork joins with the administration in opposing the association's guidelines would be "a fair question."

Adams, a former president of Michigan State, and New York's Abrams argued that for 90 years—starting with the Sherman Act of 1890 and continuing until the first Reagan administration—the framers of the antitrust laws and of their bipartisan enforcers were deeply concerned about concentrations of economic power.

They feared that such concentrations "would lead to undue political power in the hands of the corporate elite," Abrams said. But, he said, Bork substitutes for "this historical record . . . his own narrow vision of antitrust, one which holds that the law is only concerned with the single issue of maximizing allocative efficiency, which means nothing more than maximizing production."

"Under this view of the law, the extortion of consumers by monopolists and price-fixers does not violate the law unless industrial output is thereby reduced," Abrams said.

Adams said that Bork's claim "that the purpose of the antitrust laws is to promote 'efficiency' and 'consumer welfare'" is not to be found in the texts of the Sherman and Clayton acts.

#### 1988 WHEAT FARM PROGRAM

### HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. BEREUTER. Mr. Speaker, the Secretary of Agriculture recently announced the wheat program for the 1988 crop year that required a 27.5-percent acreage reduction—the same amount required under the 1987 wheat program. For over a month the USDA has wanted wheat farmers to idle 27.5 percent of their acres to qualify for Federal farm programs, while the Office of Management and Budget has insisted that the Secretary use his authority to require the maximum allowable reduction of 30 percent in order to reduce initial program expenditures.

This Member applauds the Secretary of Agriculture's aggressive stance and his announcement to hold the line at 27.5 percent for acres idled under the 1988 wheat program. As the United States attempts to recover lost agricultural export markets, it is important that we continue to send a strong indication to our grain, export competitors that we are determined to keep our agricultural products competitively priced in the world market and these our share of the export markets. It would send the wrong signal to our grain export competitors if the United States unilaterally reduces

its export competitiveness, which is the effect of what OMB's proposal would have done.

This Member would like to share with his colleagues an Omaha World-Herald editorial discussing why it was important to keep our wheat program's idle acres the same. Larger set-asides are ill-advised because foreign competitors would be tempted to resume their expansion of grain production if they believed the United States will impose larger and larger acreage reductions to eliminate world surpluses and keep program costs down. The farm policy of the United States must allow our farmers to compete in world markets. This editorial makes several good points on this issue: I commend it to the attention of my colleagues.

[From The Omaha World-Herald, July 8, 1987]

#### WHEAT POLICY STAYS ON TRACK

For months, the U.S. government has been sending a clear, strong signal of its determination to make sure that American farm products are priced competitively in the world market. A contradictory signal might have gone out if the Office of Management and Budget had won a recent inter-agency dispute with the Department of Agriculture.

Fortunately, the White House sided with the Agriculture Department. OMB wanted to force wheat farmers to idle 30 percent of their acres to qualify for government farm payments in 1988. Budget office officials said they wanted the higher number of acres taken out of production to save the government \$200 million in farm program payments.

Agriculture Department officials favored a 27.5 percent figure. The White House decision constituted, in effect, a victory for continuity over short-term savings.

The OMB approach would have taken an additional 1 million acres out of production, reducing the U.S. wheat harvest by about 35 million bushels. Agriculture Department analysts said the reduction could have caused prices to increase, making American wheat less competitive in the export market.

Secretary of Agriculture Richard Lyng said: "Think what that would be telling our competitors. For two years, we move toward more competitive prices and then we all of a sudden would be reversing our position."

A recent report for the National Association of Wheat Growers contained this statement: There are significant advantages to the U.S. wheat economy and to the government from larger wheat production and more competitive wheat prices." The White House decision to maintain a competitive pricing policy could help bring about those advantages.

#### ARI VOLVOVSKY DAY

### HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. PORTER. Mr. Speaker, I recently joined Highland Park, IL, Mayor Daniel Pierce to declare Soviet refusenik Ari Volvovsky an honorary citizen of that city. Under the leadership of Chicago Action for Soviet Jewry, the Highland Park based human rights organization, more

than 200 persons gathered to honor this courageous man.

The Volvovsky's have waited 14 years to emigrate. They have been harassed, imprisoned, and exiled to the closed city of Gorky solely for their desire to study their religion and live in Israel. Trained as a computer scientist, Ari cannot find work in the Soviet Union.

Mr. Speaker, despite recent encouraging steps taken by the Soviets, thousands of Soviet Jews like the Volvovsky's languish in trepidation that the policy of glasnost will never give them freedom. The message must go forth from this body and from the American people that the Ari Volvovsky's must be given the right to emigrate and to live in freedom.

### THE BICENTENNIAL OF THE NORTHWEST ORDINANCE

#### HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. SHARP. Mr. Speaker, 200 years ago today, the Confederation Congress took a monumental step for the State of Indiana as well as the future of our Nation. On July 13, 1787, the Congress, meeting in New York City, enacted a law entitled "An ordinance for the government of the territory of the United States northwest of the river Ohio."

The law, which became known as the Northwest Ordinance, established a governmental framework for all or parts of Indiana, Illinois, Michigan, Ohio, Wisconsin and Minnesota. The document guaranteed that those areas would be admitted as States on the same basis as the existing 13.

But even more remarkable about the Northwest Ordinance were the concepts that it embraced. The law called for religious freedom and individual rights in the Northwest Territory even before the U.S. Constitution was completed. The Ordinance also encouraged public education and prohibited slavery in the area almost 100 years before slavery was made illegal in the United States.

I would like to call attention to this anniversary and stress its importance not only to the area that I represent but to the development of this Nation.

### NO EXCUSE FOR LACK OF ACTION ON ATV'S

#### HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. FLORIO. Mr. Speaker, the all-terrain vehicle [ATV] death and injury toll continues to mount. There are an estimated 20 deaths and 7,000 injuries a month related to ATV's.

In December, the Consumer Product Safety Commission voted to ask the Justice Department to bring a suit in U.S. district court to declare certain ATV's an imminent hazard and provide remedies for consumers. It is now July, and the Justice Department has yet to indicate what action, if any, it will take.

What follows is an editorial from the June 23 edition of the Gloucester County Times which calls for an end to this inexcusable footdragging:

#### NO EXCUSE FOR LACK OF ACTION ON ATV'S

Perhaps it never occurred to the bureaucrats and legal experts in Washington that a problem is not solved merely by making a study and issuing a report. Some action has to be taken to stop the killing of children. But that's where the Consumer Product Safety Commission and the U.S. Justice Department draw the line.

The killing is taking place on all-terrain vehicles, popularly known as ATVs—those three- or four-wheel motorized "bikes" made for flying across fields and whizzing through the woods. The safety commission reports that from 1982 through 1986 a total of 559 people were killed and 271,300 injured in accidents involving ATVs. Children 12 and under accounted for 135 of those deaths.

Rep. James J. Florio, D-1st Dist., of Pine Hill, who has criticized both the commission and the Justice Department for their lack of action, says ATV accidents continue to claim about 20 lives a month.

Admittedly the Consumer Product Safety Commission did follow up its \$2.2 million, 18-month study of ATVs, and 14,000-page report, by asking the Justice Department to declare ATVs an imminent hazard. This action would allow the department to require manufacturers to offer recalls and refunds, and to provide free training to ATV owners.

Interestingly, Terrence Scanlon, chairman of the safety commission, voted against even these modest measures. And perhaps the people in the Justice Department noted his opposition, because after four months, the nation's top law enforcement agency has done nothing to implement the recommendation of the two safety commission members.

Meanwhile the injuries and deaths continue.

The safety commission's study concluded that children under 12 cannot operate ATVs safely, and the children between 12 and 15 cannot safely handle adult-size vehicles. And it said that education and safety equipment, especially helmets, save lives.

Fortunately for the children of New Jersey, it is illegal for anyone under 14 to operate an ATV in the state. State law also requires operators of all ages to wear helmets.

More can be done to make ATV use safer in New Jersey. But nothing has been done at the federal level where the head of the commission responsible for consumer safety apparently thinks 20 deaths a month is a reasonable price to pay for an industry with \$1.5 billion in annual sales.

There is no substitute for personal caution, whether driving a car or riding an ATV, and no substitute for parental responsibility when it comes to the safety of children. That is no excuse for the safety commission to shirk its responsibilities or for the Justice Department to drag its feet while 20 people a month are killed partly as a result of their inaction.

### TRIBUTE TO LESLIE H. ARPS

#### HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DOWNEY of New York. Mr. Speaker, I am delighted to pay tribute to and offer best wishes to Leslie H. Arps, a founding partner of the law firm of Skadden, Arps, Slate Meagher & Flom, on the occasion of Mr. Arp's 80th birthday today.

The law firm cofounded by Arps with two colleagues almost 40 years ago has grown to be the largest law firm in New York City and the Nation, having New York City as its base with over 700 attorneys located there and in 6 other cities throughout the country. Over the last few decades it has risen rapidly in prominence to a position of preeminence not only in size but in its standards of excellence and professionalism.

The firm's ascendancy is a tribute to the vision and dedication of the founders of the firm, including Mr. Arps. During his 40 years as a senior partner, Arps gave the firm leadership and direction as a public servant and a private practitioner always aiming for and achieving the highest standard of professional excellence and integrity.

Leslie H. Arps was born July 14, 1907. His father, George F. Arps, a noted educator, was prior to his death dean of the graduate school at the Ohio State University, Columbus, OH. Upon graduation from high school, Arps attended the Ohio State University for 3 years and then transferred to Stanford University where he was elected to Phi Beta Kappa and received his A.B. degree in 1926. He obtained his LL.B. from Harvard Law School in 1931, serving as a member of the Legal Aid Bureau.

On October 1, 1931, Arps became an associate at Root, Clark, Buckner & Ballantine where he specialized in litigation. While at Root, Clark, he worked for a number of years as an assistant to John M. Harlan, who later became a Justice of the U.S. Supreme Court. From the outset of his career, Arps learned the importance of hard work and professional integrity.

In the spring of 1942 Arps enlisted in the U.S. Army and was sent to Fort Jackson, Columbia SC, for basic training. In the summer of 1942, however, Harlan informed Arps, then a sergeant, that the U.S. Army Air Force was going to form an Operations Analysis Section [OAS] modeled after the British Royal Air Force Operations Research Section, and asked Arps to join the section as his assistant. Arps was commissioned a major and joined Harlan in England, where from October 1942 through August 1944, they acted as liaison between the U.S. Military Command and a staff of approximately 50 leading U.S. civilian scientists.

The activities of the OAS proved to be of great assistance to those conducting combat operations in Germany. Altogether, the OAS issued over 300 reports on topics such as bombing accuracy, results of combat missions, and effectiveness of aircrew gunning, many of which were also sent to Washington

for circulation to other Army Air Force commands.

During this period Harlan was asked by Generals Arnold and Spaatz to make a study of how the separation of the British Air Force from the British Army was accomplished. Before and during World War I the British Air Force was a part of the British Army. Shortly after World War I the British Parliament separated the Air Force from the British Army and created it as an independent branch of the British Military Service. The separation was accomplished after careful study and after a great deal of effort on the part of the members of the British Air Force.

Arps played a major role in the process of reviewing all the relevant papers, transcripts of the parliamentary debates, interviewing many of the persons directly involved in the separation including Lord Trenchard, and drafting a report. The results were embodied in a "Memorandum concerning the creation of the Air Ministry and the Royal Air Force as a separate branch of the British military service" dated May 1, 1944. This memorandum was one of the many used in making the U.S. Air Force a separate and independent branch of the U.S. military service.

After the war Arps cofounded the Skadden, Arps firm in New York and continued his service to the country and the bar. He served as assistant chief counsel to the New York State Crime Commission during its investigation of the crime activity of the waterfront in the Port of New York, and was a recipient of an award of the New York State Crime Commission for his performance in said investigation. Thereafter, he was associate general counsel to the New York State Commission to study, examine and investigate State agencies in relation to parimutual harness racing, and a consultant to New York State Moreland Commission on the alcoholic beverage control law. He also served as chairman of the executive committee of the Association of the Bar of the City of New York.

For these achievements, and the leadership and inspiration he has given to countless young lawyers, we honor Leslie H. Arps on his 80th birthday, and wish him continued success in his career. And although Arps has had many distinguished law partners over the years, one partner deserves special recognition on this occasion. Ruth Arps, Les's devoted wife and constant companion for over 25 years, has with Les helped inspire a host of young men and women. Her grace and guidance is inseparably bound up in the love and respect his colleagues have for Leslie Arps.

#### AIDS TESTING

### HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. GINGRICH. Mr. Speaker, mandatory testing for AIDS has been the topic of much heated debate. I recently enjoyed an article that I feel puts the subject into perspective. I hope my colleagues enjoy it.

The article follows:

[From the Washington Times, June 8, 1987]

#### PERPLEXED BY THEIR BOOING

(By Mike Royko)

Booing politicians is part of our tradition of free expression. But it seems to me that if people must boo, they ought to explain at some point what the heck they're angry about.

For example, President Reagan made a speech the other day to a large group that was raising money for AIDS research.

The speech was about what a terrible menace AIDS is, how important it is to educate people on it, but that ultimately it is up to science to find a solution.

Then Mr. Reagan recited a few immediate steps that the federal government is going to take.

He said that he would ask that immigrants and aliens seeking permanent residence in this country be tested for AIDS. If they have it, they will be denied entry.

This drew a chorus of boos.

He also said he would ask the federal prison authorities to test federal inmates.

And this drew more boos.

I happened to hear this booing segment on my car radio and the first thought that crossed my mind was: "Ah, there must be a new special-interest group in America—Friends of Aliens, Immigrants and Federal Convicts Who Have AIDS."

But I haven't been able to find any record of it, so I've asked some leaders and spokesmen for what is known as the gay community if they knew why Mr. Reagan was booed.

They gave me several reasons, none of which make a great deal of sense.

One said that it's unfair to the aliens. Why is it unfair? Because if they are found to have AIDS, they will not be able to enter this country.

When I pointed out that we already test aliens for all kinds of diseases—from tuberculosis to lymphogranuloma venereum to dope addiction and a booze habit—I was told that it isn't the same thing, since they can be cured. And when they are cured, they can get in this country.

But since AIDS is currently incurable, the alien would forever be denied entry. And that, they said, was unfair.

Well, I'm all for fairness. But I don't think it is unreasonable to say to someone: "I'm sorry, but you have this incurable disease, and if we let you in this country and you have sex with someone, it is quite possible that they will get this disease. And if they have sex with someone, it is possible that still another person will get that disease. And if that person, etc., etc."

I'm sure that if the Statute of Liberty could talk, she'd say: "There are some limits to my hospitality."

And why not testing for federal prison inmates? The only objection they could provide was that if tests show that a prisoner *doesn't* have AIDS, he'll then be a more likely candidate for rape.

Of course, for that to happen, I would assume the test results would have to be posted on the prison bulletin board, which seems unlikely.

Beyond these specific objections, though, it all boiled down to a hospitality toward any mandatory testing of any kind.

Everyone I talked to said the same thing: Testing can be inconclusive, it is a waste of time, a waste of money, and an intrusion on an individual's privacy.

The money could be more wisely and productively spent on research and "education."

I'm all for research, but I don't see how there can be comprehensive research if there isn't some kind of testing. At least that's what some reputable scientists say.

As for "education," one of the things it means is how homosexuals can have "safe sex." But at this point, if there are any practicing gays who are so dumb they still don't know about AIDS and how to avoid it, then maybe what they need is brain surgery or the removal of the necessary appendage.

And how does one go about "educating" a drug addict who is so mentally addled that he'll shove a needle in his arm that's been used by someone else? That's the second most common way AIDS is transmitted.

Do we put catchy public service messages on TV telling heroin users: "Hey, drug user, wise up—don't you know it isn't smart to poke yourself in a vein with a used needle?"

Or maybe we'll send out social workers who will say: "Excuse me, sir, but I notice that you have just borrowed that needle from the fellow lying in that doorway? Can I speak to you for a moment about AIDS?"

The fact is, some people aren't very educable—especially those with glassy eyes and needle tracks on their arms and legs.

So I'm not convinced that "education," a word that is tossed around by most of the anti-testing spokesmen, is going to do much besides generate advertising and public relations budgets.

And until research does something about AIDS, I don't think testing—with the results private—is such a terrible thing.

Apparently a lot of gays don't think so, either. If you look in gay publications, you'll see ads from people seeking sex partners. Many of the ads include the claim that they have been tested and have been medically certified as safe to frolic. Some world we live in.

So if testing is OK under those circumstances, what's so intrusive about tests for couples getting married? Is a stranger responding to a post office box number worthy of more consideration than a bride?

#### THE LAW ENFORCEMENT ASSISTANCE FOUNDATION

### HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. ESPY. Mr. Speaker, I am pleased today to be able to point out the significant accomplishments of two distinguished citizens from my congressional district. Paul L. Barrett, the sheriff of Warren County in Mississippi and Col. J.C. Herbert Bryant, Jr., have established the Law Enforcement Assistance Foundation, a highly qualified group of law enforcement officials, specially trained to deal with narcotics abuse, special crises, and terrorism.

In conjunction with many State and Federal officials from across a seven-State area, these dedicated Americans have provided a significant service to the State of Mississippi and the surrounding area. The Law Enforcement Assistance Foundation was established in 1985 to assist law enforcement agencies in their increasingly costly fight against narcotics, special crises, and terrorism by providing them the use of needed armored specialized vehicles and equipment.

Day-to-day operations are handled by a director and one assistant. Additional sworn police personnel required are assigned and paid by the various State and Federal law enforcement agencies which LEAF serves. This group of personnel operates under the name of ARGUS [Armored Response Group United States].

In summation, LEAF was founded to provide new capabilities to all police agencies throughout the country. These capabilities are designed around the use of highly specialized equipment previously unavailable to individual police departments because of its extremely high cost.

We are all aware of the problems caused by narcotics, special crises, and terrorism. Providing the special means to deter these problems is the goal of the Law Enforcement Assistance Foundation. I am proud, Mr. Speaker, of their contribution.

PIXLEY KA ISAKA SEME

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. RANGEL. Mr. Speaker, in the face of the ever-increasing international struggle to wrest South African blacks from the grip of apartheid, I have taken this opportunity to renew the memory of Pixley ka Isaka Seme in the minds of my colleagues.

Seme was the first black South African to attend Columbia College, where he won the Curtis Medal for Oratory with his speech on "The Regeneration of Africa," and the second black South African ever to obtain a law degree from Oxford University.

Pixley ka Isaka Seme's exceptional, Western education served him well. His outstanding abilities in oratory and political activism were ultimately acclaimed worldwide, ranking Seme among the first generation of Africans who were able to play hardball in the white ballpark. The African National Congress, a mass movement dedicated to intertribal unity and multiracial democracy which has been a driving force in South Africa since its conception in 1912, is one of the most noteworthy of Seme's accomplishments.

I have submitted an article on Pixley ka Isaka Seme, a highly insightful exposé by Craig Charney, which probes further into the details of Seme's example and into the groundwork that he laid during his life for the ongoing movement toward a free South Africa. I trust that it will be read with all the interest and appreciation that Seme's life and legacy clearly merits.

PIXLEY SEME '06: FATHER OF THE AFRICAN NATIONAL CONGRESS  
(By Craig Charney)

"The giant is awakening," he said in a prize-winning student oration, and his career helped make it so.

Although the imprisoned leader of South Africa's African National Congress (A.N.C.), Nelson Mandela, is well known, few people are aware that his movement was founded by a Columbia College graduate: Pixley ka Isaka Seme '06.

The creation of the organization leading the fight against apartheid was, however,

but one of many milestones in Seme's remarkable life. After becoming the first black South African undergraduate at Columbia 85 years ago, he achieved renown as a prize-winning orator. In the 1930's, he served as A.N.C. president for a controversial seven years. Towards the end of his life, he became a father figure to a group of young black South African activists, many of whom are among the A.N.C.'s leaders today.

Yet, while Seme (pronounced Seh-May) was a major historical actor in his own right, his career also underlined the ambiguous role played by the first wave of Western-educated African leaders. The African elite of Seme's day saw itself as dedicated to national progress and unity. But its education and interests left it subservient to colonial values and isolated from the masses, while its political practice often fell short of its ideals. Seme's arrival at the Morningside Heights campus opened a key part of the overseas interlude which helped instill in his character the contradictory complexity typical of his time.

Seme belonged to the first generation of Africans determined to play the game in a world where whites made the rules. He was born into a rich Christian family in southeastern South Africa on October 1, 1881, just after the proud Zulu kingdom to which his ancestors had belonged was conquered by Britain. (He later said he was a Zulu aristocrat, though some historians dispute this.)

His brilliant performance at Inanda Mission School in his native land attracted the attention of the American clergymen running it. In the late 19th and early 20th centuries, American missionaries arranged for several dozen young black South Africans to study in the U.S., and Seme was one. They sent him to the Mount Hermon prep school in Massachusetts, where he received a classical education. There he also acquired a reputation as nobody's fool: the 1902 school yearbook said he was "a born musical instrument agent—does others just a little before they do him."

During the four years at Columbia which followed, Seme focused on subjects related to Africa, black people and the modern world. He took courses in anthropology, history and political science, like other African students anxious for scientific responses to the racist theories then current in both colonial Africa and overseas white society.

In addition to his college courses, Seme studied stenography, typing, photography and auto mechanics. He spent several summers working on farms and even learned how to can fruit. He was also deeply interested in Booker T. Washington's vocational education programs for black Americans. Seme visited Washington's Tuskegee Institute in 1906, attended a speech he gave to black businessmen in Atlanta the following year, and wrote two admiring letters to the African educator after leaving this country.

Seme's living arrangements also served to put him in touch with black reality in the U.S. Like many classmates, he lived in rented rooms off-campus (there were no dorms when he entered the College), and he spent his four years here living in Harlem, two on West 134th Street and two on West 135th—the first two blocks in the area where blacks settled.

"My ambition," Seme said at the end of his college days, has been to study the broad features of American life. I have tried to learn those things that will benefit my

people and enable me to help them as I should. I enjoy hard work, and I have always desired to be in the center of things.

"This is why I came to Columbia, New York City is the cynosure of all American life; the greatest interests of the country are directed from this center. A glance through the city's records is enough to convince any mind that Columbia is a force behind the throne in the greater movements of New York life."

Outside the classroom, Seme was elected vice president of the Freshman Debating Society and belonged to the Barnard Literary Society during his sophomore and junior years. As a senior, he won the prestigious Curtis Medal for Oratory with a speech on "The Regeneration of Africa," which received national note. The oration was republished in both *The Columbia Monthly* and the *Colored American* magazine, and earned him an interview in *The New York Times*. Seven years after its delivery, black writer William Ferris termed it "the noblest exhibition of the Negro's gift of speech" in his book, *The African Abroad*.

Seme declared in his speech that the glories of Africa's past proved the potential for greatness in its future, despite the subjection if knew in his time. "Oh, for that historian who, with the open pen of truth, will bring to Africa's claim the strength of written proof. He will tell of a race whose onward tide was often swelled with tears, but in whose heart bondage has not quelled the fire of former years. He will write that in these later days when Earth's noble ones are named, she has a roll of honor, too, of which she is not ashamed. The giant is awakening."

In ringing words which anticipated those of Senegalese poet Leopold Senghor and others in the Parisian Negritude movement of the 1930's, he concluded, "The regeneration of Africa means that a new and unique civilization is going to be added to the world. The most essential departure of this new civilization is that it shall be thoroughly spiritual and humanistic—indeed a regeneration moral and eternal."

Seme combined a commitment to the enlargement of the horizons open to black South Africans with a faith in its attainment through persuasion of loyalty to Britain, rather than confrontation. His ideal (much like Booker T. Washington's) was the participation of African elites as junior partners in the white state and economy, not their overthrow in the name of the black majority as a whole.

To the Times, he declared that his people "do not clamor for social equality, for that is an impossibility, but their aim and ambition is to be permitted to engage in international trade." He also said he believed "the rule of the English to be a good thing for the African, bringing civilization and higher development."

Seme's intellect and accomplishments profoundly impressed his classmates. In the 1906 *Columbian*, his picture carries the legend, "His face dark, but his mind brilliant." Some 60 years later, one of his college friends, the Chinese diplomat V.K. Wellington Koo '09, still recalled the "100 percent Negro from Zululand" who had carried off an oratory prize.

After Columbia, Seme went to England to study law at Oxford. He was an Oxford contemporary of Alain Locke, the first black American Rhodes Scholar, who later became a leading light in the Harlem Renaissance movement of the 1920's. While in Britain, he was also named to represent his

people in South Africa by the Transvaal Province Native Congress, a black political organization. Working with a delegation of liberals sent from South Africa, which included Mahatma Gandhi, he vainly attempted to persuade the British government to veto a bill granting his country a constitution barring blacks from sitting in Parliament.

On top of his studies and activism, in Britain he also had to cope with money problems. A rinderpest epidemic had devastated his family's cattle wealth, while vacation work was harder to find than in America. Nevertheless, Seme persevered, becoming the second black South African to qualify as an attorney.

In 1910, just as South Africa was becoming an independent dominion, Seme returned home, "able, ambitious, impatient, humorous, but a bit of snob," as South African historian Mary Benson wrote in 1963. Though Africans numbered three-fifths of the country's population, in Johannesburg, where he settled, they were not allowed to walk on the sidewalks, much less vote. More discrimination lay in store: in the new all-white Parliament, proposals were soon afoot to close skilled mining jobs and prohibit land sales to blacks.

While quickly achieving repute in the legal profession (his first case, in which he secured a rare acquittal of a black accused of a crime against a white, was widely noted), Seme threw himself into politics with characteristic energy. During 1911 he organized a series of meetings aimed at fusing the existing African political groupings, divided by provincialism and personalities, into one body, for which he drafted a constitution.

Seme's greatest triumph came on January 8, 1912, when dozens of leading Africans from all around the country assembled in Bloemfontein. Before a hall filled with black men formally dressed in suits, frock coats and top hats, umbrellas at their sides, he delivered the keynote address. Seme roared, "In the land of their birth, Africans are treated as hewers of wood and drawers of water. The white people of this country have formed what is known as the Union of South Africa—a union in which we have no voice in the making of laws and no part in their administration. We have therefore called this conference so that we can together devise ways and means of forming our national union for the purpose of creating national unity and defending our rights and privileges."

At the end of his speech he moved the creation of a South African Native National Congress. Cheers filled the hall, and the motion passed unanimously. The 32-year-old Seme became the first treasurer of the organization. (Another American-educated figure, Oberlin alumnus John Dube, was elected president.)

The establishment of the Congress, which changed its name to African National Congress in 1923, was a remarkable achievement. It was the first national organization to give a voice to indigenous leaders in African country and served as a model for others elsewhere. However, unlike later movements, it was neither militant nor mass-based. It was an alliance of African *petits bourgeois* and aristocrats who favored a "qualified franchise" permitting only the propertied minority of blacks to vote.

While Seme's great achievement was the creation of the A.N.C., his term as its president (1930-37) nearly destroyed it. He was elected by conservatives alarmed by the

Congress's swing to the left in the late 20's, when the growth of black trade unions and the Garveyite movement stirred the black masses. A.N.C. president James Gumede (1927-30) and his followers favored militant tactics, one man-one vote and an alliance with the Communist Party (then the only political party to admit blacks or favor majority rule). Making waves in this fashion was anathema to the old-timers behind Seme's candidacy. Seme's opponents charged that they preferred drinking tea in the parlors of white liberals to demonstrating in the streets.

Seme's victory turned the A.N.C. away from the African workers and peasants, the vast bulk of the black population, and launched it into a self-destructive spiral of petty politicking. He revealed a disturbing will to dominate, sacking four colleagues on the national executive committee and stacking an A.N.C. convention to ensure his reelection. "I must command all under me," he wrote to a colleague. While autocratic within his organization, towards the authorities he displayed a fawning attitude which infuriated government opponents, black and white. Of the chief administrator of discriminatory legislation, the Minister of Native Affairs, he declared, "We all love him and respect his person and his position." The collapse of A.N.C. structures during his presidency, both at grassroots and national levels, led other leaders to insist on his replacement at the 1937 Silver Jubilee convention of the organization he had founded.

However, in the 1940's, when a revitalized A.N.C. became more assertive, Seme adapted to the times. He contributed to a 1942 manifesto in which the congress came out for majority rule for the first time. Though a pillar of the black community as a well-established lawyer, he also became friendly with the rising stars of the A.N.C. Youth League. He hired one, Anton Lembede, and bought out the financially troubled business of another, Walter Sisulu (today Mandela's cellmate). The Youth Leaguers often held meetings in Seme's law office, where one could have glimpsed the likes of Oliver Tambo (now A.N.C. president-in-exile) and Nelson Mandela himself.

When Seme died in 1951, it marked the end of the germinal phase of African politics in South Africa, and the opening of a period of popular mobilization. His funeral, conducted by the Anglican Bishop of Johannesburg, Ambrose Reeves, drew a crowd of 2,000, including the entire A.N.C. national executive committee. After the service, the committee met to plan a campaign of civil disobedience which in 1952 was to transform the congress from an elite coterie into a mass movement. Tom Karis, the CUNY political scientist who edited a four-volume documentary history of South African black politics, has written, "the old, exclusive Congress had been buried with Seme."

Nevertheless, with hindsight, Pixley Seme may well prove to have been one of Columbia's most influential sons. Though the A.N.C. has changed in ways which probably would have startled him, in important ways it remains the organization he founded. Despite its ups and downs and changes of line over eight decades, since Seme's day it has established a record of organizational continuity, commitment to inter-tribal unity and faith in multiracial democracy unrivaled elsewhere in Africa. Although it was banned by the South African authorities in 1960, it has rebuilt its guerrilla army and internal support, and today is regarded by many

leading experts as the heir apparent to the internationally condemned apartheid regime. Even those who are not particularly favorable to the movement—such as the South African business community, the British Foreign Office and the U.S. State Department—all regard the A.N.C. as a central factor in the South African political equation. Mary Benson's appraisal of Seme's legacy thus appears on the mark: "If Seme failed personally in the 1930's, his earlier achievement is what matters more. The foundation of the A.N.C. was a positive act of unification rare in South African history."

#### ... FOR GOD AND THE ZULU PEOPLE

In a letter supporting Pixley Seme's application to the Mount Hermon School, the Reverend C.S. Pixley, a missionary who knew the young man in Natal, predicted that "Seme Isaac . . . will be a man who may do much for God and the Zulu people. Try him for one year—have faith that his bills will be paid."

The problem of paying tuition was solved by a combination of scholarships and earnings from Seme's summer jobs as a gardener and hotel porter. The issue of his later achievements is a matter of record. Little has been written about Seme's years in the U.S., but letters, applications for admissions and news clippings contained in archives at the Northfield Mount Hermon School give us an idea of what the formative years of the future leader of black South Africa's liberation movement were like. The archive materials have never been published.

We learn, for example, that the young man who would become a prize-winning Columbia orator came to the U.S. in 1898 with a rudimentary knowledge of English. He spent several months perfecting his language skills in New York before enrolling at Mount Hermon, in Massachusetts.

Among his patrons at the school (including Mr. Pixley, whose surname Seme adopted as a first name), was a New Jersey woman who offered to buy him new clothing if the school would provide measurements. The school obliged: in the archive is a page with Seme's shirt, jacket, vest and trouser sizes.

"Mount Hermon will always have a dear spot in my heart," Seme wrote to school principal Henry F. Cutler not long after he was graduated. "I pray that her blessed influence may still be possible for poor boys like us." He enclosed \$1.00 for a subscription to Record of Christian Work, to be given to a scholarship student.

After prep school, Seme hoped to attend Yale, and Yale's registrar wrote to Mr. Cutler, "It goes without saying that especial consideration will be given to the fact that he would be a pioneer at Yale, of his race, and I am sure we shall be glad to extend the influence of Yale in South Africa."

Seme failed Yale's admissions test, however, and though he was encouraged to try again, he set his sights on Columbia. He later wrote to Mr. Cutler that Columbia "is a very fine college. I could not have made a better choice. The students as well as the professors make it very pleasant for me."

Toward the end of his freshman year, Seme was profiled in The Boston Journal. Headlined "Royal Zulu Willing to Become a Valet," the article highlighted Seme's search for summer work as a "useful man to a gentleman." Then planning to become a physician, he told the Journal, "There are no native doctors who understand native medicine. And as the Zulus are distrustful

of foreigners, it is only one of their own race who can teach them the value of modern medicine and surgery."

The 1906 Curtis oratory contest, whose judges included Dean John Howard Van Amringe and Professor Brander Matthews, propelled gold medalist Seme to local fame, with writeups in many New York newspapers. One clipping in the Mount Hermon file recounts how the news of the prize resulted in an invitation to Seme from the New York Board of Education to deliver a series of lectures entitled "Life in Zululand." The talks were to be accompanied by stereopticon views of actual scenes from life among the Zulus.

—MYRA ALPERSON.

## OUR MOST SUCCESSFUL SDI EXPERIMENT

### HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. COURTER. Mr. Speaker, plans for the defense of our country against strategic nuclear weapons know no greater obstacle than the ill-founded view that SDI technology would be impossibly complicated. Some scientists and politicians hold to that view, and some citizens are ready to believe them. But there is nothing bizarre or implausible at all about shooting down an incoming ICBM. It can be done and, as the following article by Ralph Bennett shows, it all but has been done.

Science made the intercontinental missile a danger, and science can also make it obsolete. If even 30 or 40 percent of an enemy salvo were destroyable, most foes would not be foolish enough to risk U.S. retaliation by launching at all.

Those of my colleagues who have not yet read a detailed account of the Strategic Defense Initiative Organization's test last September in which an Aries rocket intercepted a Delta rocket over the Kwajalein Atoll will be interested in Mr. Bennett's article.

[From Reader's Digest, July 1987]

#### TRIUMPH AT PAD 17

(By Ralph Kinney Bennett)

Everyone hopes it will never happen, but hope may not be enough. A Soviet SS-18 intercontinental ballistic missile (ICBM) blasts out of its launch silo, headed for the United States. Could it be stopped in its "boost phase," the first ten minutes before it releases its cargo of nuclear warheads? Does this country have the technological potential to build a defense against Soviet ICBMs?

Wherever he went, Lt. Gen. James A. Abrahamson, director of the Strategic Defense Initiative Organization (SDIO), heard a routine "Star Wars" litany. Disarmament activists ridiculed SDI; some scientists insisted it wouldn't work; some members of Congress seemed determined to condemn it to a limbo of endless "studies."

Abrahamson knew that the American aerospace community was not intimidated by the challenge of detecting, tracking and destroying ICBMs. But their research was gripped by bureaucratic caution and routine, typified by some plodding Air Force studies for a space intercept of an ICBM in the 1990s.

"Why should it take so long?" he asked his deputy, Brig. Gen. Malcolm O'Neill, one January day in 1985. "Well, sir," O'Neill answered, "they want to solve all the technical issues with a high degree of certainty."

"There comes a time," Abrahamson said, "you have to start doing something. Then you learn things you'll never learn in a laboratory."

Abrahamson felt it was time for a challenge—a real space intercept. Both men were familiar enough with the physics of the thing to know it wouldn't be easy. Indeed, it would be like driving a golf ball off a tee in New York and hitting it with a rifle shot fired from an airplane flying somewhere over Maryland. "See what you can do," Abrahamson told O'Neill. "And see if it can be done in one year."

One year. To do what had never been done.

#### ROUGH AND TUMBLE

General O'Neill began exploring the problems with Mike Griffin and John Daassoulas, two aerospace engineers at the Applied Physics Laboratory (APL) of Johns Hopkins University. The interceptor's task would be especially difficult since ICBMs climb at varying rates of acceleration mainly because of weight changes as fuel is burned off. There was also the plume problem. While in earth's atmosphere, the mass of fiery gases blossoms out behind the ICBM. But when it reaches the relative vacuum of space, the plume spreads out until it envelops the missile. Could an interceptor's sensors find the "hard body" of the rocket within the gassy camouflage?

Not easy problems to solve in three years, let alone one. But possible. And engineers love possibilities. Dassoulas and Griffin gathered some of the best APL minds in rocket power, telemetry, radar and guidance, and went to work.

The one-year deadline was typical of General Abrahamson's theory of "rough and tumble research" that breaks the confines of bureaucratic procedure and ignites innovation. "It made us change our usual way of thinking," recalls Dassoulas. APL couldn't wait for anticipated technological breakthroughs. "We had to use what we could get off the shelf and adapt it to our purposes," Griffin says.

Dassoulas, whose experience with missiles dates back to the mid-1950s, went "rocket shopping." He chose the McDonnell Douglas Delta, which had been carrying payloads into space since 1960 with an enviable record of success—in 177 launches it had failed only 11 times.

The ideal target would have been a real ICBM. But the 1972 U.S.-Soviet Antiballistic Missile Treaty prohibits testing an air- or space-based weapon against a real ICBM. Aware that the Delta rocket's second (middle) stage has its own engine and would go into orbit with the third (upper) stage, Griffin had a brilliant thought? "Why don't we shoot down our own second stage?" he suggested. While the Delta is not an ICBM, its second stage could pose as one.

Griffin's elegant idea underwent fierce scrutiny on February 20, 1985, at a Washington meeting of top engineers, analysts and managers from the Air Force, the Army and major aerospace firms. Some were reservedly optimistic about an "eventual" space intercept, perhaps within three to five years and at a cost of a half-billion or more. Many were openly pessimistic. One warned that an attempt to accomplish an intercept in a short time would fail and "embarrass" SDI, the President and the country.

Then Mike Griffin went to a blackboard and sketched out APL's scheme: a Delta launch; the second and third stages separate and perform a series of maneuvers to gather data on ICBM characteristics; then a climactic intercept in which the third stage seeks out its second-stage prey.

There was momentary silence; a few technical questions; but no one could find a flaw in the basic concept. Some admired its genius, but knew it entailed massive technological challenges. Few believed it could be done in a year and within APL's \$150-million estimate.

#### NO BUCK-PASSING

Abrahamson and O'Neill ordered APL to move ahead. Overseeing the project: Michael Rendine, an Air Force lieutenant colonel from New Jersey with a strong background in engineering management. "Your charter is to make this thing work," O'Neill had said. "If I'm not around, call Abe. If he's not around, make a decision. If this goes down in smoke, you will be in the cockpit."

Rendine was being told to lead, not just manage.

As the mission developed, it became apparent that both the second and third stages could act at various times as an ICBM. The APL team assembled an array of cameras, radars and electronic sensors to help achieve the difficult intercept, as well as paint a detailed picture of how an ICBM would appear from space. They included an ingenious laser radar to achieve exact distance measurements, built by McDonnell Douglas in record time. To detect and chart the hot missile exhaust plume and isolate a missile body within it, they selected one of the most reliable infrared sensors in the world—the front end of a Hughes Maverick antitank missile. They also turned to Hughes for their interceptor—the tiny electronic brain and radar "eye" from a Phoenix air-to-air missile to guide the third stage to its target. Hughes engineers performed the exacting task of adapting these devices to operate in space in less than a year.

Innovation abounded. Hughes people, for instance, calibrated the Maverick sensor for the intense cold of space by aiming it into a \$5 Styrofoam picnic cooler filled with liquid nitrogen. McDonnell Douglas formed a "bullpen" at its Huntington Beach, Calif., plant where engineers and craftsmen worked side by side fabricating the two unique upper stages of the rocket, now dubbed Delta 180.

Paper work was cut to a minimum; the more than 20 forms usual for a major defense contract shrank to six. Meetings on problems involved only those who could make decisions. No buck-passing; no "I'll look into it."

Rendine constantly reminded engineers and technicians of the deadline. Moving his clenched fists up and down like pistons, he would imitate the relentless "dun-dun, dun-dun" music from the film "Jaws." Then he'd smile, offer help, deliver a pat on the back or ask what red tape he could cut.

#### A SETBACK

By the spring of 1986 activity shifted to Cape Canaveral and the twin launch sites at Pad 17, from which McDonnell Douglas had launched most of its Delta rockets. In April the first stage of Delta 180 began the checkout process prior to being erected on Pad 17B.

On Pad 17A, another Delta, 178, was being readied for a weather satellite. Everyone was anxious about this launch. The Chal-

lenger disaster of January 28 had been followed by the failure of an Air Force Titan rocket on April 18.

On May 3, Delta 178 was launched. It failed on takeoff. (The 178 failure was later attributed to a power surge caused by an electrical short.) Depression fell over Pad 17. NASA impounded all Delta hardware, including the 180. Colonel Rendine assembled the launch team. "We picked the best rocket and the best people for this mission," he told them. "Nothing has changed our minds."

General Abrahamson posted a large sign in the launch facilities: "When the going gets tough, the tough go to Pad B."

A NASA failure board met at the Cape to determine what had happened to Delta 178. Colonel Rendine soon proved to be a combined diplomat, lawyer, cheerleader and "obnoxious s.o.b.," goading the board to move through the investigation and "release my hardware."

On May 16, the huge first stage of Delta 180 was erected on 17B. McDonnell Douglas technicians had worked around the clock to make 80 modifications to the rocket to avoid a failure like 178's.

By late July the two upper stages had been joined to the first. At the top of the launch tower, a dust-free, air-conditioned "clean room" enclosed the upper stages. There, technicians made final fixes. Towering above them in the fluorescent light, festooned with a variety of sensors and topped by the Phoenix radar seeker, Delta 180 looked like a pile of sporting goods with a barber pole perched on top.

Soon a smooth aluminum fairing covered the odd shapes, and they stood ready for space—a testament to the calculations and craftsmanship of people across the United States who, despite grueling schedules, had delivered the goods on time.

On the Phoenix was a Chiquita Banana sticker, a talismanic tradition ever since a technician stuck one on the first Phoenix before its successful flight in 1966. Affixed to a bracket on the third stage, at Mike Rendine's request, was a St. Christopher medal.

In the end, the Delta 178 failure cost the 180 program only three weeks' delay. Launch was finally set for September 5, 1986.

#### THE MISSION

At exactly 11:08 a.m., Delta 180 left Pad 17B in a flawless liftoff. At NASA Mission Directors Center (MDC), Rendine, Griffin and Dassoulas sat side by side at consoles. Behind them, in back of a glass partition, sat Generals Abrahamson and O'Neill.

Forty-five minutes later, the second and third stages were in 17,500-m.p.h. orbit, still attached, 138 miles above the Indian Ocean. They then separated; the second stage fired its engine briefly, while the array of sensors on board explored the mysteries of missile exhaust plumes.

Then, engines-off, the two stages, like racing roller coasters, traveled separate orbital paths in the same direction. Now the third stage had a brief opportunity to play the role of a Soviet ICBM—in this case, a "cold body" coasting in space just prior to release of its warheads.

The sensor equipment on the second stage watched it, pouring data back to earth in an unprecedented torrent of radio signals. These were recorded by 38 radar installations, six airborne observation posts and 31 satellite links. Not even the moon or shuttle

missions had involved such a feat of communication.

Some experts had said that infrared sensors would not be able to "see" a rocket coming up from the earth in daylight. The theory was tested one hour and 32 minutes into the flight, as the two stages were flying in formation over New Mexico. At that point an Ariès rocket was launched from the White Sands missile range.

The Maverick's "eye" spotted the Ariès the second it left the earth and tracked it until the missile's fuel burned out.

Now the two Delta stages were over the Pacific, approaching the remote Kwajalein Island Missile Range, and it was time for the intercept. In the MDC, Mike Rendine pulled on a black jacket and a blue baseball cap with "Top Gun" printed on it.

When their orbital paths had taken them exactly 138 miles apart—a plausible distance between a Soviet ICBM in its boost phase and an orbiting defensive missile—the "End Game" began. Tiny jets on each stage coaxed them until they were almost facing each other. Their main engines fired. The second stage held a steady course, but the third came looking for it in the black fastness of space. It was the most difficult kind of intercept. The television camera on the second stage saw doom approaching, at first as a small white dot against the blackness. The dot quickly grew to a ball of white fire as the Phoenix seeker, like some cosmic bulldog, fastened on its target.

As the telemetry numbers streamed in, everyone in the control room waited tensely for the abrupt cutoff of information that would mean a hit. Over Kwajalein 8000 miles away, a brilliant flash lit up the sky. Mike Rendine heard the words: "We have loss of data." The room exploded. Men who had seen missile engineering move from the slide rule to the fourth-generation computer tried, but failed, to hold back tears. General Abrahamson jumped up, clapping his hands, and ran into the control room to congratulate "the players."

It would take months to evaluate all the data produced during the mission—it turned out the Phoenix had hit within 30 inches of dead center. But it was immediately apparent that exceptional successes had been achieved in all four critical functions of missile defense: detection, tracking, interception and electronic management of the "battle." "And we did this with existing technology," noted General O'Neill, "without the tremendous advances in guidance and high-speed computing that are now beginning to come on line."

By no means did Delta 180 surmount all the challenges involved in building a missile defense. Formidable problems remain, such as making interceptors small enough, synchronizing their complex orbits and controlling the vast system. But the mission answered many questions which will speed the development of an effective system, whether it employs missiles or laser and high-energy beams.

Louis Raburn, senior director of Delta programs for McDonnell Douglas, summed up the most important lesson: leadership and inspiration can unleash America's technological potential. "We in the industry hear SDI critics constantly say it can't be done," he said. "All we ask is, let us try."

#### A TESTIMONIAL TO NAYTHINUEL EVERETT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DELLUMS. Mr. Speaker, I call your attention to a celebration of the distinguished public service career of Mr. Naythinel Everett, one of the truly dedicated and committed community leaders who resides in the city of Oakland, CA. He will be honored in a gala evening tribute on July 17, 1987. I would like to sketch briefly some of the outstanding accomplishments that Mr. Everett has made, in order to share them with my colleagues.

Mr. Naythinel Everett was born on July 18, 1920, in Butler, AL. His formal education ended at the sixth grade. His additional education included some junior college courses but mostly he learned through experience and participation.

Mr. Nate Everett is a political establishment not only in the east bay; his contributions are known throughout the United States. Mr. Everett and the Reverend Martin Luther King, Jr. organized the first civil rights March in Birmingham, AL. Throughout his life Nate Everett has concentrated his activism and organizing in poorer communities. Mr. Everett has been a political fixture in the bay area for many of his 67 years. Many of our bay area elected officials owe their current political status to the organizing skills of Mr. Everett. Mr. Everett has participated in, or served in some elected capacity to, a number of organizations: the Muleskinner Democratic Club, the Alameda County Democratic Central Committee, the Emergency Health Board, the East Oakland Health Alliance, the Oakland Tenants Union, the National Tenants Union, Welfare Rights Organization, the Oakland Black Caucus, the Black Unity Council, the NAACP local chapter, and the Citizens for Political Representation, to name only a few.

For the last several years, he has spearheaded Democratic precinct activities in east Oakland. Nate Everett has served on my executive—advisory—committee since its formation, and has always participated in the ongoing discussions which have at times led to difficult decisions which I have taken under consideration when deciding on which issues and candidates to support or not. I have often sought his counsel on important issues.

It pleases me to join in this impressive celebration of Mr. Nate Everett's magnificent career as a community leader; to congratulate him on his extraordinary accomplishments; and to wish him the very best of success for the future. I hope that he will continue his advocacy of activism.

## LESSONS FROM COLONEL NORTH

HON. LES AU COIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. AU COIN. Mr. Speaker, reactions from public and press to the testimony of Lt. Col. Oliver North have included everything from accolades to accusations. Eventually, however, we will have to get beyond the question of whether Oliver North deserves a medal or a sentence and reach the policy implications of this extraordinary affair.

Among the most judicious observations I have seen about North and his conduct in this affair were those published by the Oregonian of Portland, OR, in an editorial July 10. I commend it to my colleagues and to the administration in the hope that a little wisdom can go a long way.

### AS THE SPIT TURNS \* \* \*

Final judgments await further testimony, but as Lt. Col. Oliver North is turned slowly on the spit of congressional investigation, his presentation produces initial reactions. Among them:

North has admitted to lying so often, about so many things, to so many people that it is a wonder that the Iran-Contra fiasco did not self-destruct earlier. Building national policy on layer after layer of lies is as self-deceptive and dangerous as building the supports of one's house out of water-soluble cement.

For all North's air of earnestness and sincerity, his testimony underscores again that truth is an early and frequent victim of the zealot.

Zealots are misplaced in the sensitive policy making arenas of our government because they willingly evade checks and balances to advance their visions of Revealed Truth. The single-minded Oliver North would be well-placed in the next foxhole, but not at the next desk at the National Security Council.

The amount of self-confessed lying at North's level is shocking. Yet, it is not surprising. Deceit also has been a standard item on the menu at higher levels. See the Richard Cohen column on the previous page for examples.

North's testimony is revealing tawdry symptoms of the the so-called Nuremberg defense; that is, the notion that any behavior can be condoned if the subordinate was following orders. That defense must be spurned and rejected as immoral and hostile to the standards under which Americans govern themselves—and that is what these hearings are all about.

## SEEING THROUGH THE LIBERAL LEFT'S POLICY OF RETREAT AND SURRENDER

HON. DONALD E. "BUZ" LUKENS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. DONALD E. LUKENS. Mr. Speaker, once again the liberal left is sounding the call for the retreat and surrender of American interests in a vital region of the world, the Per-

sian Gulf. I oppose this call for retreat and voted against the amendments to prohibit the reflagging of Kuwait tankers and to delay the reflagging for 90 days.

The liberal left's siren song of retreat and surrender has become the disease of American foreign policy on Capitol Hill. Establishing a set of preconditions—which the liberal left knows can never be met—before the United States is allowed to act to protect its interests, the liberal left disguises its policy of retreat and surrender as multilateralism.

Charles Krauthammer wrote an excellent article for the June 22, 1987, issue of Time magazine. His article strips away the camouflage of rhetoric used by the liberal left and lays bare its real intentions, the retreat and surrender of American interests throughout the world. I call this article to the attention of my colleagues and insert it in the RECORD.

### IF NECESSARY, A SUPERPOWER ACTS ALONE

Since Viet Nam, Congress has muscled its way into the formulation of American foreign policy, first with the War Powers Resolution and then with a baroque assortment of Boland amendments. Now Congress is determined to pronounce on the Persian Gulf. But Congress does not know what to say. In the past two weeks it has been toying and froing, its actions best summarized by Congressman George Gekas, who said on the floor of the House, "We are confused. If you are not confused, I am, and I am willing to admit it. That may be the difference between me and most of you."

Congress will not, however, allow confusion to deter. Instead, it is trying to legislate its confusion with a series of stalling actions. First the Senate, then the House voted to block Administration plans to put Kuwaiti tankers under U.S. Navy protection unless they got a report from the President on the risks and dangers. A report is due soon, which means Congress might actually have to make a decision on a plan that the Administration first presented to the Senate Armed Services Committee and the House Foreign Affairs Committee in March. At which time, pre-Stark, congressional leaders showed little interest in the issue. Post-Stark, they discovered that the Persian Gulf is a dangerous place and went into a frenzy of directionless activity. Except for Claiborne Pell, chairman of the Senate Foreign Relations Committee. He knows where he is headed. He introduced a bill (S1327) that prohibits the Administration from reflagging Kuwaiti vessels but urges a "United Nations peacekeeping force to protect non-belligerent shipping in the Persian Gulf and to seek an early and to the Iran-Iraq war." (It would, of course, be a late end, the Secretary-General having tried for years for an early one.)

The reactions to the President's reflagging plan are many, and they generally fall along party lines. For example, among presidential candidates, Democrats (with the notable exception of Senator Albert Gore) are trying to restrain him. Republicans (with the notable exception of Robert Dole and Alexander Haig) are supporting him.

Democrats begin every call for retreat with the ringing assertion that the Persian Gulf is indeed a vital American interest and the United States will not be run out of the region. But they then set conditions for U.S. action in the gulf that are impossible to meet. The favored technique for doing this is to demand that the United States not act alone. Where are the allies? they complain.

After all, it is their oil and not ours that is flowing through the gulf. They should join us in any military action. If they don't act, why should we?

This objection fails on four counts. First of all, it is "their oil" in only a technical sense. It is true that the Europeans and Japanese import more gulf oil than the U.S. does. But oil is fungible, and the U.S. imports almost half its oil. Were the gulf shut down, our allies would have to get it elsewhere, thus bidding up the price. If this resulted in a panic, as happened in the oil shock of 1979, all oil importers, including the U.S. would be badly damaged.

Second, this scenario—"their oil" in the gulf, "ours" safely elsewhere—is not just false, it is beside the point. The reason for reflagging Kuwaiti tankers has little to do with securing Western oil supplies. There is no new threat to world oil supplies. Iran has long threatened to close the Strait of Hormuz and long desisted, for the simple reason that nearly all its own oil flows through the strait. And the tanker war in the Persian Gulf has been raging for almost four years, during which time the world has seen the greatest oil glut and sharpest price collapse in history. The Administration wants to protect Kuwaiti oil not because the West needs to buy Kuwaiti oil, but because Kuwait needs to sell it.

Third, the British and the French, who have powerful navies, are in fact on patrol around the gulf. As for the West Germans and the Japanese, they have no global navies to send. (We arranged for that after World War II.) Shall America wait then for the Canadians and Italians before venturing back into the gulf? As Secretary Shultz points out, the British have two frigates and a destroyer in the area, which is more, proportionately, than the U.S. has. The French also have warships in the region protecting their own vessels. Shouldn't they be acting with the United States to protect American-flagged ships? The answer is that they did join the U.S. in a similar action in Lebanon four years ago and woke one morning to find that the U.S. had "redeployed" its Marine force to the Mediterranean and left the French high and dry. They have learned that American ambivalence about the use of force abroad is such that it is unwise, indeed reckless, for any ally to risk a joint venture with the U.S.

Fourth, even if all of the foregoing were not true, the idea that a superpower does not act except in conjunction with allies has become the disease of American foreign policy. Central America is without a doubt a vital American interest, but we hear, America must not act unless Contadora or the OAS or Costa Rica—a country with no army—leads the way. Since it is impossible to imagine that weak countries will go where a superpower fears to tread, this requirement of allied support is a guarantee of American inaction. This is isolationism disguised as multilateralism. It betrays a fundamental misunderstanding of what superpower status means. It means acting to protect allies even when they are too weak or too cowed to do so on their own. In most foreign policy crises, such is the case. The only country in a position to act is the U.S. To fob off the responsibility on allies, who we know in advance are in no position to act, is to declare, in the most pious multilateral tones, an American retreat.

The highest form of multilateral nonsense, however, is to pretend to fob off the responsibility on the U.N., as Senator Pell proposes. And Pell is not alone. Presidential

Candidate Michael Dukakis spoke for much of the Democratic Party when he expressed opposition to American use of "armed forces in the gulf unless it does so in concert with other nations, preferably under the aegis of the U.N. Security Council."

When Cordell Hull, F.D.R.'s Secretary of State, talked of the U.N. as a panacea for world problems, of bringing an end to the era of power politics, he could be forgiven because the U.N. did not yet exist.

Forty years later, one cannot be forgiven. What exactly do Pell, Dukakis and the Democrats have in mind? Perhaps they think of the U.N. as some independent world actor. Jeane Kirkpatrick, who spent some time there, had a crisper view. She called it a "Turkish bath" where the Third World can let off steam, denounce the West, air resentments and demand transfers of wealth. Its principal achievement is to generate a billion pages of paper every year. This U.N. is not even able to field peace-keeping forces in precisely the areas, like the Sinai, where they are most needed. When Egypt and Israel signed a peace treaty that effectively ended the possibility of a major war in the Middle East, the U.N. called its peacekeepers home, since this was not a peace that it approved. The U.S. had to field a makeshift substitute force. This U.N. is hardly capable of any action. It is certainly not going to do the West's dirty work in the Persian Gulf.

What about the Security Council? If Pell really wants the Security Council to protect the gulf, what he means is for the U.S., Britain, France, China and the Soviet Union to act together. But this is absurd. China, for example, is supplying Iran with the very missiles it would use to target any peace-keeping flotilla. And even if united action were possible, it would not be desirable. What the "U.N. route" really means, after all the disguises are removed, is that the U.S. should act in the gulf only with the permission not just of allies but also of the Soviet Union. This amounts to ending Western control of the gulf, which the British maintained for a century and which the United States has been keeping for the past 15 years, and turning it over to a joint partnership with the Soviet Union. Because of what? Because in an accidental attack one Iraqi plane hit one American ship that was asleep in a war zone.

To invite the Soviets to share the responsibility, and thus the rewards, of controlling the Persian Gulf would amount to the almost astonishing voluntary abdication of a Western position in the postwar world. At least when the British ran out on their responsibilities in the gulf in 1971, they turned it over to an ally. But now Pell and others would like to offer the Soviets, who have been lusting for the gulf since Romanov days, a share of it. Grats.

But the Democrats are not alone. Among the others warming to this idea is Howard Baker. "It's a unique arrangement that the Kuwaitis chose to invite both the United States and the Soviet Union to share the responsibility for assuring the passage of oil tankers to the Persian Gulf," he offered. "That's a real first . . . I think it is clearly not a bad thing." If this was an off-the-cuff remark, it shows an amazing lack of seriousness by the vaunted new Administration team. And if what Baker enunciated was a decided change in American policy, it constitutes a far-reaching and gratuitous American capitulation.

Have the Democrats or the Administration thought through the implications of a

"U.N. action" or of cooperation with the Soviets? One suspects they have. Congress is obsessed that the Persian Gulf may be a new Gulf of Tonkin. The Administration is obsessed that it may be a new Lebanon. Everybody is looking for a way out.

But if the United States is not going to defend its allies and interests in the Persian Gulf, then where? The gulf is the one area declared by the last Democratic President to be such a vital American interest that he pledged—this is the Carter Doctrine—American military action, if necessary, to secure the gulf.

Those advocating retreat, in its various camouflages, ought not to be debating whether our defense budget should be \$303 billion or \$289 billion. Thirty billion ought to be quite enough to maintain all that their foreign policy would require: a few nuclear missiles and a Coast Guard to patrol the Florida Keys.—CHARLES KRAUTHAMMER.

### SPACE CHASE POSES THREAT TO NEW YORK CITY ARTISTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. WEISS. Mr. Speaker, as the representative of a district in which perhaps the greatest concentration of our Nation's artists work and reside, much of my work in Congress has been focused on assisting and promoting the arts community.

Today, soaring real estate costs in New York City have drastically reduced the availability of space for artists and arts organizations, threatening our ability to remain the cultural capital of the country. I have been very active in efforts to secure affordable space for our city's cultural institutions.

I would like to share with my colleagues an article which appeared in a recent edition of *Dance/USA's Update*. *Dance/USA* is the national service organization for nonprofit professional dance.

This article chronicles the efforts of the Feld Ballet and the American Ballet Theatre, with the support of the Alvin Ailey American Dance Theater, to purchase the building located at 890 Broadway for rehearsal, performance, and office space. It is a good example of the tremendous obstacles facing arts organizations trying to stay in the city, as well as the important relationship between all levels of arts funding—private, corporate, and governmental.

The text of the article follows:

BROADWAY DRAMA: THE SCRAMBLE FOR 890  
HOW TWO COMPANIES SAVED A BUILDING FOR  
DANCE

(By Garth Tate)

It was mid-September, 1986, and Cora Cahan, executive director of the Feld Ballet, was sitting in her office at 890 Broadway preparing for the Company's upcoming home season. Her office, a cleanly designed, high-ceilinged room in a well-lit corner of the building's eighth floor, has large square windows that offer abundant southern light and a panoramic view of lower Manhattan. The Feld company had moved into this building ten years earlier in 1976, and with very little money, and a lot of sweat and elbow grease contributed by Company staff

and volunteers, several floors of the former department store had been transformed into some of the finest dance studios and offices in the city.

The building at 890 Broadway is legendary for its remarkable transformation into an edifice infused with the dancer's muse. In its heyday, the building was one of several large stores along a shopping corridor that stretched along Broadway from Union Square to Herald Square. After its conversion in the middle of the 20th century to light industrial use, and as the neighborhood around it deteriorated, little of its former elegance was retained. It did, however, offer wide expanses of floor space unobstructed by columns.

Michael Bennett, a well-known dancer and Broadway producer, purchased 890 Broadway in 1978 for \$750,000. Bennett was motivated by the idea of creating a multi-purpose dance center for New York's thriving dance community. His plan was to remodel the building into a facility that would include rehearsal studios for public rental, a commissary, and a small 250 seat theater.

After purchasing 890, Bennett subsequently poured millions of dollars into renovations, and on several levels, his efforts proved to be quite successful. So successful, in fact, that in 1981 American Ballet Theatre, one of the largest classical ballet companies in the country agreed to move in. ABT was attracted by the reasonable rent and excellent potential of the facilities. By mid-1986, the Alvin Ailey American Dance Theater has also been attracted to the building, and considered joining ABT and Feld as the third major tenant. The idea of having three very different dance companies, Feld Ballet, American Ballet Theatre and Alvin Ailey American Dance Theater in the same building was at once exciting and irresistible.

But as Cahan reflected on the Feld Ballet's upcoming season that mid-September afternoon, an unexpected phone call arrived that would change forever the operations and outlooks of the three companies.

#### THE PHONE CALL

When Cahan lifted the receiver and placed it to her ear, the familiar voice of Bernard Gersten, Cahan's husband and executive producer of Lincoln Center Theater was on the line. He told her that someone had telephoned him with some news, and he wanted to verify it. According to his source, 890 Broadway had been put on the market, and the owner was looking to sell immediately, or at the very latest by year-end in order to take advantage of 'last chance' tax benefits. Cahan, suddenly in shock, had heard no such thing.

The selling price was rumored to be around \$15 million. Furthermore, there was speculation over the reasons Bennett had decided to try and sell.

Cahan immediately made phone calls to determine just what was going on. One week later Gersten was the source of more news. He'd learned from Bennett's broker that a buyer for 890 was about to be announced. A contract would be signed within a week to ten days, and new plans for 890 would be implemented.

Although ABT and Feld had occupied the same building for at least five years, the executive directors of both companies, Charles Dillingham at ABT and Cahan at Feld, had rarely come into contact with each other. According to Cahan, it was only after they became acquainted with each other as members of *Dance/USA's* Board of Trustees that

communication between them flowed more regularly. Dillingham was elected chairman of Dance/USA's Board of Trustees and Cahan vice chair in June 1986.

Cahan was scheduled to meet Dillingham for lunch on September 26 to discuss the upcoming Dance/USA 1988 National Roundtable. Before they could get to Dance/USA business however, Cahan shared with Dillingham the news that the sale of the building was imminent. Now Dillingham was taken by surprise. The spectre of having to search for new facilities loomed before them.

Almost every dance-related person in New York is aware of the space crisis in that city. Every week more casualties are counted as dance companies are forced to relinquish their homes, as studios close, as venues for performance opportunities simply disappear. But who would think that a building so finely adapted to dance and inhabited by two major companies and some related dance businesses would also face such a crisis?

Dillingham was optimistic—surely a way could be found to stay in 890 Broadway. By the time lunch had ended, they'd decided to buy the building.

#### MONEY IS EVERYTHING

Cahan and Dillingham arranged an emergency meeting that occurred two days later with Robin Wagner, noted theatrical designer, to discuss the finances of the building. The objective was to determine how much money was needed to save the building as a home for dance and assorted dance related organizations and businesses.

They learned that the estimated costs of maintaining the eight story, late 19th century building were approximately \$1.8 million a year. When added to the projected costs of buying the building and paying legal fees, Cahan and Dillingham were looking at a project that would ultimately cost nearly \$20 million. That amount was higher than ABT's total yearly budget, and eight times the annual budget of the Feld Company.

The next step was to rally the forces. Mikhail Baryshnikov, artistic director of American Ballet Theatre and Alvin Ailey, founder and artistic director of the Alvin Ailey American Dance Theater, dashed off letters to Bennett pleading for time. Cahan and Dillingham, along with selected members of their respective boards of trustees, went to the New York City Council and the Mayor's office to lobby for assistance.

Meanwhile the first monies arrived in the form of a \$50,000 emergency grant from the National Endowment for the Arts Dance Program. A check from the New York State Council on the Arts for an additional \$50,000 followed, and although the combined total of the checks was only a drop in the bucket, both Cahan and Dillingham admit that symbolically those first checks from public sector funders were very important.

Raising funds from private sector foundations, however, proved to be much more difficult. Cahan states that no one familiar with the real estate situation in New York was shocked at the prospect of two, maybe three major dance companies being set out on the street. But because of their missions and mandates, some foundations were in a position to help, some were not, and others could only offer concern for the companies' well being.

Many foundations are restricted from contributing money to "brick and mortar" projects. When approached by Cahan and Dillingham, however, these organizations

expressed a keen interest in helping to offset the cost of building operations after the purchase. Most hoped to be able to help the companies in other ways.

The boardmembers of ABT and Feld did what they could, but were under pressure to uphold their general operating obligations to the companies. Even boardmembers have finite resources. The issue of the building was necessarily separated from that of the survival of the companies.

#### OCTOBER: THE CRUELEST MONTH

On the morning of October 1, as the Feld season was in progress, a reporter from the New York Times called Cahan to verify facts for a story on the imminent sale of the building. Somehow word had gotten to the media that something significant was about to take place. The story appeared the next day and the tone of the article was not good.

In desperation, Cahan placed a call to Kitty Carlisle Hart, chairman of the New York State Council on the Arts. During the course of the conversation, Hart referred Cahan to Lawrence Wein, a prominent New York attorney and philanthropist who has a strong interest in real estate and the arts. Wein is known for his purchase of the Empire State Building in 1961 for \$33 million. Cahan immediately called Wein, but heard nothing for several days.

On October 7, Wein called Cahan, and made what in retrospect was an incredible offer: if ABT and Feld could raise \$5 million by mid-December, he would give the companies one bank mortgage at 8% interest, and one mortgage from himself at 5% interest, for a total of \$10 million. He would put \$1 million down on the building to buy the contract, but he didn't want title to the facility—that, he said, should go to the companies. The only catch was that the companies had to agree to those terms within two days.

By October 9, both ABT and Feld had signed on to Wein's offer, and had begun the break-neck, hair-raising capital campaign that would hopefully accrue \$5 million by December 15.

Mid-October was electric with activity, as the staff of the Feld Ballet was quickly transformed into a fundraising organization, and Dillingham prodded and encouraged his board of trustees to find needed dollars. The Ailey company, which had been negotiating with Bennett before the announcement of the sale, was anxious to come into the deal with ABT and Feld, but several obstacles sat squarely in the way.

One obstacle was the Company's lease with the owners of its offices and studios at 1515 Broadway. The school, studios and offices occupy approximately 20,000 square feet in the Times Square building. Under the terms of their lease agreement, the Ailey company pays \$20 a square foot, or approximately \$400,000 a year. A provision in the agreement however, would permit the price per square foot to rise to \$30 by 1988.

The result of that kind of increase on the Company, says Bill Hammond, executive director would be that more operating money would go into rent than into the school and artistic sides of company operations. Therefore, the thought of partially owning a building with ABT and Feld was very attractive. The problem was whether or not his current lessor would let the Company out of the original agreement.

Another obstacle to the Ailey company's participation was the fact that all fundraising activities had to be put on hold while the Company presented its season. In order

to meet their responsibilities as potential partners in the purchase of 890, they would have to redirect the entire focus of the organization away from the implementation of a home and touring season and toward fundraising for the building. As a result, the Ailey company was forced to sit on the sidelines and offer moral and some tactical support to the embattled protagonists in this drama.

Rumors were flying everywhere. Newspapers in New York called Cahan and Dillingham constantly, trying to verify the unsubstantiated or trying to scoop their competitors. One day, Dillingham, Cahan and Hammond met with a group of people at Lincoln Center to discuss the crisis. The next day, articles appeared in several papers announcing that Feld, ABT and Ailey were moving to Lincoln Center.

A seemingly endless number of meetings occurred between Dillingham, Cahan, city officials, lawyers, funders, and others. The Boro President of Manhattan was button-holed, as was the city controller. Both expressed concern and promised to help influence the city council to act. The City of New York eventually pledged \$25,000 to help the companies, but because no municipal body like an arts council exists in the city to handle such matters in an expeditious manner, the money could not be granted in mid-October, and as late as the end of March has not yet been disbursed to the companies.

These October activities, spilling over into the month of November, were supplemented by a growing interdependence and negotiation between the two companies. Dillingham and Cahan, with lawyers from their respective organizations, hammered out a difficult, 19 page tenancy agreement which defines the relationships between the two partners, their financial responsibilities, strategies for the long-term financial stability of the building, etc. An organization, to be separate from both companies but controlled by both companies was established to run the building.

The month of November sped by. Time seemed to be running out.

#### DEADLINE

Suddenly, it was December 14, and the scheduled meeting with Wein was only a day away. One basic question rolled off the lips of practically everyone in the New York dance community: had Cahan and Dillingham been able to raise the \$5 million as required by Wein?

As of early December, the two companies had commitments that totaled \$4.2 million. Each company had contributed \$1.1 million, and another \$2 million was pledged by a donor. However, two days before the meeting with Wein, the \$2 million pledgee pulled out, leaving the companies with a grand total of \$2.2 million, substantially short of their goal.

Cahan and Dillingham decided to take the money they had to Wein and beg. When they arrived at his office, however, they found that begging wasn't necessary. Wein accepted the \$2.2 million as fulfillment of the agreement, and executed a \$12.3 million mortgage for the partners at 5% interest to be repaid within three years. A net saving of \$500,000 due to the nonprofit, tax-exempt status of the companies reduced the total purchase price of the building to \$14.5 million. Wein also expressed an eagerness that the Ailey company move in.

After what Cahan describes as an incredible roller coast ride, and Dillingham describes as an experience very much like the uncontrolled mayhem of the silent movie classic, "The Perils of Pauline," their respective companies took title to 890 Broadway on December 19, 1986. It was a merry Christmas and a happy Chanukah for some very tired people.

## WHAT NEXT?

Although the new partnership must raise a great deal more money to pay off the mortgage within three years, Cahan and Dillingham are optimistic about the future. Already Wein has contributed another \$1 million to the groups, which reduces the mortgage to \$11.3 million. The Ailey company is in the process of escaping from their lease, and according to Bill Hammond, may be free as soon as May 1987. Hammond reports that the Company is prepared to take on the challenge of raising \$1.1 million so that they can become the third equal partner in the venture.

ABT is already renting some of its studio space to outside groups, including the Brooklyn Academy of Music, Broadway and off-Broadway producers, and dance companies. Dillingham and Cahan are presently attempting to rent the 299 seat theater on the first floor, as well as the commissary/restaurant. The rental income provided by the theater and commissary has the potential of offsetting nearly one half of the estimated \$1.8 million operating budget of the building.

There are also plans to expand the number of tenants in the building. Most of the present occupants are essentially non-profit organizations, some related to dance. Said Dillingham, "We are making an effort to keep dance-related organizations here."

Perhaps the most exciting and energizing result of this drama is the way that three distinctly different dance companies have forged new relationships with each other. This is especially evident with ABT and Feld, who now have more mingling of staffs, and a new sense of cooperation.

Cora Cahan, in ruminating over the results of the exercise, said "We were forced to come together in order to survive. Now there is a newly developed trust that I hope will grow and develop." Both Dillingham and Cahan agree that it was more difficult to forge a relationship on paper, a tenancy agreement, than it was for the companies to come together in a physical sense.

The Ailey company is looking forward to becoming the third anchor in the building. As Hammond points out, "Its wonderful. It means stability as opposed to being at the mercy of landlords and short leases." The Alvin Ailey American Dance Center, the official school of the Company, is projected to open at 890 Broadway in September, 1987. Hammond also endorsed the idea that the three companies have grown closer as a result of buying the building.

Cahan summed it up neatly when she said, "You couldn't have found three stranger bedfellows. If we were more alike than different, it might've been even more difficult. Now we're on each other's direct dial."

## EXTENSIONS OF REMARKS

## UNKNOWN HEALTH CONSEQUENCES OF CHILD LABOR

## HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1987

Mr. PEASE. Mr. Speaker, as is often the case, human progress in one dimension raises new concerns and potential hazards in another. Modern medicine has made it possible for many more children in developing countries to live beyond their first birthdays. The quality of their existence is very much cause for concern for those children who are forced to work at a very young age. Following is the next installment of the Cox Newspaper series entitled "Stolen Childhood" which ran on June 21, 1987. It reveals just how little is now known about the potential harmful health effects of very young children working at various occupations.

The article follows:

[From the Atlanta Journal and Constitution, June 21, 1987]

MANY WORKING CHILDREN FOUND MALNOURISHED AND DISTURBED

(By Marcia Kunstel)

NAIROBI, KENYA.—The child maids studied by Phillista Onyango often appeared healthy, but their looks hid tangles of emotional trauma.

"They are very unhappy. They have nightmares. They are 15 and still wetting the beds," Ms. Onyango said.

Five hundred domestic servants ages 6 to 15 were surveyed in this east Africa capital city. About 90 percent showed signs of severe emotional distress, by Ms. Onyango's preliminary calculations.

In Bombay, India, Usha Naidu also has been examining the effects of work on children.

She found striking contrasts among jobs in Bombay. Nearly half the children working in construction were severely malnourished, while children working in auto repair shops were found to be slightly better nourished than non-working children.

"Certain occupations are harmful to children, and the problem becomes manifested with the increase in the number of years the child has worked," Ms. Naidu said.

The studies in Kenya and India break new ground.

"The health consequences of child labor are largely uninvestigated," said Dr. P.M. Shah, a medical officer of the World Health Organization's Maternal and Child Health Unit.

Most reports, he said, "appear to be founded on impressions and common sense rather than on clinical or epidemiological findings."

The World Health Organization funded the Nairobi and Bombay studies; they are to be published later this year.

## OPINIONS ARE MIXED ON EFFECT OF WORK

The issue of how work affects child health is increasingly important as modern medicine carries more and more children in poor Third World families past the critical first year of life.

Nearly every type of work by children has its advocates and opponents. Even in the United States, some farmers want to hire children under 12 to pick crops. But no one knows if pesticides hurt children more than adults, so the courts have refused permis-

sion until it can be proven the work does not harm pre-pubescent children.

The United States can afford to be protective, even in the absence of sure evidence that pesticides damage children's maturing reproductive systems.

In developing nations, people often feel constrained by economics to take the opposite tack: Don't ban something unless you know it's bad.

Studies such as those being concluded by Ms. Onyango and Ms. Naidu are among the most precise examinations on work effects on children.

Ms. Naidu, director of the Unit for Child and Youth Research at the Tata Institute of Social Sciences in Bombay, has gone beyond other studies that simply compared working children with school kids, who are likely to come from wealthier families.

In her survey, the control group often consists of non-working children from the same family as the worker. All the children, workers and non-workers, were picked from the same economic backgrounds to reflect more exactly the effects of work and neutralize the effects of different incomes.

The research team checked 1,100 working and 500 non-working children in Bombay. It found work itself was less important to a child's nutritional status than the kind of work performed.

Construction workers were in the worst shape. They labor at rock quarries, on road gangs and at building sites in dust-choked air under the searing Indian sun.

Children working in restaurants and hotels are better off, because they get more food more regularly than they would at home, Ms. Naidu said. So 60 percent had reached the normal size for Indian children of their ages; their size showed they were not malnourished.

Their condition surpassed non-working children of the same socioeconomic group, of whom fewer than half were considered normal size.

"We don't want to say their health is improved by working, but at least they may have a higher nutritional level," Ms. Naidu said of the restaurant workers. "These children get into another set of problems which are not so visible."

She cited the adverse psychological impact of long hours of monotonous work such as washing dishes in restaurants, where children sleep in a corner for a few hours every night.

The children surveyed also received medical examinations if they complained of ailments. Most common were respiratory complaints. The diagnoses showed working children suffered an 84 percent higher occurrence of respiratory infections indicative of tuberculosis than did non-working children.

Once again, construction workers suffered the most. Medics found at least one in six had a respiratory illness.

Besides helping governments estimate which jobs should be banned or better regulated, studies such as this one can point inspectors to areas within occupations that need more attention.

## YOUNG SERVANTS SUFFER EMOTIONAL SCARS

In the Kenya survey of maids, for example, Ms. Onyango's team from the University of Nairobi discovered the youngest and most disturbed house servants worked in lower-income neighborhoods where families could not afford experienced maids.

In middle-income areas, the domestics commonly were ages 14 to 17 and did not show symptoms of severe psychological ill-

ments seen in girls who began work when they were 5 or 6.

As happens throughout the Third World, the small girls are sent to the city to work because their parents split up, die or cannot afford to support them.

They find it hard to cope with separation from their families, being treated as low-grade servants, or even worse, mistreatment by employers who beat or even sexually abuse them, Ms. Onyango said.

The girls typically bear backbreaking responsibility, working from breakfast, which they prepare, until they have cleaned up after dinner at night. They watch children, wash clothes, clean the house and shop. They often are not permitted to eat with the family, and they may be roughed up by the children of the house, the survey showed.

Some child maids seen by a reporter at Dandora, a low-income housing development in Nairobi, fit Ms. Onyango's profile.

Elizabeth, a serious 10-year-old whose dirty pink dress was held together with a safety pin, was walking from the store with her 7-year-old charge, who was dressed in a ruffled plaid frock. Elizabeth said she works from 7 a.m. to 8 p.m. and makes about \$20 a month.

"It's hard when there are too many clothes to wash, and the woman of the house doesn't help," she said.

#### THE LABOR OF CHILDREN

The United Nations last year estimated that 88 million children between the ages of 11 and 15 around the world were working outside the home. Most nations in the Third World restrict child labor, but often the laws are weak, ignored or unenforced. Here are examples of those laws, and in some case, a child whom Cox Newspapers reporters discovered at work in that country.

#### UNITED STATES

Federal law permits 16-year-olds to work and allows 14- and 15-year-olds to work before or after school if the job is not hazardous. However, with parental permission, children as young as 12 are permitted to work on farms while not in school.

#### BRAZIL

By decree in 1970, the government does not allow the employment of children under 12. However, children 12 to 14 can do light work if they are attending school.

#### MOROCCO

The 1947 Labor Code forbids children younger than 12 from being employed or entering workplaces. Children 12 to 16 must have government permits to work, and labor inspectors can require medical exams to ensure the work does not exceed their physical abilities. Hiyat, an 11-year-old carpet maker, was found at a Rabat factory of Mocar SA, working 48 hours a week for the equivalent of about 15 cents an hour.

#### KENYA

The Employment Act of 1976 prohibits children under 16 from working in industry or on ships, except in the case of family businesses.

#### SOUTH KOREA

The Labor Standards Law of 1953 requires that children under 13 must have work permits, and children under 18 must have their parents' permission. Also, employers of more than 30 children must provide schooling. Chang June Keun, 13, works 90 hours a week as a waiter in the Kyungin Soup Shop

in Seoul, earning 1 cent a hour plus tips, room and board.

#### PHILIPPINES

The 1973 Labor Code restricts children under the age of 15 from being employed except when supervised by their parents and if the work doesn't interfere with school. Eliza Lualhati, 15, works 90 to 110 hours a week for about 13 cents an hour at her sewing machine in War Win's Style shirt factory in Taytay.

#### THAILAND

The Interior Ministry decreed in 1958 that children under 12 not be hired. Employers can apply for licenses to employ 12- to 15-year-olds if the work is not harmful to their health or physical development. Boon Mee Norakot, 13, works in a small nameless rattan factory in Bangkok. He earns about 4 cents an hour for an 85-hour week.

#### INDIA

The nation's 1950 constitution forbids the employment of children under 14 in a factory, mine or other hazardous workplace. Mohammad Batsin, 12, works in the Emkay Glass Works in Firozabad. He is paid 11 cents an hour for his 40-hour week.

#### SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 14, 1987, may be found in the Daily Digest of today's RECORD.

#### MEETINGS SCHEDULED

##### JULY 15

9:00 a.m.

Rules and Administration

To hold hearings on the nominations of Lee Ann Elliott, of Illinois, and Danny Lee McDonald, of Oklahoma, each to be a Member of the Federal Election Commission.

SR-301

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.

Commerce, Science, and Transportation Surface Transportation Subcommittee

To hold hearings on S. 747, to establish a motor carrier administration in the Department of Transportation, and S. 861, to require certain actions by the Secretary of Transportation regarding certain drivers of motor vehicles and motor carriers.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold oversight hearings on certain activities of the Commodity Futures Trading Commission.

SR-332

Finance

To hold hearings to review certain spending reductions and revenue increases.

SD-215

10:30 a.m.

Business meeting, to consider pending calendar business.

SD-226

11:00 a.m.

Foreign Relations

Terrorism, Narcotics and International Operations Subcommittee

To hold hearings to review drugs, law enforcement, and foreign policy relating to the situation in Central America.

SD-419

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions With Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

#### JULY 16

8:00 a.m.

Judiciary

Courts and Administrative Practice Subcommittee

To hold hearings on S. 953 and S. 954, bills to provide certain guidelines with respect to the examination of prospective jurors.

SD-226

9:00 a.m.

Energy and Natural Resources

To hold hearings on proposals to resolve certain problems relating to the storage of high-level radioactive waste, including S. 1007, S. 1141, S. 1211, and S. 1266.

SD-366

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition

To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions With Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

9:30 a.m.  
Commerce, Science, and Transportation  
Science, Technology, and Space Subcom-  
mittee  
National Ocean Policy Study Subcommit-  
tee  
To hold joint hearings on global climate  
change.

SR-253

10:00 a.m.  
Finance  
To continue hearings to review certain  
spending reductions and revenue in-  
creases.

SD-215

Labor and Human Resources  
Education, Arts, and Humanities Subcom-  
mittee  
To resume hearings on S. 373, authoriz-  
ing funds for fiscal years 1988 through  
1993 for elementary education assist-  
ance.

SD-430

2:00 p.m.  
Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

2172 Rayburn Building

JULY 17

8:00 a.m.  
Energy and Natural Resources  
To continue hearings on proposals to re-  
solve certain problems relating to the  
storage of high-level radioactive waste,  
including S. 1007, S. 1141, S. 1211, and  
S. 1266.

SD-366

9:00 a.m.  
Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

2172 Rayburn Building

9:30 a.m.  
Commerce, Science, and Transportation  
Communications Subcommittee  
To hold hearings on S. 1277, to revise  
certain provisions of the Communica-  
tions Act of 1974 regarding the respon-  
sibilities of broadcasting licensees.

SR-253

10:00 a.m.  
Energy and Natural Resources  
Research and Development Subcommittee  
To hold oversight hearings on environ-  
mental and safety issues at the De-  
partment of Energy's defense materi-  
als production reactors.

SD-366

Finance  
To continue hearings to review certain  
spending reductions and revenue in-  
creases.

SD-215

Labor and Human Resources  
To resume hearings on S. 837, to provide  
for specified annual increases in the  
minimum wage and for annual index-  
ing of the minimum wage.

SD-430

2:00 p.m.  
Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran

SR-325

on matters relating to the Iran/Contra  
affair.

2172 Rayburn Building

JULY 20

9:00 a.m.  
Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To resume joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

10:00 a.m.  
Special on Aging  
To hold hearings to review the costs of  
prescription drugs.

SD-628

2:00 p.m.  
Commerce, Science, and Transportation  
Communications Subcommittee  
To resume hearings on S. 1277, to revise  
certain provisions of the Communica-  
tions Act of 1974 regarding the respon-  
sibilities of broadcasting licensees.

SR-253

Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

JULY 21

9:00 a.m.  
Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

Office of Technology Assessment  
The Board, to meet to consider pending  
business.

EF-100, Capitol

10:00 a.m.  
Agriculture, Nutrition, and Forestry  
Nutrition and Investigations Subcommit-  
tee  
To hold hearings to review the limita-  
tion on direct price support payments  
that may be made annually to one  
person.

SR-332

Finance  
Taxation and Debt Management Subcom-  
mittee  
To hold hearings to examine the impact  
of the use of master limited partner-  
ships on the corporate income tax  
base.

SD-215

2:00 p.m.  
Energy and Natural Resources  
Public Lands, National Parks and Forests  
Subcommittee  
To hold hearings on S. 7, to provide for  
protection of the public lands in the  
California desert.

SD-366

Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

JULY 22

9:00 a.m.  
Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

9:30 a.m.  
Energy and Natural Resources  
Business meeting, to consider pending  
calendar business.

SD-366

Environment and Public Works  
Water Resources, Transportation, and In-  
frastructure Subcommittee  
To hold hearings to review infrastruc-  
ture issues.

SD-406

Finance  
Taxation and Debt Management Subcom-  
mittee  
To hold hearings on S. 1350, to make  
technical corrections to the Tax  
Reform Act of 1986, and other related  
issues.

SD-215

10:00 a.m.  
Agriculture, Nutrition, and Forestry  
Business meeting, to consider pending  
calendar business.

SR-332

2:00 p.m.  
Commerce, Science, and Transportation  
To hold hearings on the nominations of  
Darrell M. Trent, of Kansas, Robert  
D. Orr, of Indiana, and Charles Luna,  
of Texas, each to be a Member of the  
Board of Directors of the National  
Railroad Passenger Corporation.

SR-253

Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

JULY 23

9:00 a.m.  
Rules and Administration  
Business meeting, to consider the nomi-  
nations of James H. Billington, of the  
District of Columbia, to be Librarian  
of Congress, and Lee Ann Elliott, of Il-  
linois, and Danny Lee McDonald, of  
Oklahoma, each to be a Member of  
the Federal Election Commission, and  
pending legislative and administrative  
business.

SR-301

Select on Secret Military Assistance to  
Iran and the Nicaraguan Opposition  
To continue joint hearings with the  
House Select Committee to Investigate  
Covert Arms Transactions with Iran  
on matters relating to the Iran/Contra  
affair.

SR-325

9:30 a.m.  
Commerce, Science, and Transportation  
Business meeting, to consider pending  
calendar business.

SR-253

Veterans Affairs  
Business meeting, to mark up S. 6, Vet-  
erans' Health Care Improvement Act,  
S. 9, Service-Disabled Veterans' Ben-  
efits Improvement Act, S. 1443, VA

- Medical Inspector General Act, S. 1444, VA Assistant Inspector General for Health Care Quality Assurance Review Act, S. 1464, Veterans' Beneficiary Travel Reimbursement Restoration Act, proposed Veterans' Readjustment Counseling Preservation Act, proposed legislation providing for disability payments based on nuclear-detonation radiation exposure, and other related measures.  
SR-418
- 2:00 p.m.  
Energy and Natural Resources  
Public Lands, National Parks and Forests Subcommittee  
To resume hearings on S. 7, to provide for protection of the public lands in the California desert.  
SD-366
- Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
SR-325
- JULY 24
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
SR-325
- 2:00 p.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
SR-325
- JULY 27
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 2:00 p.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- JULY 28
- 9:00 a.m.  
Appropriations  
Foreign Operations Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1988 for export financing programs.  
S-126, Capitol
- Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 9:30 a.m.  
Commerce, Science, and Transportation  
Aviation Subcommittee  
To hold hearings on proposed legislation to create an independent Federal Aviation Administration.  
SR-253
- 2:00 p.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- JULY 29
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 9:30 a.m.  
Commerce, Science, and Transportation  
To hold oversight hearings in conjunction with the National Ocean Policy Study to examine plastic pollution in the marine environment.  
SR-253
- Energy and Natural Resources  
Business meeting, to consider pending calendar business.  
SD-366
- 2:00 p.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- JULY 30
- 9:00 a.m.  
Appropriations  
Foreign Operations Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.  
S-126, Capitol
- Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- JULY 31
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 2:00 p.m.  
Energy and Natural Resources  
Public Lands, National Parks and Forests Subcommittee  
To hold hearings on miscellaneous proposals.  
SD-366
- Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 9:30 a.m.  
Commerce, Science, and Transportation  
Communications Subcommittee  
To hold hearings on S. 889, to provide for fair marketing practices for certain encrypted satellite communications.  
SR-253
- 2:00 p.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- AUGUST 3
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To resume joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 2:00 p.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- AUGUST 4
- 9:00 a.m.  
Select on Secret Military Assistance to Iran and the Nicaraguan Opposition  
To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.  
2172 Rayburn Building
- 10:00 a.m.  
Energy and Natural Resources  
Public Lands, National Parks and Forests Subcommittee  
To hold hearings on S. 1138, to designate certain lands in Nevada as wilderness.  
SD-366

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 5

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

10:00 a.m.

Small Business

To hold hearings on the impact of section 1706 of the Tax Reform Act of 1986 (P.L. 99-514) relating to technical service workers as independent businesses.

SR-428A

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 6

9:00 a.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

AUGUST 7

9:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1988 for foreign assistance programs.

SD-192

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

2:00 p.m.

Select on Secret Military Assistance to Iran and the Nicaraguan Opposition To continue joint hearings with the House Select Committee to Investigate Covert Arms Transactions with Iran on matters relating to the Iran/Contra affair.

2172 Rayburn Building

CANCELLATIONS

JULY 14

10:00 a.m.

Governmental Affairs Federal Services, Post Office, and Civil Service Subcommittee

To hold hearings on S. 508, to strengthen the protections available to Federal employees against prohibited personnel practices.

SD-342

JULY 16

7:00 p.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

JULY 17

10:00 a.m.

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430