

## HOUSE OF REPRESENTATIVES—Monday, February 24, 1992

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us in all our ways, O God, to look upon others with the respect and honor that is due every person. We admit our disagreements and conflicts, our disputes and quarrels, and yet we acknowledge You as the Creator and Judge of the whole human family, a family bound together by Your gift of life and Your sustaining spirit. May the spirit of tolerance mark our voices and the spirit of understanding touch our actions so we will see others as companions on the road of life. May Your blessing, gracious God, be with us all this day and every day. Amen.

## THE JOURNAL

**THE SPEAKER.** The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

**THE SPEAKER.** The Chair will recognize the gentleman from Mississippi [Mr. MONTGOMERY] to lead us in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## HAIL TO AMERICA'S FEMALE OLYMPIANS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, 2 weeks of Olympic competition ended yesterday. While the United States performance was not what we would have loved it to be—we did not win all the medals—we certainly won a representative share. I think all of us should take note of the fact that 9 of the 11 medals the United States won, and all 5 of the gold medals which the United States won, were won by our American women.

I think that goes back to a lot of things, including the wonderful training techniques that coaches have developed today, the great nutritional techniques, and new equipment.

But I think it also goes back to some of the legislation passed in this body and the other body on title IX and some of the efforts that we have made to make sure that Federal money is spent equally on men and women athletes in the various programs that are sanctioned at the college level.

Mr. Speaker, certainly we want to give tribute to our Olympic women and to all of the young Bonnie Blairs and Kristi Yamaguchis who watched these Olympics and will be our Olympians in future years.

I think it is also important for us to note that this Congress and this Nation played a role in these achievements.

## PERMISSION TO PRINT PROGRAM AND REMARKS OF MEMBERS AT WREATH-LAYING CEREMONY FOR OBSERVANCE OF GEORGE WASHINGTON'S BIRTHDAY

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the program and the remarks of the two Members representing the House of Representatives, the gentleman from Virginia [Mr. MORAN] and the gentleman from Virginia [Mr. BATEMAN], at the wreath-laying ceremony at the Washington Monument for the observance of George Washington's birthday on Friday, February 21, 1992, be inserted in today's CONGRESSIONAL RECORD.

The SPEAKER pro tempore (Mr. VENTO). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The text of the program and speeches are as follows:

PRESIDENT GEORGE WASHINGTON, 260TH BIRTHDAY OBSERVANCE, FEBRUARY 21, 1992, 11 A.M., WASHINGTON MONUMENT, WASHINGTON, DC

"The name of American \*\*\* must always exalt the just pride of Patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same Religion, Manners, Habits and Political Principles. You have in a common cause fought and triumphed together. The independence and liberty you possess are the work of joint councils, and joint efforts; of common dangers, sufferings and successes."—FAREWELL ADDRESS.

"\*\*\* the Propitious smiles of Heaven, can never be expected on a nation that disregards the eternal rules of order and right, which Heaven itself has ordained."—FIRST INAUGURAL ADDRESS.

"Knowledge is in every country the surest basis of public happiness, contributing inestimably to the security of a free constitution. \*\*\*—FIRST ANNUAL ADDRESS TO CONGRESS.

## PROGRAM

Opening: Arnold Goldstein, Superintendent, National Capital Parks-Central, National Park Service.

Presentation of the Colors: Joint Armed Services Color Guard, Military District of Washington.

"The National Anthem": U.S. Air Force Band, Chief Master Sgt. Alan Sine, Director.

Welcome by the Master of Ceremonies: Arnold Goldstein, Superintendent, National Capital Parks-Central, National Park Service.

Remarks: Honorable Russell E. Train, First Vice President, Washington National Monument Society.

Robert G. Stanton, Regional Director, National Capital Region, National Park Service.

Honorable Herbert H. Bateman, U.S. House of Representatives, 1st District, Virginia.

Honorable James P. Moran, U.S. House of Representatives, 8th District, Virginia.

Musical Selection: Stevens Elementary School Glee Club and Bell Ringers.

Presentation of Wreaths:

Wreath of the U.S. House of Representatives: Honorable Herbert H. Bateman, Honorable James P. Moran.

Wreath of the Washington National Monument Society: Honorable Russell E. Train.

Wreath of the National Park Service: Regional Director Robert G. Stanton.

Taps and Retiring of the Colors: Military District of Washington.

The National Park Service and the Washington National Monument Society would like to acknowledge special thanks to the Military District of Washington, the United States Air Force Band, and to the students and faculty of Stevens Elementary School for contributing to the success of this program.

## SPEECH OF REPRESENTATIVE JAMES P. MORAN, CELEBRATING THE BIRTHDAY OF GEORGE WASHINGTON, FEBRUARY 21, 1992

Today we are gathered to celebrate the birthday of George Washington, the founder of our Country. We celebrate this occasion at one of many monuments throughout our Nation memorializing the spirit and courage of the first President of the United States. We stand here today at this memorial—the tallest monument in our city that serves daily as a quidepost and reference point to how important Washington was to our country and to all Americans.

I am especially proud to be able to speak at this gathering as the Congressman representing the 8th district of Virginia, where, just southeast of here, George Washington's home, Mount Vernon, is located. And, like all Virginians, I am proud that Washington served in Virginia's House of Burgesses and lived here all of his life.

When I think of George Washington, I think of a man with exceptional principles, backbone, and vision. A man so well loved by his countrymen that some thought of anointing him King, but who steadfastly refused to accept any such title in the best interests of democracy.

One need not wonder what our Nation might be like today if George Washington

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

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

had been a different kind of man. What if he had not had the courage to serve as commander of the Continental armies in our Revolutionary War and lead the fight against the British from the first stirrings of rebellion in 1776 to the victorious meeting at Yorktown in 1781. He steadfastly maintained his conviction that fighting for your beliefs does sometimes necessitate waging battles against those who want to limit your freedom.

Knowing that he had done his part to secure independence from British rule, Washington should have been content with this service and retire to his home at Mount Vernon, but he could not turn his back on the needs of his countrymen. They called upon him next to help craft the most important document in our nation, the Constitution. Washington came to the meetings with the firm belief that, "\*\*\*\* the mass of citizens in these United States mean well, and I firmly believe they will always act well whenever they can obtain a right understanding of matters."

After the final votes had been taken at the Second Constitutional Convention, it was the unanimous opinion that Washington was the only man capable of filling the role of President. Though at first he was opposed to this suggestion he quickly saw the importance of his ascension to the Presidency and resigned himself to the will of his colleagues and assumed the office of President.

Washington carefully molded the role of the Presidency during his two terms—setting the precedent for the functions of the Chief Executive and interpreting the balance of powers shared with the judicial and legislative branches of government.

After two terms, Washington stepped down as President and left the office open for a democratically elected successor. In Washington's farewell address he said, "\*\*\*\* the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it." We have come to thank George Washington today for his selfless service for the betterment of our country which set an example for all Americans to follow. Thanks to George Washington all Americans can truly recommend the adoption of such democratic principles by all Nations—and hope that they are privileged to find such selfless, visionary leaders to make that democracy work.

GEORGE WASHINGTON WREATH-LAYING CEREMONY REMARKS, REPRESENTATIVE HERBERT H. BATEMAN, FIRST DISTRICT OF VIRGINIA, FEBRUARY 21, 1992

I am privileged to have this opportunity to speak here today in honor of a fellow Virginian and our first President. For more than two centuries, his dedication to the principles upon which our country was founded has served as an inspiration to all of us. George Washington's character and dedication America validates his being referred to as the "father of our country." No one was more important to our winning our independence from Great Britain or to the creation of America.

George Washington's early experiences taught him many lessons that he would later draw upon as commander of our Revolutionary War army, and as our post war leader. His experience as a young surveyor taught him the significance of patience and exactitude and reinforced his love of the land.

In 1753, at the age of just 21, George Washington was sent as an emissary to the Ohio River Valley to deliver an ultimatum to the French warning them not to encroach upon English territory. During this mission, Washington was shot at by Indians, nearly drowned, and exposed to extreme cold and hunger. This experience demonstrates his perseverance, which was to serve him well in the years to come.

In the fall of 1755, Washington was appointed by Governor Robert Dinwiddie as commander in chief of the Virginia militia. The responsibility of defending some 300 miles of rugged frontier taught him the importance of strong leadership and statesmanship. The primitive conditions of the then frontier and the conduct of warfare against the Indians gave him the opportunity to conduct difficult military operations over large and rugged terrain, a lesson well used during the Revolution. His resolve and dedication to duty made him successful in defending the inhabitants of the frontier of Virginia that reached to the Ohio River.

By the 1770s, relations between the colonies and Great Britain had become extremely strained. British abuses of the colonists affronted George Washington's sense of dignity and strengthened his belief in self-determination. He came to envision a land united in self-governance. He saw moral righteousness in the American struggle for liberty and dedicated himself to helping his fellow countrymen realize their dream.

Although cautious in his approach, Washington was firm in his support of the colonists' resistance to British political and economic repression. He represented Virginia in the First and Second Continental Congresses, and Washington was so well respected that he was unanimously elected as commander of the Continental Army.

In the long struggle of the Revolution, George Washington's successful command of a poorly equipped and often demoralized army was fueled by the inspiration and hope he was able to instill in his men. Washington's commanding presence and personal stability fortified the courage of the nation. He was able to manage seemingly impossible situations with a poise that seemed like ease. His genuine concern for his men won their steadfast devotion. Indeed, the respect he was accorded both as a person and as a leader was critical to the success of the Revolution.

George Washington briefly retired after the Revolution to Mount Vernon where he was the country's pre-eminent farmer, but was drawn back into national service when it became apparent that in the interest of the nation, he must assume a leading role in transforming the Articles of Confederation. Washington had great hopes for the new nation. He felt that it should be pre-eminent in the world and a model for other nations. He believed this could only be attained through a union stronger than the Confederation.

George Washington said that the purpose of the new Constitution was to "establish good order and government and to render the nation happy at home and respected abroad." He strongly felt that the people should govern themselves. He said he was sure the "citizens of the United States mean well, and \*\*\*\* I firmly believe they will always act well."

Washington felt that the people must be inspired by a sacred regard for public justice. And most importantly, he felt that Americans must be united in a common national interest and maintain their dedication to the preservation of liberty.

Our nation today remains symbol of the spirit of George Washington. It is fitting today that we pay tribute to him at this beloved site and rededicate ourselves to the vision of our nation that is our great inheritance from the father of our country.

We must maintain George Washington's faith and pride in our nation. We must follow his example and remain committed to freedom and democracy. As John Adams said, "his example will teach wisdom and virtue to magistrates, citizens, and men, not only in the present age, but in future generations, as long as our history shall be read." The memory of George Washington will be kept as long as humankind treasures liberty under law.

#### LUXURY TAX

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, more figures have been released this morning which again underscore what a tremendous failure the so-called luxury tax has been. Let me share a couple of those statistics with you.

This study reveals the luxury tax actually costs the Federal Government millions of dollars in revenue; \$7.6 million to be exact. Worse yet, the tax also costs thousands of working Americans their jobs. In fact more than 9,000 middle-class American workers lost their jobs because of this so-called tax on the rich.

One economist calls the tax a very shortsighted kind of tax because it ignores the second round effect of taxation—increased unemployment.

Congress aimed its tax gun at the rich, and shot itself in the foot and working men and women in the back.

Any economic growth package that does not include a full repeal of this tax is a failure. A failure to do what is economically sound for this country and a failure to protect the jobs of thousands of Americans.

#### THE SOCIAL SECURITY EARNINGS TEST

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, why does the Government encourage people not to work? Why does the Government penalize people for working? Why does the Government tell experienced and productive citizens not to use their skills and abilities?

These are just a sample of the many questions I hear from my constituents regarding the Social Security earnings test.

Mr. Speaker, the Social Security earnings test is a policy that defies common sense. Our country suffers from the worst recession in recent history which is having a severe impact on our Nation's older citizens. In light

of our Nation's economic condition, the earnings limit is grossly unfair and illogical. The income restriction not only denies some of our most productive citizens the opportunity to help support themselves, but also prevents them from contributing to our economy and recovery. For example, seniors are finding it increasingly difficult to pay their personal health care costs. Consequently, the Government is required to increase spending at a time when budgetary restraint must be a priority. Clearly, the ability of seniors to earn an income after retirement is vital to their well-being and to our Nation.

People are living longer and leading very active lives far beyond retirement. For older Americans the opportunity to remain active participants in society is much greater today than it has ever been. Older Americans must be permitted to enjoy the lives they desire and to which they are capable.

Mr. Speaker, the issue may be difficult to understand, but the answer to the questions I mentioned earlier is simple—let us eliminate the earnings test.

#### OVERWHELMING EVIDENCE DEBUNKS OCTOBER SURPRISE MYTH

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. LIVINGSTON. Mr. Speaker, another hand grenade has been dropped on the Democrats' October Surprise debacle. The counterculture Village Voice has published an extensive review of the conspiracy theory and its sources.

Proponents of the October Surprise theory might have been overjoyed that the liberal Village Voice would add to the allegations against the 1980 Reagan campaign. Unfortunately for the conspiracy minded, the Village Voice has joined Newsweek and the New Republican thoroughly refuting Gary Sick's provocative claims.

The Voice article states,

Based on a review of exclusive documentation it appears that none of Sick's key informants had any original knowledge of the October Surprise counterplot.

Only by swapping rumors and tacking with the latest ones, a process that the Voice has traced in detail, were they able to create an impression that they knew of this event firsthand.

The article also states,

The picture that finally emerged from the investigation was one of a self-perpetuating fraud.

Mr. Speaker, due to the overwhelming evidence debunking the October Surprise myth, you owe it to the American people to call off this partisan witch hunt. I call on the Democratic

leadership to apologize to Presidents Reagan and Bush for this political hatchet job.

Mr. Speaker, I include for the RECORD the entire article.

[From the Village Voice, Feb. 25, 1992]

#### OCTOBER SURMISE

(By Frank Snapp)

Former Carter aide Gary Sick says, in his recent book *October Surprise*, that the many sources he relied on for his searing indictment of Reagan campaign tactics in 1980—an indictment that accuses the GOP campaign staff of sabotaging Jimmy Carter's Iran hostage negotiations—all spoke independently with no common script. That's why he believed them, he maintains.

"As time went on and the number and diversity of sources increased," he writes, "the likelihood of a concerted, organized disinformation campaign dwindled." But in an exhaustive examination of the origins of the Surprise story, the Voice has discovered that Sick's assumption is wrong.

All his principal sources harken back to a group of Israeli and European arms merchants who dealt regularly with one another throughout the 1980s and early '90s, first in shipping arms to Iran, then in shipping the October Surprise story to reporters. Several members of this group got caught in a U.S. Customs sting in 1986, which left them with an incentive to pay back the Republicans and George Bush.

Based on a review of exclusive documentation it appears that none of Sick's key informants had any original knowledge of the October Surprise counterplot, an alleged Reagan campaign attempt in 1980 to head off a pre-election release of the 52 American hostages then being held in Tehran. Only by swapping rumors and tacking with the latest ones—a process that the Voice has traced in detail—were they able to create an impression that they knew of this event firsthand.

By 1988 Martin Kilian, a journalist for the German magazine *Der Spiegel*, was keeping many of these sources supplied with information they needed for this charade. He devoted countless hours to trading tips with them, though his journal has published only two October Surprise stories in three years. At times Kilian seems to have been unaware that he was contributing to distortions. But records of his phone conversations with one source, Richard Brenneke, indicate that he also knew that some of his contacts couldn't toe a straight line.

Even the most doubtful of these sources he passed on to Sick, who credits Kilian for having encouraged him to pursue the October Surprise story. In late 1988, writes Sick, "Kilian began calling me at my home in Manhattan after each new interview or whenever he picked up some nugget of information from the small network of individuals who continued to delve into the elusive story." It was a pattern Kilian would follow with others.

So pervasive was his influence and so tightly knit the group of sources and journalists who fed off him and one another that the truth about the scandal may be lost to the confusion they generated.

The Voice investigation was based in part on nearly 8000 pages of phone records and diary notes compiled by Brenneke to support his own October Surprise claims. Brenneke's onetime researcher, Peggy Adler Robohm, initially thought that he'd picked up his knowledge firsthand. But last June, after examining his files, she wrote a warning letter to his literacy agent. "Much of this material seems to come from Martin Kilian," she said.

Later she let the Voice examine a small set of phone records and credit card receipts that debunked Brenneke's claim that he'd participated in October Surprise negotiations in Paris. After the Voice published a story based on this material last September, Robohm contacted Representative Lee Hamilton, chair of the House's October Surprise staff, and began preparing to help with an official investigation of Brenneke's files. When Hamilton brushed her off with a form letter, she again contacted the Voice, this time offering the entire Brenneke archive.

To verify the substance of Brenneke's files, the Voice checked with Kilian and others quoted in the files to see if they had said what Brenneke reported. (The taped conversations spoke for themselves.) In every instance, these principals recalled the statements or conduct attributed to them.

The picture that finally emerged from the investigation was one of a self-perpetuating fraud. Reporters with preconceptions about October Surprise had often suspended skepticism in deference to helpful sources. Sick himself ignored or overlooked inconvenient details. As early as 1989, he also became involved in the first of two movie deals that committed him prematurely to an unverified conspiracy theory.

#### ROOTS OF OCTOBER SURPRISE

For all the many permutations of the October Surprise story, Congress told it first, and most convincingly, eight years ago. A subcommittee under Democrat Representative Don Albosta was charged in 1983 with unraveling "Briefing-gate," the theft of President Carter's briefing book during the 1980 campaign. A yearlong investigation confirmed the larceny and also produced evidence of a more sinister kind of campaign espionage.

According to the Albosta report, 120 "foreign policy consultants" working for Reagan in 1980 had monitored military bases, heisted secrets, and leaked disinformation, all in an effort to anticipate and head off a pre-election hostage release. Even if nothing more had been uncovered, that should have been enough to scorch the reputations of ranking Reaganites, for it was clear from Albosta's findings that the effort had been deliberately disruptive and directed from the top, by campaign boss William Casey and several aides, including Richard Allen and Robert Gray.

It was Gray, the committee discovered, who had brainstormed a PR strategy aimed at screwing up Carter's last-minute bargaining. "If we leak to news sources our knowledge of the Carter planned events," ran one Gray memo, "we can get the press [to] say Carter is politicizing the issue." In fact, the leak campaign did much more, prompting misleading press reports of concessions and breakthroughs that doubtless confused the Iranians—at the very moment Carter was edging toward a deal. The reverberations in Tehran may not have been the ultimate cause of the breakdown of Carter's initiative. But there is no doubt that this was the Republicans' objective. "If there is a moral truth to the October Surprise scandal," declared one ex-Carterite, "the most important revelations reside in the Albosta report itself."

But like many other scandals, this one quickly lapsed over the boundaries of fact and even righteous supposition. The earliest proponents of a Republicans-did-it conspiracy theory were in fact searching for something else. As the election neared, Lyndon Larouche's right-wing journals launched an attack on Carter, claiming that he'd gone

soft on pro-Khomeini "terrorists" in the United States.

The focus of their pamphleteering was Iranian exile Cyrus Hashemi, who they said was running terrorist money through a bank he owned. They also concocted a supporting cabal, incongruously made up of Zbigniew Brzezinski and Henry Kissinger, which they said was out to pit Khomeini against communism in the gulf. All this might have been laughable except that, in fingering Hashemi, they'd inadvertently found a key to Carter's hostage strategy. According to FBI surveillance reports recently released under the Freedom of Information Act, Hashemi was even then conducting overtures to Iran for Carter.

The delicacy of Hashemi's position naturally made him publicity-shy, so he sued LaRouche and his aides for libel in September 1980. That didn't quiet them, though, and after the election they zapped Kissinger again, arguing that he'd secretly bargained with the Iranian parliament to head off a hostage release. In December, one of their publications surfaced what is surely the first articulation of the October Surprise counterplot. "It appears, they wrote, "that a pattern of cooperation between the Khomeini people and circles nominally in Reagan's camp began six to eight weeks ago, at the height of President Carter's efforts to secure an arms-for-hostages deal with Teheran."

Over the next three years, the Larouchies dogged the scandal and bayed at each new indication that Israel, a favorite bugbear of theirs, was slipping arms to Iran. Meanwhile, Cyrus' brother, Jamshid, approached LaRouche's organization in a bid to settle the libel suit quietly (the court finally dismissed it). In early 1983 he told LaRouche researcher Ed Spannaus that it wasn't Carter who'd nuzzled up to him and his brother in 1980, but the Republicans. "Jamshid told me," recalls Spannaus, "that Cyrus was in fact much closer to the Reagan-Bush administration than to the Carter people."

Later, in mid July, Time magazine published an investigative piece linking Jamshid to Iran arms smuggling. Again Spannaus was summoned. This time, he says, Jamshid leveled about his Carter connection, acknowledging "that he had personally spent about six months flying back and forth between the USA, London and Madrid as a courier for messages between the U.S. and Iran." Jamshid also got cagey about the Republicans. Though Spannaus' recollections are hazy on this point, he clearly recalls Jamshid telling him that Cyrus was being protected by "the highest levels" of the Reagan administration.

According to one published version of this conversation, Jamshid also mentioned the GOP's October Surprise plot, though without claiming to have been a part of it. In another account, which has likewise appeared in a LaRouche publication, Jamshid refused to be explicit. In both stories, Spannaus claims to have asked: "Was Casey involved in the hostage negotiations?" To which Jamshid replied, "I wouldn't tell you if I knew."

Even given Spannaus' impression, it seems that as early as 1983 Jamshid was beginning to confide in LaRouche's propagandists. Some of his remarks have checked out. According to the recently released FBI surveillance reports, Cyrus Hashemi did help the White House with its hostage negotiations in 1980, even as he was arranging illegal arms sales to Iran, and Gary Sick acknowledges in his recent book that Cyrus brokered a secret meeting between a Carter representative and Iranian officials in Madrid in early July 1980.

Citing Jamshid as his source, Sick also argues that the Hashemis did similar duty for William Casey and other Reagan campaigners in 1980, providing them hostage information and a "backchannel" to Iran that enabled them to outflank Carter. Noting in the censored FBI surveillance files bears out this charge, and Jamshid clearly missed an opportunity to tell the story himself in his earliest known public statement on the hostage issue. That itself raises a question about his credibility. For if he wouldn't clearly implicate Casey, then why believe him when he does so now?

By 1985 the integrity of both Cyrus and Jamshid Hashemi was in tatters. Cyrus had turned Customs informant to avoid prosecution on gun-smuggling charges, Jamshid was hiding out abroad for the same reason, and William Casey's CIA, evaluating their potential as middlemen in a new hostage venture, turned them down flat. According to one contemporaneous CIA assessment, obtained through FOIA, Cyrus was deemed "only slightly less sleazy than his notorious brother Jamshid who is con artist par excellence and is a candidate for the scam of the month championship." Another CIA report, dated June 14, 1985, indicates that Director Casey himself vetoed any cooperation with Cyrus. "The point was," ran the report, "he [Casey] did not want the agency involved in the Hashemi brothers' problems with the Department of Justice."

Ten months later, Cyrus redeemed himself slightly by helping to nab an Israeli arms ring that included, coincidentally, many who later preached the October Surprise. His own glory, however, was short-lived. In July 1986, he died under mysterious circumstances in London and Jamshid hunkered down to nourish his own vision of the Surprise, the one he eventually fobbed off on Sick and ABC's *Nightline*.

The Larouchies, meanwhile, shared their own research with others, and some of it turned up as footnotes in the first October Surprise book, by Barbara Honegger. The scandal had taken its first captives.

Another initial fillip to the story came from news of early Israeli-Iran arms deals. Beginning in mid 1981, when the London Sunday Times reported the downing of a mysterious "Argentine" cargo plane en route from Tehran, the prospect of an Israeli arms pipeline to Iran prompted only evasiveness in Washington. But Israeli leaders themselves were more candid, hinting that they had Washington's sanction despite the U.S. embargo.

Then came the Time report in 1983 that set Jamshid so much on edge. In a concurrent Time memo, which the Voice has obtained, the anonymous sources quoted in the article are named. "Prime source on this is Admiral Inman," the memo states, referring to Bobby Inman, who'd just resigned as the CIA's deputy director.

The weighing in of such an authority inevitably strengthened speculation that Israel was feeding the Ayatollah's war machine. But it was not until Gary Sick published *All Fall Down* in 1985, a book about Carter's Iran policies, that the Israeli shenanigans were tied back to the hostage crisis of 1980. Sick wrote that Carter had discovered, in the midst of his secret bargaining, that Israel was treating Khomeini to military spare parts. Sick did not, in this initial foray, suggest any Republican complicity, but the very hint of such an Israeli end run was enough to set wheels turning.

#### FIRST GLIMPSES OF THE DAISY CHAIN

The loop was closed during the Iran-contra investigations of 1987, which proved, among

other things, that a Republican was capable of conspiring in the Israel-Iran arms shuttle. Granted, the deals exposed long postdated 1980. But one aroused suspicion often begets another, and even before Congress had completed its Iran-contra probe, a network of conspiracy fetishists was beginning to take shape.

Initially, the most ardent accusers were Iranian exiles. In April 1987, the former chief of the shah's secret police, Manzur Rafizadeh, took the first swipe, accusing the CIA of having persuaded Iran's foreign minister in November 1980 to hold off a hostage release until Reagan took office.

Rafizadeh had been in exile at the time, so his charge, leveled in a memoir, was second-guessing. But later that year exiled Iranian president Abol Hassan Bani-Sadr pumped life into the story. In a New York Times interview, he said that two ex-rivals of his, the ayatollahs Beheshti and Rafsanjani, had broken off negotiations with Carter in October 1980 because of an overture by unnamed Republicans in Paris. He also linked subsequent Israeli arms deliveries to this event. It was the first time anyone had pulled all these threads together.

The Miami Herald, meanwhile, put faces to the conspirators, reporting that a mysterious Iranian had approached Richard Allen and Robert McFarlane in Washington a month before the 1980 election and offered to broker a hostage deal beneficial to Reagan. Allen acknowledged the overture and said he'd rebuffed it, but admitted that he'd failed to tell the Carter White House about it. Senate majority leader Robert Byrd cried foul, and the House Judiciary Committee started digging.

The initiative soon fizzled, however, along with the Iran-contra investigation itself, and by late 1987 the October Surprise "lobby" had shriveled to a clique of political Ishmaels best personified by an ex-Reagan staffer Barbara Honegger.

Honegger, a trenchworker for the GOP campaign in 1980, had bailed out of a Justice Department job three years later to protest the administration's handling of women's issues. Denounced as a "munchkin" by the White House for taking her gripes public, she promptly retaliated by handing the Albosta committee some real dirt. In October 1980, she testified, she had overheard a Reagan aide boasting that "Dick [Allen] cut a deal" to ward off Carter's much-feared October Surprise. The committee skirted her recollections in its final report, and Honegger was left to disclose them on a Larry King radio show in December 1986.

What cinched her suspicions about the scandal, she later told Bani-Sadr, was his New York Times interview. In talking with him about it by phone in August 1988, she did not mention his own shortcomings as a witness—though based on a transcript of their conversation, which the Voice has reviewed, she recognized them. She is heard in the exchange discussing scandal-related gossip that she'd fed Bani-Sadr to jog his memory, and he is heard debating the truth of his own previous statements. When she reminds him of his claim that Reagan campaign aides met with Iranian counterparts in Paris in October 1980 to discuss the hostage crisis, he replies: "I am not sure. I have said it is possible." When she asks if he knows the names of the Reagan participants, he says simply, "No," and then proceeds to emphasize that it's all secondhand—"information from Iran sent to me."

Honegger would later tout Bani-Sadr as a source for her own October Surprise theories,

demonstrating a remarkable ability to filter out what she didn't want to hear. (Honegger refused to return calls about this story.)

Not that she was the only offender. In fall 1988, Playboy magazine published an October Surprise story that skirted the reliability of another source, Iranian American arms merchant Hushang Lavi. By Playboy's account, Lavi had courted the John Anderson campaign, offering to open contacts with Iran in order to deny the president a hostage breakthrough. The implication was that Lavi had played into the hands of Republicans out to delay a release.

But in fact Lavi had said something quite different. According to a transcript of the interview that the Voice has examined, Lavi, when asked "about a deal between the Reagan campaign and Khomeini," had replied: "I am not aware of that. I do not know." Jonathan Silvers, the interviewer, had then asked: "Do you personally believe that Reagan officials negotiated to delay the release of the hostages?" Lavi replied: "I don't believe so, sir."

None of this crept into the Playboy story itself, which was written by Silvers and ex-Yippie Abbie Hoffman, or into Honegger's approving statements about the article. Lavi would survive to become a primary source for accusations against the Reagan campaign, including Gary Sick's.

#### HONEGGER, BRENNKE, AND MARTIN KILIAN

On August 25, 1988, the October Surprise story got its first big airing at a Washington news conference sponsored by an anti-CIA watchdog group. The feature attraction was Honegger. Unfurling a copy of the Playboy article, she quoted Bani-Sadr as placing Bush at an October 1980 plotter's meeting in Paris and Manzur Rafizadeh, the ex-Savak chief, as including Donald Gregg in Bush's Paris entourage. (It was the first time anybody had so clearly linked Gregg, who in 1980 had been a Carter official, to Reagan's supposed machinations.)

Again citing Bani-Sadr, she fixed the negotiations at Paris' Hotel Raphael and listed the Iranians present as "representatives of Rafsanjani and Beheshti." She then dropped a bombshell, announcing that arms dealer Cyrus Hashemi and the CIA's Casey had been involved. Her source, she said, was someone she would only refer to as "Mr. X."

As events would prove, this new secret sharer was Portland businessman Richard Brenneke.

A word about his background: Documents from his files show that throughout the mid '80s Brenneke courted a bunch of would-be weapons dealers, including Ari Ben-Menashe, who has emerged as an equally omniscient October Surprise expert. According to business and other records, Brenneke's contact with this group traced back to late 1984, when he began traveling to Europe as an apprentice arms broker for the Farnham-Ottokar Trust, a baroque outfit registered in the Channel Islands. In early summer 1985, during one such junket, he was introduced to an American arms merchant in France, John Delarocque, and, through him, became aware of Ari Ben-Menashe.

Soon afterward, on July 29, Brenneke wrote to one Nick Davies in London, proposing a weapons deal. Later he received an MCI telex from the same man. Since such documents are difficult to fabricate, the telex seems to link Brenneke definitively to Davies, who is described in Seymour Hersh's recent book, *The Sampson Option*, as an Israeli intelligence agent and Ben-Menashe's partner in a London-based arms company. Thus, by mid 1985, Brenneke appears to have been

increasingly moving in conspiratorial circles.

Based on Brenneke's diaries, Ben-Menashe and Davies were much on his mind when he met Delarocque in St. Tropez the following September to discuss an Iran arms deal known as the "Demavand Project." His notes of their conversation are speckled with references to "Nick" and "Arie" (initially misspelled with an E).

Brenneke comes across in these pages as a novice at the arms game. But soon afterward he experienced an instant greening. On September 24, during a stopover in Seattle, he was rousted by U.S. Customs agents and relieved of his notebooks. Thereafter, according to other documentation, he became a low-grade Customs informant, and also began sending notes to the Pentagon and even the White House designed to distance himself from Demavand.

In early 1986, in one such note, Brenneke mentioned a secret White House decision permitting covert arms sales to Iran. How he got this tip-off to the Iran-contra scandal isn't known. But over the next few weeks, even as he continued playing up to his arms-dealing friends, U.S. Customs set up a sting against them. It was sprung in mid April. Delarocque eluded arrest, Brenneke later claimed, only because of a warning call from him, and Ben-Menashe recalled a similar alert from Delarocque. Nine others, however, were arrested, including three Israelis.

Spearheading the sting was a bona fide inside informant, Cyrus Hashemi, the very man whom brother Jamshid and other October Surprise buffs would place in the vanguard of Reagan's 1980 schemes.

Over the next year, Brenneke stayed in touch with Delarocque and, according to personal notes, shared his own phone records with the FBI. He also cultivated the press, finally leaking a story on Demavand to a New York Times reporter in early 1987. The resulting notoriety enabled him to strike a book deal with the reporter, and by August he'd lined up another collaborator, Will Northrop, an American-born Israeli rolled up in the Demavand sting, who was now living in Oklahoma City awaiting trial.

Looking to make money fast, Brenneke drew up a plan to insure a bestseller. "The primary method of doing this," he wrote, "is to bring new information to the press. The information must create interest and controversy." Under "People," he listed himself, Northrop, Delarocque, and—"Ari Ben-Menashe."

It is apparent from Brenneke's diaries that he and Northrop were never sure of Ben-Menashe's or Delarocque's bona fides. After speculating that the two might be Mossad agents, they settled on a less flattering conclusion. "John [has] no connection with Mossad," Brenneke wrote after a phone conversation with Northrop in late 1987. "John is known only as an independent with no sponsorship. He is not trusted by Israel . . . Ari is not known at all. They believe he is only an arms dealer."

Nowhere in his diary notes from this period does Brenneke quote Ben-Menashe or Delarocque on the October Surprise. The only relevant marginalia he immediately picked up from his Demavand buddies was a miscue—from Northrop. On May 26, 1988, Brenneke jotted a Northrop phone message: "Oct. 80 Bush in Paris meeting with Bani-Sadr." If either had been acquainted with the evolving October Surprise story, they would have realized how absurd this was. No one had ever suggested that Bani-Sadr himself was in on the Paris meetings.

If Brenneke initially knew little of October Surprise, however, he did possess information that would ultimately be woven into that tapestry like an integral thread, and in July 1988 he unspooled it. Two former Customs informants, Gary Howard and Ron Tucker, had sued the government to recover expenses they'd racked up in an abortive sting operation in the early 1980s. Part of their argument was that the government itself had crippled the project to protect an early Iran arms deal never reported to Congress. Brenneke, ever determined to legitimize Demavand, decided to offer testimony. His sworn statement marked his first attempt to write himself into the October Surprise scenario.

He told Howard and Tucker's lawyers that, as a contact CIA employee and sometimes Mossad agent, he'd flown 12 cargo flights to Iran between 1980 and 1982 as part of a joint U.S.-French operation. Included, he said, were spare parts for the Iranian air force drawn from NATO stores. For corroboration, Brenneke cited Delarocque, and despite having privately pegged him as an "independent," described him here as an agent of the French, U.S., Israeli, and Iranian governments.

The testimony, so clearly a hodgepodge of half-truths, might have dropped into obscurity except for Howard and Tucker themselves, who in pressing their suit soon became October Surprise devotees. What made the testimony all the more noteworthy, moreover, was the way it seemed to dovetail with earlier reports of Israeli arms deliveries to Iran. Brenneke himself was never involved in any of these flights (his credit card receipts show that he was in Portland, Oregon, on many of the dates when he said he'd made deliveries). But his "confirmation" of such a pipeline—first mentioned by Bani-Sadr—was enough to set conspiracy theorists buzzing. After all, how could you have a secret 1980 deal between Iran and the Reagan campaign without a payoff? From now on, Brenneke was to be a player in the daisy chain.

It wasn't an easy fit, though. By the summer of 1988, he was on the outs with the liberal establishment in Washington, a sounding board for October Surprise rumors. Earlier in the year, he had won a \$4000-a-month job at Washington's Center for Development Policy by publicly accusing Vice-President Bush of running an Israeli-backed drugs-for-arms operation in Central America. Most recently, though, a Senate investigator named Jack Blum had soured on him because of his inability to document his charges, and on July 31, soon after his statement in the Howard-Tucker case, Brenneke's boss at the liberal think tank suspended him for failing to put Bush in the hot seat, as he'd promised.

Brenneke was desperate, and might now have hauled himself back to Portland, had not Barbara Honegger fortuitously materialized from the wings. She was preparing for her news conference, and needed a bit more than Bani-Sadr had given her. On August 22, she approached Brenneke and asked his help.

As she later admitted in her own book, she virtually scripted the discussion. She handed Brenneke a list of possible Paris conspirators, including Bush and Gregg, and asked him to confirm it. After striking one name (Honegger herself had put a question mark beside it) and promising to ask around about Bush's presence, Brenneke numbly suggested that there might have been two meetings in Paris, not one. His own record of the conversation reveals how bewildered he was: "Honegger meeting notes: Thesis: Reagan-Bush campaign conspired to delay the hos-

tage release until after the November 1979 election . . . Howard Hughes was somehow involved . . ."

Honegger would later claim that during this first interview Brenneke wrote Casey and Cyrus Hashemi into the Surprise scenario, as well as Frenchmen Robert Benes. Brenneke's own notes, however, tell a different story. "Was Cyrus Hashemi present?" he asked himself. "If so, which Iranians and Americans was he representing?"

Notwithstanding Brenneke's ignorance, Honegger hailed him at her news conference as a breakthrough source and offered to broker introductions to "Mr. X." Among those who jumped at the invitation was the man who would become Gary Sick's closest collaborator—Martin Kilian, Washington correspondent for the Germany newsweekly *Der Spiegel*.

Born in Germany and trained as a historian at the University of Georgia, the 41-year-old Kilian had been at his present post for little over a year. But his discovery of the October Surprise story immediately hyped it, focusing the resources of a major international magazine on what had been a quirky sidebar.

Why Kilian became interested in the scandal is easily understood, since many of its principals operated in *Der Spiegel*'s backyard. But how he covered it would add to its complexity, for he was always ready to swap rumors and sources with anyone. He told the *Voice* that he favored this "non-competitive" approach because the October Surprise was too complicated for any journalist to cover alone. Perhaps so. But for Brenneke and the other charlatans who were now orbiting the story, the ever-generous Kilian was a dream come true.

Asked if it was okay to trade information with such sources, Kilian told the *Voice* last Friday, "On a subject like this one, absolutely, because it makes it possible to see contradictions."

The afternoon of Honegger's press conference, Kilian drew up a confidentiality agreement for "Mr. X," promising not to reveal his identity. A week later, after *Der Spiegel* published a story parroting Honegger's theories, she encouraged a new source, a mysterious fellow named Oswald LeWinter who preferred to be called "Razine," to contact the reporter. On September 7, Kilian took Razine's revelations to Brenneke, and soon afterward identified Brenneke to Razine. Suddenly, thanks to Kilian, there wasn't a virgin in the house.

For Honegger and Brenneke, what Razine provided was mortar with which to bind up their stories. What Razine got was a chance to play Scaramouche, for never in his initial contacts with them or Kilian did he show his face, preferring instead to communicate by phone. Gary Sick, who later embraced Razine/LeWinter as a primary source, describes him in his book as a "genius, [an] erratic man" who knew novelist Saul Bellow and played the intelligence field, working for both U.S. and Israeli spy services. Based on Brenneke's files, Kilian suspected that Razine had also once been arrested for impersonating a U.S. serviceman. Nowhere does this point appear in Sick's book, though there is reference to a drug bust against Razine.

Initially Kilian seemed dubious of his new source, and informed Brenneke (according to the latter's notes) that Razine sounded like a LaRouchie. Razine himself told Honegger paradoxically that he was out to "protect" Israel, and both she and Kilian discovered that he sympathized with Edwin Wilson, the

ex-CIA agent who'd been jailed for outfitting terrorists, yet none of this apparently put anybody off. Kilian assured Brenneke that he knew a journalist who would vouch for Razine. Brenneke, for his part, remained disinclined to look a gift horse in the mouth.

The story Razine told (through Kilian to Brenneke and by phone to Honegger) put Casey, Bush, and Gregg in Paris in October 1980, and expanded the attendance list to include Hashemi Rafsanjani on the Iranian side, and Robert Benes, the very Frenchman Brenneke had named. Because of Kilian's impulse to share everything he knew, it is impossible to tell from the available documentation whether Benes sprang spontaneously from Razine's memory. But from now on, Benes would be an October Surprise staple (to be cited indirectly in Sick's book).

To judge from Brenneke's files, Razine wasted no time proving his worth. He embellished Brenneke's dual-meeting theory by positing three Paris conspirators' meetings, all at the Hotel Raphael. He also said that Bush and Casey had shown up with a \$40 million wire transfer to tide the Iranians over until Reagan's inauguration. As Brenneke recalled, he and Razine agreed, after fencing politely—through Kilian—that Bank Lambert had handled the transfer, not Bank Leu as Razine had first reported.

How Razine had come to know all this never rang clear, since he kept changing his story. He initially told Honegger and Kilian that he'd read of the Casey-Gregg machinations in a report by Benes filed at CIA headquarters in November 1980 by the chief of French intelligence. Later, by Honegger's own account, he said he'd picked up the report from a "friendly foreign intelligence service." It was a minor correction. Still somebody should have wondered.

Nor was this the only time Razine's memory shifted. Besides changing Leu to Lambert, he altered the Iranian lineup at the Paris meetings, initially including an arms procurement officer named Jalal el-Din Farsi—only to replace him later with two others. Honegger and Kilian relayed these "adjustments" to Brenneke. But nowhere in his notes does he reflect concern on their part about the source's fickleness. Instead, Kilian and Honegger continued to peddle Razine like a miracle health cure.

Brenneke, too, found uses for Razine, immediately parlaying him into added job security for himself. Shortly after first learning about Razine, he alerted his still touchy boss at the Center for Development Policy that Kilian wanted him to help exploit this new source. "[Der Spiegel] has asked me to utilize my contacts to help obtain further information and corroboration," he told his superior by memo. The following morning, in a "Revised Proposal," he asked to be allowed to assist Kilian with a story about 1980 arms sales. In closing he offered a more provocative thought: "Help *Der Spiegel* develop proof of Bush-Iranian meetings in 1980 aimed at delaying the release of the Embassy hostages."

That cinched it. As Brenneke recorded in another note, he was immediately assured that he could keep his job through October.

#### THE EYEWITNESS STEPS FORWARD

Having gained this reprieve, Brenneke acted quickly to build insurance into it, seizing on an idea that boosted his value as an "October Surprise expert." How it came to him remains obscure. What can be documented is that on September 10, three days after first interviewing Razine, Kilian told Brenneke that the new source had identified him as a participant in the October 1980

Paris meetings. In a taped memo recorded soon afterward, Brenneke paraphrased Kilian as saying: "[Razine] knows me [Brenneke] and . . . knew that the Paris meeting that I was at was the [Hotel] Florida . . ."

So astonishing was this fillip to Brenneke's story—and so sensational, if true—Kilian might have been forgiven if he'd tried to cop it as an exclusive for his own magazine. But he didn't. Instead, he handed it off to a competitor, Robert Parry, then of *Newsweek*.

According to court documents, Kilian also assisted Brenneke a few days later in gaining an even loftier soapbox. The opening came when the brother of Colorado representative Patricia Schroeder—a Denver lawyer named Mike Scott—began looking for help with a tough case. His client Heinrich Rupp, a self-described ex-CIA pilot, was facing sentencing for bank fraud and had begun mumbling about a Reagan frame-up aimed at discrediting him and others who'd allegedly witnessed some mysterious events in 1980. All Scott needed for a leniency plea was some supportive information. As he later explained to the judge Kilian and Parry helped him "get in contact with Mr. Brenneke and aided us in bringing this information to the court."

In fact, Brenneke needed no introduction to Rupp. His own phone records show that he'd called Rupp's Denver number a year before, and Rupp conceded, in a private interview with Scott (a record of which the *Voice* has obtained), that he knew of the offshore trust that had employed Brenneke as an arms dealer. The odor of collusion thus hangs over this sudden and mutually beneficial Brenneke-Rupp reunion, whoever brokered it.

The story that Rupp later told reporters put both him and Brenneke in the midst of the action in October 1980. He would claim that he'd flown Casey to Paris on October 18 and that he'd seen Bush at the airport there. He'd also include Brenneke among the Paris conspirators.

These "recollections," however, did not spring forth full-blown. On September 22, the day before Brenneke showed up in Denver to testify on Rupp's behalf, Scott interviewed his client and—based on notes from the lawyer's files—discovered that Rupp knew little about the October Surprise. When asked how he knew of Bush's flight to Paris, Rupp replied, "Sloganism"—hearsay to the effect that "we've got the whole government on board." When asked if he'd recognized anybody on his own flight, he said, "Might recognize faces. No names." And when pressed to tell his story in court, he begged off, insisting that he'd have to defer to Brenneke since he, Rupp, was sworn to official secrecy. It was the perfect prelude to a setup. Yet Scott encouraged his client to tell his story, saying that if he didn't, Brenneke would.

Brenneke did much more than that. In a closed hearing the following day, he not only seconded Rupp's allegations but embroidered his own. He said that he'd attended at least one Paris meeting at the behest of a CIA officer named "Bob Kerritt" and had helped to purchase arms to pay off the Iranians for delaying a hostage release. Insisting that French intermediaries had brokered these transactions, he identified Robert Benes as one involved.

He also tried to turn Razine and Kilian into character witnesses for himself. Claiming to have been recently contacted by the CIA, Brenneke testified that he'd been advised that a "retired" CIA officer would approach a foreign journalist to verify what he was saying. He then mentioned Kilian and

Parry and said that both had recently been contacted by a CIA retiree (Razine).

Once Brenneke's statement was released several days later, Kilian must have experienced a twinge. Obviously, this wasn't how things had happened at all. Asked about his reaction, Kilian said last Friday, "I was flabbergasted. I still don't know today what he meant—I thought there would be somebody else who would contact reporters. I asked [Brenneke], 'What did you mean by that?' He didn't want to talk about it."

Later, in a TV interview, Rupp squared his own "recollections" with Brenneke's, explicitly adding Casey to his passenger list. He also said that five other unnamed VIPs had been aboard the BAC-111 he'd supposedly flown to Paris on October 18, 1980. All this jarred with what he'd told Scott just before the hearing. Yet Scott continued to vouch for Rupp's and Brenneke's credibilities in public.

He had help. Shortly after the hearing, Razine informed Honegger that Rupp had been Casey's "favorite pilot" and that Brenneke's CIA handler, Bob Kerrit, was "close to Gregg." Kilian in turn did something that would bolster Brenneke's own ability to script the facts. On September 26, he dipped into *Der Spiegel*'s coffers and hauled Brenneke off to Paris to help interview other sources. Gone forever was any hope of keeping the waters pure.

Brenneke's diary of the three-day junket records meetings with Robert Benes and another Frenchman, Nicholas Ignatiew, as well as a phone call to Razine. Later Gary Sick would claim that sources like these had no connection with one another. But judging from Brenneke's files and other evidence, the three individuals whom he and Kilian contacted in Paris not only knew one another but shared ties to other October Surprise "regulars." In effect Brenneke had ushered Kilian into his own circle of rogues.

The ringleader, it appears, was Ignatiew, a Frenchman of supposedly noble Russian ancestry. Four Brenneke memos show that he and Ignatiew had been discussing weapons deals since mid 1986 and bandying about such names as John Delarocque of Demavand project and Benes. According to one of Brenneke's notes, Benes had met Ignatiew "in service" and had good "access" to "east bloc" weaponry.

What Brenneke had long sought from Ignatiew was a piece of his action. For years the Frenchman had been trying to purchase a captured Soviet T-72 tank from Iran and other brokers, and Brenneke had wanted to be cut in. Not was he the only one. In his book, Sick describes the same deal and says that Razine once worked on it with an Iranian expatriate named Ahmed Heidari, who likewise became an October Surprise source for him. Sick says nothing of Brenneke's involvement or Ignatiew's (which he didn't know about), but his description of Razine's pursuit of the T-72 leaves little doubt that they were all on the same raft.

Another name in the Surprise lineup that traces back to the tank venture is Hamid Naqashan. Sick describes Naqashan as an Iranian procurement officer who knew of Casey's efforts to delay a hostage release. Sick doesn't mention—again he apparently doesn't know—that Naqashan was also tied up with Brenneke and Ignatiew. A July 1986 document in Brenneke's files indicates that he and Ignatiew were then in contact with Naqashan about the tank deal. More provocatively, another Brenneke memo from the same period mentions "Bob Keret," a suspected CIA agent, who was said to have

spoiled an earlier sale. Is this the same "Kerrit" Brenneke served up as his October Surprise case officer?

Had Sick known of all the linkages, he might have realized that an obscure tank deal told a lot about the genesis of the October Surprise story. Ignatiew, Brenneke, Benes, Razine, Naqashan, Heidari, even Will Northrop—all had been part of the T-72 bidding, and all would emerge as October Surprise gurus. A coincidence? Not likely. The tank deal—plus Demavand—seems to have forged a number of links in the daisy chain.

Significantly, though, Brenneke and Kilian came away from Paris largely empty-handed. Ignatiew and Benes had proved especially uninformative. If these men were October Surprise experts, they didn't reveal it first time out.

Nor even the second time. After returning home, Brenneke stayed in touch with the two Frenchmen, and tapes of his phone conversations with them (which have been reviewed by the Voice) confirm how ill-informed they were. On October 13, for instance, Brenneke called Ignatiew to say that Kilian might be willing to offer Benes money to sharpen his memory about the October Surprise (in fact it was an exaggeration). Ignatiew was incredulous. "If I had been a journalist that evening [in Paris]," he exclaimed, "I would, I think, have understood that Robert knows more or less nothing." He then betrayed his own ignorance by asking if Benes had been present at meetings with Casey in October 1980. "Oh, yeah, yeah, yeah," Brenneke replied, "but not for the whole time." He also reminded Ignatiew that Benes's command of English was not sufficient for complicated discussions.

Ignatiew asked Brenneke if he wanted Benes to tell the truth. "I haven't decided," Brenneke responded.

A few minutes later Brenneke called Benes himself and, using pidgin English, explained that certain "people" were saying that he knew of Bush's role in the 1980 Paris meetings and would pay him to confirm it. "For what?" Benes replied, surprised. "I don't know Mr. Bush."

"They think you understand," said Brenneke. Benes shot back: "I don't understand."

No sooner had Brenneke hung up than he called a Boston Globe reporter to keep the pot boiling. "Robert is willing to talk," he said disingenuously, adding that Ignatiew was likewise aware of Benes's role in October Surprise. "Nicholas still works for the French government," he assured the reporter. "And he just flatly admitted that he was well aware of these things."

It was all pure baloney, a smarmy effort by Brenneke to pump up two sources who obviously knew nothing. This time, it didn't work. On October 23, the Boston Globe reported that Benes was ignorant of any Paris meetings.

On top of this, once Brenneke's testimony at the Rupp hearing became public, Senate staffer Jack Blum promptly caught him out in a lie. Brenneke had testified that he'd once told Blum's subcommittee under oath about October Surprise. That, Blum advised the Justice Department, was simply not true. Though Brenneke corrected his claim, a grand jury began investigating, and in May 1989 he would up facing a perjury indictment for falsely portraying himself as a CIA contractor and for having lied about the Bush trip to Paris.

Did the indictment cost him any friends? On the contrary, Kilian and Rupp's lawyer, Mike Scott, who later represented Brenneke,

immediately rallied the troops. Kilian told Honegger that Brenneke had identified Gregg as a "notetaker" in Paris and had "talked constantly" with Hushang Lavi. Honegger threw the weight of her scholarship behind Brenneke's case by finally publishing her book, and Will Northrop, Brenneke's Demavand buddy, provided a sworn statement that bolstered his friend's claims of Israeli shipments to Iran in the wake of the October Surprise meetings.

As it turned out, the statement was merely a distillation of news clips, and even the leftist Nation magazine trashed Honegger's book. But nothing seemed to discourage Kilian. Over the next few months, he grasped the torch and ran with it, pulling together a plethora of sources and demisources that kept Brenneke and the October Surprise story alive. Once Brenneke tried to graph Kilian's network, jotting a primitive wiring chart that connected the journalist to sources stretching from South Africa to Texas. It was an exaggeration perhaps. But the fact is, Kilian did have his contacts.

Start, for instance, with the ever-adaptable Hushang Lavi and Swiss journalist Frank Garbeley, and follow the dancing line to Israeli ex-agent Ahran Moshell and Roy Furmark and Richard Allen, and you have just the beginnings of Kilian's daisy chain. Loop into it a German TV freelancer named Jurgen Roth and Gary Sick, plus Razine and Northrop, and you begin to spy the entire Modigliani. Not a pretty picture.

Others crept into it over time. Gary Howard, the ex-Customs informant who was suing the government, provided back-ground on Gunther Russbacher, and acquaintance of Honegger's who claimed (falsely) to know of Brenneke's adventures.

Anybody else with such credentials might have prompted some caution. But so taken was Kilian with this source that all other considerations, including detachment, dropped away. When Stoffberg was extradited to New York for arms trafficking last year, Kilian helped find him a lawyer (the same one who represented Ben-Menashe). And when Congress began nosing around the Surprise scandal, Kilian's research helped convince House investigator R. Spencer Oliver that Stoffberg was too valuable a witness to be left in jail. On the strength of Oliver's testimonial, a judge later reduced Stoffberg's prison sentence. Needless to say, Stoffberg emerged from his cell ready to champion Kilian's views.

Kilian's firmest ally, however, was freelance journalist Jurgen Roth, who, according to Brenneke's files, routinely swapped rumors and sources with him. In mid 1989, Roth helped produce a German TV documentary that resuscitated the October Surprise scandal and several of its more dubious promoters. Bani-Sadr came across in the program as an authority on the very events that had eluded him earlier, and Hushang Lavi emerged for the first time as a self-described "participant" in the final Paris negotiations—a far cry from the know-nothing role he'd assigned himself in his earlier Playboy interview.

By far, Roth's most provocative on-camera source was an Israeli named Ahran Moshell, who claimed to be an ex-Mossad agent. Shortly after Roth interviewed him, Kilian sent Brenneke, a transcript and declared that here, finally, was firsthand proof of Bush's complicity in October Surprise. His enthusiasm seemed justified, Moshell had placed himself at a conspirators' meeting with Bush in October 1980 and seemed to know secrets no one else did. At one point,

for instance, he remarked cryptically that the same deal offered to Reagan had been offered to Carter. "Even Gary Sick didn't know this," Brenneke noted excitedly in a computer memo.

"Kilian is having Sick check a biography Razine gave Jurgen Roth," Brenneke noted in a December memo. Later, Kilian told him that Sick had talked to former Casey aide George Cave, "who would not deny knowledge of the hostage deal," and to Iran-contra figure Richard Secord, "who claims he knows nothing." He also briefed Brenneke on Sick's conversations with Hushang Lavi and with another of Jurgen Roth's sources, weapons dealer William Herrmann.

As Sick later noted in his book, Herrmann claimed to have learned of the GOP hostage deal from Iranian procurement officer Ahmed Naqashan. What Sick didn't know was that this was the same Naqashan who had worked with Ignatiew and Brenneke on the Soviet tank deal in the mid 1980's. No link in the daisy chain was thus untainted.

Nor did Sick seem to realize that the Herrmann-Naqashan story had undergone revision by the time he heard it. Earlier, according to Honegger, Herrmann had told her that Naqashan had actually placed himself in Pairs with Bush and Casey in October 1980. With Sick, however, Herrmann glossed over this point. He also apparently neglected to mention—for Sick omits these details in his book—that he, Herrmann, had been jailed in Britain as a counterfeiter in 1986 and had tried to win extradition to the U.S. by casting himself to Congress as an Iran-contra expert, very much like Brenneke.

Sick would later deny debt to Brenneke, claiming that he'd listened but remained skeptical. But Brenneke's own files suggest otherwise. They show that in 1989, through Kilian and Brenneke's other allies, Sick's own perceptions began to harden. Two years before, Barbara Honegger had found Sick to be unwilling to go much beyond what he'd written in his earlier book "All Fall Down." There, he'd complained circumspectly of Israeli interference, including illicit arms shipments to Iran, at the height of Carter's hostage negotiations. But by mid 1989, Sick was prepared to jump hard in the direction Kilian and Brenneke pointed.

That is apparent from an interview he gave to Jurgen Roth at the time, laying out the "circumstantial evidence" of a Republican end run in 1980. "There were meetings late in October in Paris," Sick declared. "We knew that arms deliveries went from Israel to Iran at the same time . . . We know that the Iranians were changing their negotiating strategies." Expect for a hard cover, this was essentially the book Sick would write two years later.

In late 1989, Sick became involved in a more ambitious film project. A friend of Kilian's, a researcher named David Marks, persuaded producer Oliver Stone and Orion Pictures to option Sick's All Fall Down as well as Brenneke's own story and consulting services. The commissioned script focused on their October Surprise allegations and featured them as "characters." Though the film has yet to be made, Sick reportedly reviewed one version of the script and offered suggestions—a contribution that, like the Roth interview, belies his current claim (first expressed in a New York Times op-ed piece last April) that he arrived at his conspiracy theories only recently. According to Marks, Kilian also provided "substantive" advice, though without a consultant's fee.

Sick told the Voice that he didn't like the script, but admitted that he stayed with the

project anyway. When asked what he'd been paid, he declared, "It's nobody's business."

If Kilian helped turn Sick into a believer, he turned himself into something more, an ex officio member of Brenneke's defense team. He once wrote a letter to chief attorney Rich Muller, counseling him on how to question Richard Allen should he become a witness. And Brenneke's records indicate that Kilian provided tips on other potential witnesses, a chronology of Casey's whereabouts in October 1980, and a suggestion of how to undercut Donald Gregg's claim that he was at a beach in Delaware on the very day others would have him in Paris with Bush.

In a computer note keyed to his point, Brenneke reminds himself to check Gregg's 1980 vacation schedule and then quotes Kilian as saying that weather reports for October 19 and 20, 1980, were "overcast, approximately 55 degrees." It was this issue—the beach weather in Delaware—that would finally trip Gregg up.

Kilian's willingness to play lawyer may have been quickened by an affinity for chief attorney Rich Muller, who was as much an October Surprise enthusiast as he. A long-time friend of Brenneke's, Muller once joked to an acquaintance that he'd taken the Brenneke case so he couldn't be called as a witness. That quip told a lot.

Back in the mid '80s, as a reserve Marine colonel, Muller (by his own account) had helped Brenneke negotiate the shoals of Demavand and had kept Pentagon counter-intelligence specialists informed. In late 1985, as Brenneke's overseas contacts expanded, Muller used information from them to pinpoint a pro-Israeli leaker inside the White House itself. Later, when Honegger approached "Mr. X" for help with the October Surprise, Muller again played Brenneke's silent partner, briefing him on the drawdown of NATO weapons stocks—supposedly a symptom of illicit shipments to Iran. For anyone nursing paranoia, Muller was a prize in himself.

Less appealing, though, was his co-counsel, Mike Scott. "Mike the puppet master," Brenneke jotted after a conversation with Kilian, and from Brenneke's own standpoint, there was something to worry about here. For one thing, he wondered, "To what extent is Mike Scott using his trial for political motives?"—after which, in the same computer note, he added the name of Scott's sister, Colorado representative Patricia Schroeder.

According to other memos, Brenneke also considered Scott a leaky faucet and feared that he was slipping trial information to Parry and other journalists, particularly after Kilian told him of a tip he'd picked up from Scott.

There was something else about the lawyer that also prompted worry, a little-boy quality that mocked the solemn business he was about. Visitors to his office were startled to discover that he kept a rabbit in an adjoining room, and even more troubling was his fascination for James Bondish antics, particularly the use of childish and absurdly misleading code names for potential witnesses. In a computer list attached to Scott's letterhead, for instance, Gregg was identified as "Q in WH," translated elsewhere in the document as "Queer in White House."

The thing that turned nuisance to liability, however, was Scott's inability to deliver on Rupp. As Brenneke noted in a memo just before his own trial, Scott has "no idea whether Harry will talk or tell the truth if he does."

With Rupp such a question mark, the weight of Brenneke's defense briefly shifted

to another weak reed, the mysterious Razine. "We all know why we need him," Brenneke wrote to his lawyers at one point, and indeed they did know. For by now Razine had gone the way of most other October Surprise sources, writing himself directly into the 1980 Paris meetings. This gratuitous shift in status from secondhand source to eyewitness should have given somebody pause, for the guest list for the final October Surprise bash was fast reaching Biblical proportions. But even Kilian, Razine's closest monitor, seemed incapable of counting him out. "Martin is convinced that R's knowledge of 1980 is real time knowledge," Brenneke wrote in late November, "not something he learned after the fact."

Having invested his trust so completely, Kilian soon took the next logical step, asking Razine to testify for Brenneke—"as [a] moral obligation." Razine, however, was not about to get trapped. In late November Kilian told Brenneke that their last best hope was wavering, that Razine was worried about Israeli reprisals and the loss of a "CIA pension." Even worse, said Kilian, questions were beginning to crop up about Razine's past—about his whereabouts from 1969 to 1980, about the fact that his intelligence background was nowhere mentioned in court records of a 1984 drug bust against him. Suddenly Razine didn't look like a sure thing at all.

As they say in the pulps, however, help was on the way. Within the next few days, Kilian told Brenneke that Nicholas Ignatiew was ready to pinch-hit for Razine. According to a Brenneke memo, Kilian explained that "Nicholas on camera places Bush in Paris 9/20 [sic] and probably later in Zurich." It is not known whether Brenneke snickered when he heard this. This was the same Nicholas Ignatiew whom he had coached by phone months before, and who'd then known zero about the October Surprise.

Suddenly in a flush again, Kilian and Brenneke conferred on January 3 to sort out the bidding. Everything seemed upbeat. "Very important discussion today with Martin Kilian," Brenneke tapped into his computer. "Write Rich Muller and Mike Scott re this." What Brenneke outlined was the October Surprise gospel according to Kilian, a goulash of suspended doubts that put Casey, McFarlane, Pentagon official Fred Ikle, and Bush at one conspirators' meeting in Paris and Casey at several others with provision (thanks to Moshell) for a Bush side trip to Luxembourg. Sadegh Tabatabai and Ahmed Khomeini had supposedly represented the Iranians, with an unidentified Swiss and a Jordanian also attending. "Every one of Martin's sources agreed independently on [this scenario]," Brenneke wrote.

He then listed those sources: Bill Herrmann ("second hand because he got his information from Naqashan"); "unidentified source ("probably from London"); Dirk Stoffberg ("second hand, through Iranian government officials . . . and South African intelligence"); Ignatiew ("unknown how Nicholas got his information"); Rozine ("unknown whether first or second hand sources"); Moshell ("first-hand source. States he was there and was an eyewitness").

As a footnote, Brenneke credited Sick's contributions and noted (the single caveat) that Moshell was suddenly unsure of his dates. He also jotted a suggestion from Kilian that neatly accommodated all the new dates and locales being tossed around. "We need to show that the October 19/20 meeting I was at was part of a series of meetings," he wrote. "As an isolated incident it

makes no sense. It only makes sense in [the] context of [the] structure of an ongoing deal."

Superficially, this suggestion seemed a reasonable attempt to adjust to fresh data. But there was also something mischievous about it, for deliberately or not, Kilian had just handed Brenneke's supporters new license to improvise.

They wasted no time. A few days later, according to a Brenneke note, the hitherto cautious Northrop advised Kilian that he knew of "two series of meetings" prior to the Paris sessions—one round in Frankfurt in September and another in Geneva and Frankfurt in mid October. A week later Razine picked up the thread, placing Bush in Paris on September 5 through 8.

This sudden embellishment of Razine's story again prompted hopes that he might testify. But according to Brenneke's notes, he protested to Kilian and Jürgen Roth that he was now cornered by American agents in Europe and unable to depart and that their own phones—and Brenneke's—were tapped. It was such a blatant resort to stall tactics that it's something anyone took him seriously. In fact, he'd said too much, inadvertently giving Brenneke's lawyers something to go on.

In March they acted, calling on the court to dismiss the case against Brenneke because of the "intimidation" of Razine. Kilian, Roth, and Rico Carisch all provided supporting statements, and Brenneke swore he'd known Razine for "more than 10" years—which must have surprised Kilian, since he had reason to believe the two had been introduced nearly two years before.

As it happened, it wasn't Brenneke but Razine himself who got caught out. On March 23 an FBI agent in Bonn called Razine, then filed a report to Washington. According to the document, Razine—identified as "Oswald LaWinter"—had admitted "that he does not personally know subject Brenneke" and "would do him more harm than good" if he testified. As for the alleged intimidation, the report continued, "he attributes the origin of that information to a 'couple of hot shot journalists' for whom he decided to make life difficult. As LaWinter explained, he gave them numerous false leads.

#### OCTOBER SURPRISE IN COURT

The witness list for Brenneke's nine-day perjury trial did not include Razine or any other October Surprise "expert" except Northrop, who testified that he had seen Brenneke in Europe sometime in September 1980. According to lawyer Muller, Hushang Lavi was rejected because of his inconsistencies. Rafizadeh declined to testify unless reimbursed. Brenneke had long ago dismissed Honegger as a "ding-a-ling" and Sick stayed away for reasons of political hygiene. He explained to Northrop that for the sake of his own credibility, he had to remain "purer than Caesar's wife," eschewing any overt contact with "spook tapes."

As for the defendant's own credibility, at least one of his lawyers seemed doubtful. Just before the trial, as Brenneke noted in his files, Mike Scott complained to him that "everything checked out except my [Brenneke's] personal data."

With so little to go on, the defense's case boiled down to innocence by inference. The two ex-Customs informants, Howard and Tucker, for whom Brenneke had testified, reciprocated by offering speculative testimony about his alleged CIA connections, and one other witness—myself—was subpoenaed to certify that ABC News, for whom I then

worked, had never retracted any Brenneke story. Since Brenneke and I had never discussed October Surprise at all, my testimony was irrelevant to whether or not the scandal had happened.

Taking that stand himself, Brenneke swore that he'd not only attended a Paris session with Don Gregg on October 19, 1980, but had been told of Bush's presence. The government countered with testimony from Gregg and two Secret Service agents who allegedly had been with Bush throughout the disputed period. Inexplicably, however, the agents forgot to bring supporting records, and a retired TV weatherman from Portland obliterated Gregg's alibi by insisting that a photograph supposedly taken of him at a Delaware beach on the pivotal weekend showed inapplicable weather conditions. It was the very tack Kilian had discussed with Brenneke weeks before.

Not once did prosecutor Thomas O'Rourke ask Brenneke for credit card receipts that might have established his whereabouts that weekend. Nor did he manage to discredit Brenneke's weatherman (in fact conditions along the Delaware shore were variable on Sunday, October 19). Brenneke's own lawyers, by contrast, never missed a beat. On May 4 the jury handed down a not-guilty verdict on all counts, thus enabling Brenneke to walk away claiming that the October Surprise story had survived the government's best shot.

The verdict immediately kicked the daisy chain into overdrive. Reporter Bob Parry, who by his own account had been lukewarm about the October Surprise story, spent the next 10 months investigating it for PBS. Sick, assisted by Parry and Kilian, finished researching a book on it, and Brenneke began a new one of his own. His earlier book deal had collapsed after coauthor Stuart Diamond had complained of his inability to produce documentation. (Brenneke had promptly declared bankruptcy and pocketed his share of the \$137,000 advance). But shortly after, the trial researcher Peggy Adler Robohn offered Brenneke her services, and he began his work anew.

All along the daisy chain, meanwhile, others whose credibility had become linked to his urged him to keep laying in insurance. "You have the way to create media investigations," Northrop told him, "by simply telling a journalist or two something that happened, i.e., The Surprise." Brenneke complied.

One of the most useful insurance policies he coppered for himself involved a strange case of purloined computer software. Shortly before his trial, Brenneke scrawled a cryptic note to himself—"Iran Contra Mike Rechonashudo [sic].". A few weeks later, on May 17, he got a related call from Bill Hamilton, owner of a small computer company named Inslaw. Hamilton told him that back in the mid 1980s, the Justice Department had extorted some sophisticated software from Inslaw and then let it slip to Earl Brian, a confidante of both Reagan and Edwin Meese. The source for this story, said Hamilton, was Michael Riconosciuto, a technical wizard who is now doing time on drug charges. Riconosciuto had allegedly worked with Brian on a contra project. "Formerly helped contras with Reagan group," Brenneke jotted in a memo of the conversation.

Whether Brenneke discussed October Surprise with Hamilton is not apparent from the memo. But the following day Riconosciuto wrote himself prominently into the scandal. In a three-way phone conversation with Hamilton and Jeff Steinberg of Larouche's

organization, which had been sniffing around the Inslaw case and advising its principals, Riconosciuto said that he'd helped transfer \$42 million to Iran as part of the October Surprise deal. He also claimed that Brian, who has repeatedly denied wrongdoing, had gotten the pirated software as a bonus for his work on the project.

Within the next week both Honegger and Kilian called Brenneke to say that here was new proof for his story, and over the next several months Brenneke continued to talk with Hamilton, and with freelance reporter Danny Casolano, who was researching the Inslaw case. By fall 1990, according to Brenneke's files, Riconosciuto's "role" in October Surprise had greatly expanded. Hamilton informed Brenneke on October 19 that Riconosciuto "has told him Earl Bryant [sic] went to Iran in 1980 with Mike to deliver hostage delay payoff." Soon afterward Kilian advised Brenneke that "Riconosciuto says he saw me [Brenneke] in Paris October 1980."

The daisy chain went bonkers, hailing the Inslaw case as a new wedge into October Surprise, particularly after Ari Ben-Menashe and another burgeoning source, Richard Babayan, provided supporting affidavits to Hamilton. Their statements dealt only with Brian's alleged role in the software theft, not October Surprise. But no one seemed to notice. And after reporter Casolano died mysteriously in August 1991, the word went out all along the daisy chain that a deadly cover-up was in the works. Ben-Menashe's notoriety increased, and Gary Sick embraced Babayan, who'd been convicted of fraud in Florida, as an authority on part of the October Surprise. The fact that Babayan and Ben-Menashe shared a business connection in Chile—a fact made clear in their affidavits—raised no apparent concern about collusion. And once again, Brenneke's version of the truth gained new luster.

#### KILIAN SEALS THE DEAL

Throughout all this Martin Kilian, the journalist who'd done so much to make Brenneke what he was, continued to midwife everybody else's baby. Not until August 1991 did *Der Spiegel* publish a story based on his October Surprise reporting—the first in three years. But Brenneke, Sick, and Bob Parry all continued to draw on his handouts. Sick would credit Kilian with having briefed him regularly on a variety of October Surprise sources, and, based on Brenneke's own notes, Kilian did the same for him.

Shortly before Brenneke's trial, for instance, Kilian uncovered evidence that seemed to place a businessman, the late John Shaheen, in the middle of the 1980 dealings as an intermediary between Cyrus Hashemi and Casey, who'd worked with Shaheen during World War II. On September 7, according to Brenneke's files, Kilian shared the Shaheen tip with him, and according to Sick's book, the same information was passed to him. That of course was typical of Kilian. While keeping his own byline off controversial information, he always seemed willing to let others try to make it fly.

Typically, too, Kilian remained true to even the worst of the bad apples. Despite the questions surrounding Razine, he continued to tout his virtues to Brenneke, telling him in August that "Razine was part of clean-up crew" that had covered the conspirators' tracks in Paris.

Equally generous was Kilian's attitude toward Harry Rupp, whose credibility had likewise nose-dived. "Harry's dates still messed up," Kilian warned just before Brenneke's

trial. Yet, come the following November, Kilian was still pushing Rupp as a source. "Harry now says he did National [airport] to Paris non stop with Bush, Gregg, and one or two others," Kilian told Brenneke. Later Bob Parry sat Rupp down for a PBS interview and discovered that the pilot had suddenly remembered an even earlier Surprise episode—a series of meetings supposedly held in Madrid as a prelude to the Paris negotiations. That should have sounded alarms all along the daisy chain. It didn't. Gary Sick would later cite the Rupp interview as a prime reason for believing the Madrid meetings had happened.

As noted above, it was Kilian who had first glimpsed the "need" for earlier negotiating sessions. But only after Ben-Menashe and Jamshid Hashemi, Cyrus's brother, picked up on the Madrid theme in mid 1990 did this multimeeting theory of the conspiracy catch fire. Afterward, Sick and Parry became believers, and Brenneke began rewriting his book outline to place himself in every meeting anyone could think of.

"My major contribution to the story from a research point of view," Sick told the *Voice*, "was the Madrid meetings." As Sick recalls in his book, Jamshid boasted to him of having firsthand knowledge of these meetings. Jamshid claimed that in mid 1980 he and Cyrus had twice arranged for Casey to meet secretly in Madrid with the Ayatollah Mehdi Karroubi. During the first session in late July, he said, Casey had suggested that arms might be sent to Iran through a "third country" if the hostages were released as a "gift" to a fledgling Reagan administration. Two weeks later, by Jamshid's account, Casey had returned to Madrid to firm up the arrangement, and the Israelis had then secretly dispatched \$150 million in arms and spare parts to Iran, with Cyrus brokering the deal for a commission. The October sessions in Paris were icing on the cake.

When Ben-Menashe was asked about all this, he "confirmed" it, saying that he'd read about the Madrid sessions in Israeli intelligence reports. Later, reporters for ABC's *Nightline* discovered a hotel ledger that seemingly established Cyrus and Jamshid's presence in Madrid at the appropriate moment. They also found that Casey had been abroad at the time and that someone named "Robert Gray" had been registered in the Hashemis' hotel. Since that was the name of Casey's campaign deputy in 1980—the same Robert Gray who had written some of the most aggressive GOP strategy papers on the hostage issue—the glove seemed to fit perfectly.

And yet, there were holes in it. For one thing, as Jamshid had long ago intimated to LaRouche researchers, Madrid had been a way station in Carter's hostage negotiations in 1980. So there was ample room for confusion. In addition, as *Nightline* reported, much of Casey's three-day European junket in late July had been given over to a London conference. Though he could have darted off to Madrid and back, conference records admitted only a silverlike window of opportunity.

More troubling still were problems with the sources themselves, particularly Jamshid, whose memory seemed infinitely elastic. At one point, for instance, he told Sick that he'd been present for the Madrid negotiations but not the Paris ones, while in an interview with Kilian he glossed over Madrid and refused to specify whether he'd been in Paris. Anyone bothering to research, moreover, would have discovered that Jamshid had been unwilling to affirm to

LaRouche interviewers only a few years before that Casey was involved.

Nor did the particulars of the Madrid deal square with what was known of the Hashemis' opportunism. In 1984 a grand jury indicted Cyrus for petty arms smuggling to Iran, including transactions during the very period when he was supposedly brokering the \$150 million October Surprise shipment. Would Cyrus have bothered with such pennant stuff if he'd really been involved in such a bonanza? Simple logic says no.

Adding to the skeptic's brief are the FBI surveillance reports mentioned previously. Based on wiretaps of Cyrus Hashemi's business phones in late 1980, they indicate that this key "conspirator" was in New York on October 20, a date frequently associated with the Paris meetings. They also show that Cyrus took orders from Iranian, not Republican, agents in arranging subsequent weapons deliveries to Iran. Even more provocative is the newly revealed role of the Carter administration in his activities. Whereas conspiracy buffs like Jamshid and Sick argue that Cyrus helped the Republicans stave off a hostage release by smuggling arms to Iran, the wiretaps show that administration officials acquiesced in his weapons deals because of his importance to their own hostage bargaining. If the Republicans encouraged Cyrus in these ventures, weren't they then only mimicking the administration?

In late 1990 Kilian began to have his own doubts about the Hashemi story, and, according to Brenneke's files, complained that Jamshid might be an agent for Customs or even the CIA. Other sources also began to wear badly. In April 1991, *In These Times* published comments from Ben-Menashe that diverged from what he'd told Sick and others. The discrepancy involved that Washington get-together (reported so long ago) between Reagan campaigner Richard Allen and an Iranian emissary in early October 1980. Ben-Menashe said he'd accompanied Hushang Lavi to the meeting. But for Sick he spun a different tale, claiming that his companion was not Lavi at all, but a professor from Tehran University (an inconsistency that Sick noted). Lavi himself clouded things further by insisting that he'd handled the meeting alone—from a man who nearly four years before had denied knowing anything about the plot.

By mid 1991, the Surprise story was beginning to fray, partly because of mounting evidence that Bush couldn't have been in Paris during the crucial period of October 19 and 20, 1980. Kilian has told the *Voice* that he broke with Ben-Menashe over this issue. In May he also wrote Brenneke off after discovering that a letter "certifying" Brenneke's CIA recruitment had been forged.

If Kilian was beginning to have doubts, however, he was slow to tumble to the implications. Almost better than anyone else, he knew that the daisy chain was not divisible, that the bursting of one link affected the whole. He knew that Ben-Menashe had indirect links to Brenneke and that Ignatiew and Razine's credibility hinged on Brenneke's. He also knew that Lavi, Jamshid Hashemi, and Ben-Menashe were part of a skein that could not hold if any one of them proved untrue. Yet, *Der Spiegel*'s August 1990 story on the scandal merely recycled much of what Kilian had gotten from these sources, particularly Jamshid.

"If I had known that Jamshid was linked to Brenneke it would have raised a couple of questions," Kilian said. "I didn't think Jamshid was linked to Brenneke. I didn't

think Herrman or Ben-Menashe were linked to Brenneke. I didn't think that those sources that I used had any ties." When appraised that Jamshid knew Will Northrop, he said, "I didn't think they knew each other."

#### SICK'S RECYCLING MACHINE

Kilian's ability to censor out what he didn't want to hear clearly influenced Sick, whose recent book is a study in selective reporting. Time and again the author shaves facts that prejudice his sources or pet theories. He only barely touches on Cyrus Hashemi's complicating role as a Carter hostage negotiator, and overlooks Carter's hands-off treatment of Hashemi's illicit arms deals with Iran. (Sick would have us believe that it was solely the Reagan campaign, in collusion with the Israelis, that nurtured these deals and thus undercut Carter.)

Similarly, it is only from Honegger's book that we learn of gunrunner William Herrmann's conviction as a counterfeiter. Sick likewise ignores Razine's boast to the FBI about peddling false leads, the inability of Jamshid Hashemi and Hushang Lavi to stick to a consistent story about whether they took part in the Paris and Madrid sessions, and Ben-Menashe's failure to pass a polygraph test administered by ABC News shortly before Sick's publication date.

In interviews Sick has argued that a source's propensity for lying shouldn't discredit everything he says. But he fails to acknowledge that some of his sources stood to gain, even to the point of easing a prison sentence, by lying about the Surprise.

Though Sick may not have appreciated how interconnected his sources were, he surely knew that Kilian—the man he credits in his postscript as a "kindred spirit"—had flitted among many of them like a pollen bee. His book bristles with borrowings from Kilian's interviews, and where Kilian proves wanting, Sick substitutes gleanings from other reporters.

"Let's get it clear here," Sick said last Friday. "There was no conspiracy here. I was talking to Martin Kilian, I was talking to Bob Parry, I was talking to Craig Unger, anybody who worked on the story. And as we made a breakthrough in one place \* \* \* [and] when we asked where Casey is, some people went out to interview Meese. Nobody was telling anyone what to do. This was a voluntary group of people working on the story which I regard as almost the best of investigative journalism."

Indeed, the most remarkable thing about Sick's book is its derivative character. Only five of the 14 primary sources he cites for the Paris and Madrid meetings did he interview himself, thus casting doubt on his ability to judge the credibility of the lot. With few exceptions, moreover, his source list duplicates the one that Honegger used for her book two years before and that Kilian expanded with Brenneke's help. To be fair, Sick might well consider sharing with them the half-million dollars he's reportedly been promised in a second movie deal, for they provided the needed research.

The proof is in his page notes. Consider, for example, the sources he says vouched for the Madrid meetings. Besides Jamshid Hashemi and Ben-Menashe, he cites Brenneke's dubious friend Harry Rupp and Richard Babayan, the convicted defrauder whom the *Inslaw* documents link to Ben-Menashe. He also includes an Iranian exile who learned of the meetings only secondhand from the Hashemis, and a convicted weapons dealer, Arif Durrani, who has told the *Voice* that he knows nothing about any October Surprise meeting.

The same paucity of firsthand information is evident in Sick's account of the Paris sessions. Again, Ben-Menashe and the oblivious Durrani are identified as primary sources, but here Sick also relies upon Brenneke, Razine, Lavi, and Brenneke's newly tutored friend, Ignatiew. Two unnamed sources are mentioned; quite possibly they are the self-styled Israeli agent Ahran Moshell and Brenneke's pal Benes.

In addition, Sick cites Kilian as the source for speculation about the role played by Casey's friend Shaheen. He also slips weapons dealer William Herrmann into the mix, though he is careful to point out that Herrmann only learned of the October Surprise from Iranian procurement officer Nagashan. What he doesn't know, of course, is that Brenneke and his buddy Ignatiew opened lines to Naqashan in mid 1986. Nor does Sick seem aware that another of his principal sources, Iranian exile Ahmed Heidari, was involved in a business venture (the attempted tank purchase) that included Ignatiew and Brenneke, as well as Razine.

"Most of these men did not know one another," Sick writes of his sources. "The chance that [they] are telling their versions of the truth is much higher than the chance that they are all lying in concert."

Clearly, he has it wrong. Far from being disconnected, most of his sources spring from a group of international arms merchants and wannabes who got stung by U.S. Customs and by an undercover informant named Cyrus Hashemi in April 1986. To rule out collusion among them requires considerable charity, particularly since the October Surprise story indicts one member of the White House crowd—George Bush—who they felt had caught them out. What's more, since Brenneke's records show that none of his contacts had any original knowledge of the October Surprise, the real likelihood is that they improvised.

But if Sick misses this point, he also seems oblivious to the simple dictates of candor. Last September, the Voice exposed Brenneke as a fraud after discovering that his 1980 credit card receipts placed him nowhere near the Paris or Madrid sessions that he claimed to have witnessed first-hand. Had this evidence surfaced at his perjury trial in 1990, his defense would have collapsed. So would the credibility of at least five others—Razine, Riconosciuto, Rupp, Russbacher, and Northrop—who all claimed to have seen Brenneke in Europe in the fall of 1980. Yet Sick suggests in his book that Brenneke's whereabouts had no bearing on the accuracy of his charges.

Where Brenneke was, he says, "was not an issue in the trial. Brenneke had been accused of falsely stating that William Casey, Donald Gregg and possibly George Bush were in Paris on that particular weekend. \*\*\* Although this case received virtually no attention in the national media, it marked the first and only time that the U.S. Government had systematically and authoritatively attempted to refute the allegations of an October Surprise \*\*\* To my surprise and to the surprise of almost everyone who followed the trial closely, the failed."

With this kind of intellectual flexibility, the daisy chain should long outlive the earnest souls and pretenders who created it.

#### THE LINEUP—EARNEST SOULS AND PRETENDERS: THE MAKERS OF THE OCTOBER SURPRISE

Gary Sick—in researching his October Surprise book interviewed only half of the sources he cites for crucial conspirators'

meetings and often relied on hearsay from journalist Martin Kilian and others. While acknowledging the unreliability of some of his sources, Sick nonetheless built them into the scaffolding of his conspiracy theory, thus erecting an edifice of compounded error. In 1989 Sick became involved in a movie deal with Brenneke and producer Oliver Stone that gave the former NSC aide a financial stake in a theory he had only begun to research. Sick said the fact that he made movie deals and how much money they earned him were "totally irrelevant to the truth" of the October Surprise story.

Cyrus Hasehemi—allegedly the Reagan campaign's secret emissary to Khomeini in 1980, simultaneously pursued private Iran arms deals of his own, with the acquiescence of the Carter administration. If, as Sick and others claim, such under-the-table trade caused the ayatollahs to stall a hostage release, then Carter's own hands-off policy toward Hashemi may have been as much to blame as any GOP counterplot.

Jamshid Hashemi—one of the few key sources Sick interviewed himself, gave a different October Surprise story to extremist Lyndon Larouche's aides in 1983, leaving unclear if Reagan campaign chief William Casey was involved in earlier machinations to delay a hostage release. Jamshid has also equivocated about his own role, denying to Sick that he participated in a Paris plotters' meeting in 1980, while refusing to clarify this issue with Kilian.

Abol Hassan Bani-Sadr—Iran's exiled president, denied to Barbara Honegger in 1988 that he had any firsthand knowledge of the October Surprise conspiracy. Later, after feeding him background to improve his memory, she cited him as a prime source for her own conspiracy theories.

Hushang Lavi—U.S.-Iranian arms dealer told a Playboy interviewer four years ago that he knew nothing of a Reagan campaign effort in October 1980 to block a pre-election hostage release. The Playboy story itself—one of the first on the October Surprise—shortchanged this admission. Recently, Lavi has placed himself at the center of the October Surprise and become a prime source for Gary Sick.

Oswald LeWinter—also known as "Mr. Razine," the most creative October Surprise source, corroborated Brenneke, serviced both Sick and Honegger's research, and has tested Kilian's skepticism and found it wanting. Even though Kilian knew of self-serving changes in Razine's story and of an FBI report linking Razine to "false leads," the journalist has continued to quote him to others, and even urged him to testify "as a moral obligation" at Brenneke's perjury trial.

Ari Ben-Menashe—allegedly an ex-Israeli intelligence agent, shared friends and business interests with Brenneke in the mid 1980s. Sick has relied on Ben-Menashe and another business associate of his to buttress his own October Surprise theories, even while claiming in his book "most of these men did not know each other . . ."

William Herrmann, Hamid Nagashan, Ahmed Heidari, Nicholas Ignatiew—all prominent October Surprise sources, came together in various weapons deals in the mid 1980s in which Brenneke played a peripheral role. Sick discounts collusion among them, again in the belief that they share no common ground.

Martin Kilian—Washington correspondent for *Der Spiegel* and Sick's closest collaborator, has nurtured October Surprise sources, even dubious ones, by trading infor-

mation with them and other journalists. His own magazine has devoted only two stories to the scandal in three and a half years.

David Marks—Kilian's close friend, helping bring Sick and Brenneke together for an Oliver Stone movie project in 1989 that was to dramatize both men's conspiracy allegations by turning both into "characters," much like ex-New Orleans district attorney Jim Garrison in Stone's current film, *JFK*. Marks, who was rejected as a prospective investigator for Congress's October Surprise probe because of his "partisanship," is currently helping with a PBS *Frontline* "investigation" of Sick's allegations.

#### THE 50TH ANNIVERSARY OF VOICE OF AMERICA

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today marks the 50th anniversary of the Voice of America, a voice of truth that has resonated around the world for a period beginning 79 days after the entry of the United States into World War II to the crumbling of the Iron Curtain and the blossoming of freedom for millions of oppressed people.

We must hope that the future actions of this body will allow the Voice of America to continue to be the foundation for a voice of truth, a voice of ideals, a voice of human rights, a voice of freedom, a voice of economic growth to improve the quality of life for all people, a voice of peace, and that the Voice of America continues to be a beacon light that shines as an example of goodness to all people.

□ 1210

#### CONGRATULATIONS TO THE U.S. NATIONAL WOMEN'S SOCCER TEAM

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, on February 6 we commemorated "National Women and Girls in Sports Day" and in keeping with that special day, I want to bring to my colleagues' attention the tremendous achievement of the U.S. Women's Soccer Team in winning the world championship title last November 30 defeating Norway 2-1, in the games played in China.

President Bush honored the squad recently when they met with him at the White House. It was a well deserved honor. These women are great role models for today's young people participating in high schools and ever-expanding soccer leagues around our Nation. And worldwide, they are tremendous examples of the great American competitive sports spirit.

I am especially pleased to share this tremendous achievement with my colleagues because one of the members of

the U.S. Women's Soccer Team is my constituent, Wendy Gebauer, of Reston, VA, a forward on the squad and a member of the U.S. Women's team since 1987. Wendy graduated in 1988 from the University of North Carolina-Chapel Hill, where she finished as the seventh all-time leading goal scorer, playing for U.S. National Women's Team coach Anson Dorrance. AT UNC she was a member of three NCAA championship teams for the Tar Heels and a two-time second-team All-American in 1987 and 1988.

With the U.S. Women's Soccer Team's world title, we now have an event that is more than just an average soccer story. It was U.S. soccer's shining moment—a unique performance without equal in American soccer history. I was pleased to be a cosponsor of Congresswoman SNOWE's resolution which the House passed to commemorate "National Women and Girls in Sports Day." It is a fitting time on which to make special note of our country's first international soccer championship on any level.

This commemoration might also be a good time to promote the inclusion of women's soccer as a gold medal sport at the 1996 Olympics, which this Nation will host in Atlanta. It was dismaying to read recent news reports that women's soccer may be pushed back to the year 2000 Olympics. I am sure the many thousands of soccer players and fans in northern Virginia and around the country would agree that women's soccer should get its opportunity to compete in 1996. Women's soccer competition in the Atlanta Games would provide a continuing opportunity to encourage more participation in girls' soccer by promoting the U.S. women's national team and improving youth programs in our States. I hope my colleagues will join in recognizing the world champion U.S. Women's Soccer Team and in promoting a women's soccer gold medal in 1996.

**COMMUNICATION FROM HON. LINDSAY THOMAS, MEMBER OF CONGRESS**

The SPEAKER pro tempore laid before the House the following communication from Hon. LINDSAY THOMAS, Member of Congress:

HOUSE OF REPRESENTATIVES,  
Washington, DC, February 20, 1992.

Hon. THOMAS S. FOLEY.

*The Speaker of the House of Representatives, H-204, The Capitol, Washington, DC.*

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L (50) of the Rules of the House that I have been served with a subpoena issued by the Ware County Superior Court in the State of Georgia.

After consultation with the General Counsel to the Clerk, I will make the determinations required by the Rule.

Sincerely,

LINDSAY THOMAS,  
Member of Congress.

**"HIGH POLITICAL THEATER"—OR LOW POLITICAL FARCE?**

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, our good friend, the distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois, Mr. DAN ROTENKOWSKI, was on ABC's "Good Morning America" this morning. And he told Charlie Gibson that what we are going through on the competing economic growth packages is "high political theater."

Now, the chairman makes a very valid point. The Democrats have put on flop after flop in their quest for the White House, receiving terrible reviews from the American people. So now they have come up with their new musical melodrama, "The Phantom of the Tax Cut."

Their script is full of political cliches. The music is discordant. The current star, charismatic Paul Tsongas, wants a total rewrite, and, as usual, there is no public rush to the box office.

Who could believe a script that asks us to believe that economic salvation is gained by doling out 4 bits a day to each member of a family of four?

I have often wondered what critics meant when they referred to "the theater of the absurd." Now we know. It is the Democrats in pursuit of an economic policy.

The Democratic "Phantom of the Tax Cut" ought to close out of town, Mr. Speaker. It is not high political theater. It is low political farce, getting less funny every moment.

**COMMITTEE ON RULES ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS TO H.R. 3844, HAITIAN REFUGEE PROTECTION ACT OF 1992**

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute.)

Mr. MOAKLEY. Mr. Speaker, the Committee on Rules is planning on meeting on Tuesday, February 25, 1992, on H.R. 3844, the Haitian Refugee Protection Act of 1992. In order to provide for an orderly process in the consideration of this matter, the Committee on Rules is requesting that Members submit 55 copies of their amendments to the bill, together with a brief explanation of the amendment, to the committee office at H-312, the Capitol, by 12 p.m., Tuesday, February 25, 1992.

Copies of the text of the bill are available at the Judiciary Committee at 2138 Rayburn and at the Office of Legislative Counsel. In considering the submitted amendments, the Committee on Rules will understand if the amendments are not drafted in proper form due to the lack of availability of

the reported bill. Again, the committee would urge Members to submit any amendments to the Committee on Rules at the earliest possible time but in no case later than 12 p.m. on February 25, 1992.

**THE CASE OF IRAQ AND THE EXPORT-IMPORT BANK**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, this special order is another in a series of special orders related to the Banking Committee's investigation of the Atlanta branch of the Banca Nazionale del Lavoro [BNL]. Today I will show how the State Department continually pressured the Export-Import Bank to approve loans to Iraq despite the fact that Iraq was not creditworthy.

BNL was the second largest bank participant in the Eximbank program for Iraq. Eximbank insured 51 BNL financed transactions which aggregated \$47 million in value.

Over the years, top levels of the administration, including President Bush, repeatedly intervened with the Eximbank in order to assist Iraq. During the entire United States-Iraq relationship, the State Department and other agencies pressured the Eximbank to disregard its charter in order to provide credit assistance to Iraq.

The policy toward Iraq is by far the most tragic foreign policy episode of the Bush and Reagan administrations. Whether that policy was to use Iraq to stop Iran, or later, to eject Saddam Hussein, or to bring about regional stability—it is a policy that ended in war and the loss of many precious lives—and with no long-term goal achieved—yet it remains a story that is largely untold.

The Iraqi invasion of Kuwait had a financial cost to the United States taxpayer because Iraq has now defaulted on \$2 billion in loans guaranteed by the Agriculture Department and the Export-Import Bank on letters of credit to Iraq financed through the agency Banca Nazionale del Lavoro in Atlanta.

The following will illustrate how the Export-Import Bank was cajoled into granting credit for Iraq even though the financial experts at the bank repeatedly warned that extensions of credit to Iraq did not offer a reasonable assurance of repayment. In fact, Iraq later defaulted on its Eximbank commitments.

**INTRODUCTION**

On June 15, 1990, Assistant Secretary of State John Kelly explained in congressional testimony the latest goals of the administration policy toward Iraq. There were: First, maintaining the supply of oil from Iraq; second, maintaining stability in the entire Gulf and its oil supply; third, ensuring Iraq's mod-

eration in the Middle East peace process; fourth, preventing the proliferation of missiles and nuclear, chemical, biological, weapons, and fifth, promoting the improvement of Iraq's human rights record.

□ 1220

The most important event early in United States-Iraq relations was the Reagan administration's removal of Iraq from the list of nations supporting terrorism in 1982. By removing Iraq from this list, the administration granted Saddam Hussein instant access to United States agriculture assistance and opened the door for Iraqi participation in Eximbank programs as well as making sophisticated United States technology available to the Iraqi military.

Starting in 1983 Iraq exploited its newfound status by using CCC backed credit to purchase \$365 million in United States supposedly agriculture products. By 1990 the amount of United States Government guaranteed sales of supposedly agriculture products to Iraq had grown to over \$1 billion annually.

This policy not only fed the people of Iraq, which is fine and well, but it fed the armies that Mr. Saddam Hussein had been raising and had enabled him to wage war and prepare for additional war, and it helped to keep him in power.

It also assisted U.S. agricultural producers who were down on their luck due to the farm crisis experienced during the first half of the 1980's. The U.S. was not alone in pursuing this policy.

A lot of the credits that were funneled in the name of the agency in Atlanta, B&L, actually went through, roughly speaking, a syndication process, the Morgan Bank in Pennsylvania, which in turn went through multiple other banks in Germany, France, and other countries. But the total exposure by the time of the invasion in Kuwait in August of 1990 of Iraq to 10 major Western creditors was over \$12 billion.

While Iraq's removal from the terrorist list instantly opened the door for the sale of Government guaranteed agricultural exports to Iraq, the ability to utilize Eximbank programs was more difficult.

The Eximbank relationship with Iraq, which began in 1984, has a long and checkered history. Eximbank opened up for business not long after President Reagan removed Iraq from the list of nations supporting terrorism. There was no relationship prior to that time because the Eximbank charter prohibited the Bank for dealing with terrorist nations.

The Export-Import Bank Act states that all transactions supported by the Bank shall and I quote from the charter, " \* \* \* in the judgment of the Board of Directors, offer reasonable assurances of repayment. \* \* \* " But during the 1980's Iraq rarely, if ever, truly

met this criteria. It took interventions and constant pressure, often from high level State Department policymakers and even President Bush, to permit Iraq to utilize Eximbank programs.

Both the administration and Iraq saw the Eximbank program as vital to their interests. For the United States, it promoted United States technology sales, and supposedly added stability to the region by permitting the administration to use the program to modify the actions of Iraq.

For Iraq, an Eximbank program would allow access to United States high technology goods, but most importantly, it would send a signal to other nations that the strongest country in the world, the United States, considered Iraq creditworthy. That would have the effect of opening up new sources of credit which in turn could be used by Iraq to sustain itself during the tough economic times brought on by its war with Iran.

Under the Eximbank program, American exporters were insured against the risk of nonpayment by Iraqi purchasers under a short-term facility—that means that the guarantee was usually good for only 1 year. From the inception of the program in 1984 until March 1986 when Iraq was suspended from the program, Iraq used the program to buy United States agricultural products, pesticides, small motors for air-conditioners, medical supplies, oil equipment, and heavy machinery. The Iraqi military also utilized the Eximbank program by purchasing 250 armored ambulances and portable communications equipment.

While most of the transactions were relatively small, the largest transaction approved by Eximbank was the Aqaba oil pipeline project. Eximbank guaranteed \$484 million of the \$1 billion project led by the giant firm Bechtel. For unknown reasons this project was never consummated, but later in this presentation I will reveal that this was the first time then Vice President Bush intervened at the Eximbank to win approval for an Iraqi project.

In March 1986, Eximbank suspended Iraq from its programs because of continual payment problems. This suspension was effective until the Exim Board of Directors reopened for business with Iraq in July 1987. From July 1987 to August 2, 1990, the Kuwaiti invasion, Eximbank provided financial assistance for 187 United States export transactions totaling \$267 million.

The chronology of the Eximbank decisions to finance the Aqaba pipeline are extremely interesting and at the same time, in retrospect, quite troubling.

On March 16, 1983, the Secretary of the Department of State, George Shultz, received a memo explaining the Eximbank position regarding Iraq. The same memo read, and I quote:

Eximbank is discouraging the new inquiries from U.S. exporters regarding Iraq because of the war's effect on Iraq's economy.

This decision was based upon the Export-Import Bank Act requirement that there be a "reasonable assurance of repayment."

Over the next 7 years the State Department and the White House would pressure the Eximbank repeatedly to gain access to guaranteed financing for Iraqi projects.

The most prominent of these projects was an Iraqi oil pipeline with an outlet at the Red Sea Port of Aqaba, Jordan. This contract alone was worth \$1 billion for its contractor, Bechtel, the California engineering conglomerate. Secretary of State George Shultz and Bechtel had a longstanding business relationship. As a matter of fact, Secretary Shultz came from Bechtel, and he came back from Bechtel. He worked at Bechtel prior to becoming Secretary of State and, as I say and repeat, he went back immediately upon leaving the State Department.

Other high officials in the Reagan administration involved in this project including President Bush, the current Deputy Secretary of State, Lawrence Eagleburger, former Attorney General Ed Meese, former NSC Director Robert McFarlane, and former CIA Director William Casey. At various times, every one of them contacted the Eximbank to obtain financing for the Aqaba pipeline project. These officials all had one thing in common—they saw Eximbank financing as crucial to United States-Iraq relations.

To illustrate that point consider the following:

A December 21, 1983, telex from the U.S. interest section in Baghdad to the Secretary of State says:

We should give serious thought to offering Eximbank credits. \* \* \* New U.S. credits in combination with our CCC credits would demonstrate U.S. confidence in the Iraqi economy.

In a December 22, 1983, memo to Mr. Lawrence Eagleburger, the State Department's Richard W. Murphy says:

The U.S./Iraq political relationship could be advanced by Exim financing which has previously not been possible for political reasons. \* \* \* Viewed in combination with CCC credits already granted Iraq, an Exim gesture would go far to show our support for Iraq in a practical, neutral context. \* \* \*

In a letter to William M. Draper III, then Chairman of Eximbank, Lawrence Eagleburger states:

I would like to bring to your attention the important role Exim can play in furthering long range political and economic interests of the United States by being receptive to financing American sales to and projects in Iraq. From the political standpoint, Exim financing would show U.S. interest in the Iraqi economy in a practical, neutral context. This evidence of our interest in increasing commercial relations also will bring political benefits.

□ 1230

Mr. Speaker, at this time I would like to say that some documents that I have accumulated in support of what I

am saying, instead of interspersing them I will offer them at the end of this special order today for the RECORD.

These documents reveal that in 1983 then Under Secretary of State for Political Affairs, Lawrence Eagleburger wrote to Export-Import Bank Chairman Draper urging the Export-Import Bank to open its program to Iraq, as I have just stated.

In 1989, Mr. Eagleburger wrote the Treasury Department to express his support for the \$1 billion CCC Program for Iraq. Remember, that \$1 billion is guaranteed by the taxpayers. They are going to have to shell that out.

Previously, I had reported that Mr. Eagleburger was the Director of the Yugoslavian LBS Bank just prior to his confirmation as Deputy Secretary of State. I have already brought this out on two occasions. I offered the documentation.

Mr. Eagleburger was instrumental in getting LBS established in the United States. I wonder where that bank is now, the Yugoslavian.

I also reported that B&L was instrumental in getting LBS established in the United States in that B&L was the largest source of funds for LBS, the Yugoslavian Bank, and this comes back to what I said awhile ago.

Something I will say now parenthetically by way of explanation. When we talk about these foreign entities, banking entities doing business in the United States, there seems to be no perception even among our monetary leaders that we are not dealing like we do with an American banking system, a private system. Almost every one of these banks are government owned. The B&L, for instance, is literally owned by the Italian Government. Therefore, the Yugoslavian Bank from which Mr. Eagleburger was on its Board and intervening in the United States in behalf to help to get set up, dovetailing with the fact that its financial nexus or background would be the B&L, a foreign-based entity owned by another government.

These are facts that are not factored in. The reason we are going into this, and have for over 1½ years, is that it has everything to do with the fact that in our country we are the only country of any consequence of any industrial size that does not have any kind of regulatory protection that will protect the public interest.

We know we have over \$800 billion of this kind of money in this country. What we do not know is who knows where it is going and how it is handled and how it is leveraged. Only a small chunk of that is highly leveragable from drug money laundering to such things as the procurement of sophisticated weaponry and technology for other countries that today may be off that list, but tomorrow, who knows, as in the case of Iraq.

Previously I had reported that this B&L was instrumental in this financing, because as I said a little bit earlier, these banks anymore than in the case of Iran and the hostages, at the bottom of all that is banking. Everything that happens around the world and ever has happened, at the bottom of it is financing or banking. Just as in the cause of the Shah where one of our big banks in the United States had a \$10 billion exposure, and that is what the hostage taking was all about. What people do not recognize is when the hostages were released, the same day that President Reagan took his oath of office on January 20, 1979, an official at the Federal Reserve Bank in New York pressed a button and released about \$3 billion in London to Iran and then they released the hostages. So all of that is at this point in the background. It is not directly connected, other than the fact that it is the pattern that has existed and against which activity that would be contrary to our national policy is possible to happen without any regulatory oversight on our part. Neither the Federal Reserve Board nor these agency banks which are chartered by the States, the Atlanta Agency of the Banca Nationale is a Georgia State-chartered institution.

Now, how in the world, as they found out in the stinkeroo that resulted from these deals, can that State be equipped to adequately monitor and oversee that entity? If the Federal Reserve Board cannot do it in the case of the parent bank in New York, how in the world can a State regulatory commission do it?

So this is why we amended the law. I had been advocating changes in the international banking law, which incidentally we first passed in 1978 as a result of the hearings that I caused to bring about in San Antonio, TX. There was not any law then. In 1978 we got a little law, but never adequate. We had some amendments that strengthened it. My contention is that they are inadequate, yes, and this is why we are going into it, because we have a legislative purpose. We are not bringing out details in order that we can intentionally or with any kind of planned approach try to reveal somebody's embarrassment. We are here to show the sorry role and the breakdown that our regulatory system has been undergoing for decades in our country.

After the war, after 1945, this whole thing changed. We were no longer the still pretty much provincial country we were.

And at this point there is such a tremendous exposure to the national interest that it behooves us to keep talking about it. It is not making any news stories. The newspapers have not picked up on this at any time, and we are not doing it for that reason. We are not issuing releases. We have had newspapers that have picked up months

later because of some independent discovery they made somewhere, somehow, but which actually is repetitious to what we have been placing in the RECORD for my colleagues to have for more than 1½ years.

Another fact I have previously revealed was that B&L was a client of Kissinger Associates during the time when Mr. Eagleburger and Mr. Scowcroft, who is now the National Security Adviser, were directors of Kissinger Associates.

The beauty of this game is that these fellows can wear all kinds of hats and then they can come and wield all kinds of power. Then they can go back and pick up that other hat that they had temporarily not used.

Now, they are not elected. People have no control over them, only through the President.

What would happen if we were to have anything like that happen on a congressional level? Man, you would be hearing the biggest ruckus ever.

What has not been revealed to date is the following: Mr. Eagleburger who was an active participant in United States policy toward Iran was involved in handling of the B&L scandal at the State Department in 1989 to 1990. The committee has also learned that B&L provided millions in credit to a firm called the Impex Overseas Corp. in New York. Impex, also a Yugoslavian firm, was instrumental in getting the Yugo automobile into the United States. Mr. Eagleburger was also a key figure in the introduction of the Yugo into the United States. He is also a board member of the Yugo Bank. So now he makes policy. He is the Deputy Secretary of State. He is not a lowly assistant somewhere down the line.

As National Security Director, Mr. Scowcroft is instrumental in carrying out United States policy toward Iraq, of course.

I had reported earlier that Henry Kissinger was on the International Advisory Board of B&L in Rome.

A new revelation regarding Mr. Scowcroft is that while working under Mr. Kissinger and Kissinger Associates, Mr. Scowcroft twice briefed the B&L International Advisory Board for a fee. This Board meets in Rome.

□ 1240

Mr. Kissinger also derived a fee. Every time he sat and met, he would get no less than \$10,000. So, it was not a pro bono thing. He was an adviser of the Italian Government-owned bank, not a private bank like we are accustomed to seeing in the United States.

BNL loaned over \$4 billion in loans to Iraq, \$2 billion to the secret Iraqi military procurement network. Also, BNL was by far the largest bank participant in United States credit programs for Iraq, financing over a billion dollars in the United States export guarantees to Iraq.

In fact, it was because of the BNL scandal that the United States withheld \$5 million in CCC credit for Iraq in 1990.

The BNL scandal also brought about the cutting off of the prime source of funding to the Iraqi procurement network.

Now, how did I come across this? That is very interesting.

About 2 years ago, a little better than 2 years ago, I believe it was, in the Wall Street Journal, I picked up a little, small item saying that \$2 billion worth of letters of credit had been issued through an Atlanta bank to Iraq.

Well, one thing that caught my attention was \$2 billion? A bank in Atlanta? What was this all about?

So, it took a long time before I could find out what it was and that it was a branch and what not. In the meanwhile other things happened unknown to me that were focusing on the fact that a scandal was brewing, that there had been a lot of cheating, lying, conniving, and cooking of the books at this agency.

And the question was: Did the bank headquarters in New York or in Rome know? To this day they have an investigating committee of the senate, that is the Italian senate in Rome, Chairman Carta.

It is funny how things work out in life. I did not have the slightest notion that there were questions beginning to be raised about some of the mysterious goings-on as far as the bookkeeping was concerned with that agency.

But in the meanwhile the Italian Government has also been very concerned and started, about that time, because the Italian taxpayers were also exposed to about 2 billion dollars' worth on these letters of credit.

So, when we finally did go into it, it was an election year, 2 years ago, and we had the first hearing. Unfortunately, and understandably, it was right on the eve of the election and we could not get much interest, but we had the first hearing.

It was very important because we found out that the Justice Department, the Attorney General, Mr. Thornburgh was very, very incensed that we would dare have hearings on this matter. I could not believe it until he sent me a letter. First, he wanted to meet with me privately. I said, "No, I don't do that." I never did. I am not the committee. I am just the chairman of the committee.

So, if we have any kind of business like that, it is going to be discussed as a matter of policy with the membership of the committee.

Mr. Speaker, I yield to the gentleman from Kansas.

Mr. SLATTERY. I thank the gentleman for yielding, and I want to rise today to say that I really deeply appreciate the gentleman from Texas [Mr. GONZALEZ], the chairman of the Com-

mittee on Banking, Finance and Urban Affairs, taking the time that he has today to attempt to inform the American public about what I see as a very serious problem.

Mr. Speaker, I would observe that the newspapers across this country just this weekend carried headlines raising questions about what President Bush and his administration were doing in the days and months preceding the Iraqi invasion of Kuwait.

The Kansas City Star, the paper that I read coming back from my district this weekend, carried a front-page story outlining a very, very troubling record of what I would have to call appeasement.

I would just observe that I think it is important for the appropriate committees of this Congress and for the appropriate press groups around the country to really ask some very important, fundamental questions: Who was really advancing this policy of appeasement with Iraq prior to the war? Who were these people? Was it President Bush? Was it then-Vice President Bush in years past? Was it other aides in the White House? Or was it all of the above?

These stories raise questions about other agencies of the Government resisting attempts, apparently coming from the White House, to extend billions of dollars in credit to Iraq. As far as I am concerned, this is a record that is very troubling.

You know, I would observe to the gentleman from Texas that the President and the team around him like to view themselves as experts in the area of foreign policy. Well, when one reads the press accounts of their record prior to the Kuwaiti invasion, it raises questions about just exactly how much did they know. Where was the CIA? Why could not the CIA tell them what was going on with Saddam Hussein?

Just last night, the television program "60 Minutes" ran a very, very revealing and troubling review of Saddam Hussein's treatment of the Kurds.

It just seems to me that the intelligence community should have been able to provide our President with this kind of information.

Mr. GONZALEZ. The CIA, let me say, our records show—and the gentleman is a member of the Committee on Banking, Finance and Urban Affairs—and he will recall that in fact, I think, he joined us and we voted, all of us, for almost 100 subpoenas for documents. We have not been able to get all of them. The Federal Reserve Board itself, for instance, kind of stonewalled us, and the State Department.

But we had subpoenaed the documents that actually there was no reason why they would not be public and certainly they should be available to the Committee on Banking of the U.S. House of Representatives. But the fact remains that we are in the process of

repeating the error, believe it or not, this time in the case of Iran. There is good reason and some evidence to show that here lately we have been sort of helping Iran to obtain quite a heavy procurement of armament and weaponry.

What is the purpose? What does Iran want it for? That is a good question.

But at this time what I have seen, that which I have seen in the newspapers, has been pretty much tracking what we have been bringing out, particularly within the last year.

We placed in the record, showing clearly that the Export-Import Bank had been pressured. The CIA did do its job, but it was neutralized by higher orders.

Mr. Speaker, I yield further to the gentleman.

Mr. SLATTERY. I just think the gentleman should be commended for bringing this whole matter to the attention of the American public and our colleagues here on the floor of the House. As far as I am concerned, there are some very fundamental questions that have been raised by the gentleman and also raised by press accounts all across the country.

□ 1250

These questions need to be answered, and I think that the President of the United States needs to explain to the people of this country what he was doing prior to the Iraqi invasion of Kuwait, why he was so committed to this policy of trying to appease Saddam Hussein, and that is about the only word that I can think of to accurately describe this policy, and, if the gentleman recalls, even a few days prior to the Iraqi invasion of Kuwait we had a vote here on the floor of the House to extend the export enhancement program to Iraq, and the administration's position just a few days prior to the invasion was we did not dare offend Saddam Hussein, for goodness sakes, and this was a man who was committing atrocities against the Kurds and his own people, and apparently the CIA had knowledge of this.

I just think there are some very basic and important questions here that demands answers, so I commend the gentleman from Texas [Mr. GONZALEZ] for bringing this issue to the floor of the House, and I just hope that the appropriate committees seize this issue, bring before them the officials in this Government that had knowledge of these policies. I would like to know who was promoting these policies that were dead wrong, and I would like to know who was opposing these policies in the administration at the time. I think the American public has a right to know that basic information.

I commend the gentleman from Texas [Mr. GONZALEZ] for his interest in this.

Mr. GONZALEZ. Mr. Speaker, I deeply appreciate the gentleman from Kan-

sas [Mr. SLATTERY] who is a very distinguished member of the Committee on Banking, Finance and Urban Affairs. He has not been on it too long, but, by golly, he came on board as if he was a long-time veteran of the Committee on Banking, Finance and Urban Affairs, and I deeply appreciate this.

Let me say in all fairness that the subcommittee that our distinguished colleague, the gentleman from North Carolina [Mr. ROSE], heads has and had been looking into the agricultural, the credit commity, aspect of the extension of the letters of credit, and I think they did not have an easy time getting information and documentation either. And as far as the CIA is concerned, as my colleagues know, we voted subpoenas directed to the CIA to see if they would provide us with some documents. They have been cooperative to a certain extent, but we have not bothered. We did coordinate with the Intelligence Committee, but I do know that our records show that in some of the meetings in which they had interagencies, including the CIA, discussing the Export-Import Bank guarantees, the CIA was present. They did indicate their chief financial officer, as I said a while ago, was saying it is not creditworthy, and what I am doing, and I will say this a little bit later, I am asking the GAO to look into that and find if this evidence does not show that the Export-Import Bank violated its charter because their charter mandates that they not provide credit unless there is a very, very positive assurance that the ability to repay is there, and they knew it was not.

Mr. SLATTERY. Well, again I thank the chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Texas [Mr. GONZALEZ], for his interest, and I look forward to working with him as we try to find some answers to some very important questions that the American public has a fundamental right to, especially during this election year when this President is going to be asking the American public to send him back to the White House based in large part on his performance in the area of foreign affairs.

I would just observe, when we learn more about how we got into this mess in Iraq, there may be a lot of people in this country that conclude, as I have concluded, that some of these people do not know as much about foreign affairs as they would like for the American people to think, and again I thank the gentleman.

Mr. GONZALEZ. Mr. Speaker, I say to the gentleman, "We're going to need your help, Mr. SLATTERY, and I really appreciate your very kind words."

What happened, as a result of the questions that began to arise soon after there were some very serious problems arising because of an Ohio plant that was being used as part of the

Iraqi network, and then showing where some of the money, based on the extension of the letters of credit, had been diverted for the procurement of such things as that somewhat publicized giant gun, the inventor of which was assassinated in Belgium in the midst of its almost, if not actually, delivery to Iraq. Well, the funding came through these devious mechanisms, or network we call it, that actually originated in America.

Well, one thing that those mutterings and those suspicions did do was to cut off the prime source of funding, but that funding was going on, as the gentlemen from Kansas [Mr. SLATTERY] brought out, right up to the eve of the invasion of Kuwait on August 2, and earlier I read the memorandum from this official Kelly in which even as late as June he was urging the procurement for Iraq. There is no doubt that Mr. Eagleburger and Mr. Scowcroft continued to work on the United States policy toward Iraq despite their past ties to BNL.

This seems to me that, if we reached a point in our country where we have to have conflict of interest spelled out, and this is what I have said about all the code of ethics and what not: I do not care what laws we write. The Constitution says we have to be 25 years of age at least in order to offer our candidacy for the U.S. House of Representatives. If we have to wait after we are 25 to come up here and learn what is ethical and what is not, it is too late. I do not know of any code that is not going to be evaded by those that want to. But it seems to me in this case where we have high policymakers, the case where we have men on August 3 sending an expeditionary force at the time of a quarter of a million Americans, and without the Congress even raising a whimper—now I am on record—I wrote our leaders. I even urged that they call the Congress into session to consider that matter in August 1990. But of course, as my colleagues know, why look upon myself as being a big, earthshaking official, but I do think that there are basic principles involved in this case, the Constitution, where the Congress has a constitutional duty incumbent upon it.

I have always said, and I say it now, and I will always say it despite whatever is done: In the case of conflict of interest, my goodness, if we have the highest policymakers suddenly deciding to tell the President that he has got to go to war over a country that just before they took that office they were working for an outfit promoting the very, very ability and help that this country had to have in order to do what they were declaring war about, it seems to me the least they could do would be to say, "Mr. President, despite our willingness and our ability, we want to advise you that we think you ought to get advice for other quar-

ters at this point in the privity of your confidence with other distinguished Americans. But we think that at this point, no matter what decision would be made, it would be colored by the very fact that we gained profit just a few years ago from our dealings and stimulating dealings with this country now that suddenly is an enemy country."

But that does not happen nowadays. It used to be we would have men in our offices that, even if they disagreed with the President, not any conflict of interest, but just said, "I just can't go along with this policy," and they would quit; they would resign. They still do it in Europe and in Britain. Ministers still quit because they do not agree with the prime ministers or whoever.

So, anyway, that is just a little aside that makes me wonder. I do know that we have the ample evidence here that, regardless of the importance of the Export-Import Bank, that all these officials, including then-Vice President Bush, were urging that the Bank go into, the evidence clearly showed at the time, and all the leading financial individuals in Exim, were to the effect that Iraq was not creditworthy.

□ 1300

To illustrate that point consider the following:

A February 21, 1984, Eximbank country risk analysis states:

In the staff's opinion, due to both unsatisfactory country economic conditions and the possibility of physical damage to new projects due to the ongoing war, there would not be reasonable assurance of repayment for any medium-term and long-term transactions. \*\*\*

A November 28, 1984, telex from Baghdad to the Secretary of State said:

From a look at estimates of Iraqi economic statistics one would have to conclude that the Iraqi economy has suffered a serious decline.

On April 15, 1984, Eximbank denied a request to support exports totaling \$159 million to Iraq. Eximbank reasoned that the transaction did not meet the legislative requirement of reasonable assurance of repayment.

But the Eximbank decision to limit its exposure to Iraq for practical and legal reasons was not welcomed at the State Department.

A March 8, 1984 telex from Baghdad to the Secretary of State says:

Exim's apparent decision against financing major projects in Iraq has the potential to critically affect vital United States interests.

A March 25, 1984, telex from Secretary of State to Baghdad states:

Exim is not approving medium and long term credits to Iraq because of doubts regarding repayments prospects. We have urged Exim to reconsider this policy in general. \*\*\* We are seeking directly and through the NSC to ensure that [one] decision does not prejudice future consideration of credits for the pipeline.

Given the Eximbank's reticent position regarding Iraq, the State Department raised the stakes by getting then Vice President Bush involved in the project.

The Vice President's staff asked the State Department to prepare a background paper for a phone call to Eximbank Board Chairman William Draper concerning Exim financing of the pipeline.

The memo states:

Given the importance of these projects to our overall policies in the region, Deputy Secretary Dam is calling (Eximbank Chairman) Mr. Draper to reiterate our foreign policy interests. \*\*\* We understand that National Security Advisor McFarlane may also call Draper. A call by the Vice President would be particularly useful in confirming the Administration support for these projects. \*\*\*

One of the talking points prepared for the Vice President's call states:

Eximbank could play a crucial role in our efforts in the region. Early and favorable action on applications would be clear and very welcome evidence of U.S. commitment to these objectives.

Clearly, the highest levels of the administration placed tremendous importance on the Aqaba pipeline project. On June 19, 1984, the Eximbank's Board met and not surprisingly approved a preliminary commitment of \$484 million for the Aqaba pipeline for Bechtel. As a side note, the report read:

Under normal peaceful circumstances, this project would not be economically viable.

Can you imagine that? Under normal circumstances this project would not be viable. Oh, but it involves Bechtel. But Bechtel, as President Eisenhower said, is a mighty component of this great industrial defense complex, which in effect has been determining policy for our country, and particularly in the last two administrations.

So wherein is the public protected? If the Congress abjectly sits by and says, "Well, we can't bother too much with it; after all, this is private enterprise." Let me remind my colleagues, Hitler had private enterprise until the day he died in that bunker in Germany. He did not have free enterprise, but he had private enterprise.

So let us talk clear from here on out, my colleagues. Because what is at stake at this time, and this is just a small little, little, little bit of the overall complexity of the crisis that our country is perilously hanging on the precipice. At stake is everything. At stake is our economic and financial freedom. Not just the leadership, but the freedom of our country and our children and grandchildren, as well as what is involved inextricably, the vaunted American standard of living.

This is what is at stake. We are much closer to the brink and the precipice than wants to be acknowledged. If people in power are afraid to tell the truth to the people because it is not that they feel acceptable, let me disabuse

their minds. The people I know and I met, from one end of the country to the other, want the truth. If they know the truth they can judge the unpalatability and the unpopularity of the political issue. But they are going to be above all grateful for being informed and know the truth, so that they can determine their basic duties as freeborn American citizens, still with some vestige of our processes involved, but which, I fear, unless we work at it, are not self-perpetuating and will not be ensured for our posterity.

But if informed, and only on the basis of information, can that citizen participating in his fundamental duty exercise judgment and function, as the Constitution says we should, properly and knowledgeably.

This was not the last time the State Department would recruit Vice President Bush to assist Iraq with the Eximbank.

#### CHRONOLOGY OF THE 1987 DECISION TO RE-OPEN FOR BUSINESS IN IRAQ

At this time I would like to place in the RECORD a February 26, 1987, memo that contains talking points and background for Vice President George Bush's phone call to Eximbank Chairman John Bohn. The memo was prepared by the State Department and it was related to the State Department's desire to give Iraqi Ambassador Nizar Hamdoon the news that the United States would make hundreds of millions of dollars of credit available via the Eximbank.

In short, the memo reveals that the State Department suggested that the Vice President call Eximbank's Chairman in order to urge him and his colleagues on the Eximbank Board to give favorable consideration to Iraq's request for an additional \$200 million in short-term credit. The memo was also intended to point out the advantages for United States policy of a quick Exim decision to resume short-term insurance coverage to Iraq.

On May 15, 1987, in a surprise move, and against the advice of the Eximbank professional staff, the Eximbank Board of Directors reversed its policy and approved a new \$200,000,000 short-term credit program for Iraq.

This is credit that has not been made good and for which under our laws and responsibilities the taxpayer must end up paying for.

Could it be that a call from the Vice President could sway the Eximbank Board into reversing its policy on Iraq? Given the very severe doubts about Iraq's financial condition it is hard to draw any other conclusion. In order to better understand the Board's decision, I will provide ample evidence that Iraq's precarious financial condition indicated that it did not offer a reasonable assurance of repayment as called for in the Eximbank charter.

For 18 months prior to the Board approving the new \$200-million credit program, Iraq was suspended from Eximbank programs for constant arrearage. At one time during this period Iraqi arrearage reached over 60 percent of its outstanding commitments with the Eximbank.

Several times during 1986 and 1987, the country risk analysis section of the Eximbank made the determination that Iraq did not offer a reasonable assurance of repayment. The strongest analysis came in a May 5, 1987, memo to the Board. I would like to place that memo in the RECORD along with the other documents.

The memo, sent to the Board on May 5, 1987, states:

Eximbank should remain off-cover for all programs concerning Iraq.

There could be no mistaking the facts—Iraq was not creditworthy and that fact did not change between May 5 and May 15.

Another example, is an April 17, 1987 analysis of Iraq's creditworthiness. This analysis asserts that \*\*\* there would not be sufficient Iraqi earnings to meet all principal repayments until 1990" and that, "Iraq's creditors will reschedule debt payments for the foreseeable future."

□1310

That reminds me of what happened after World War I. As a matter of fact, I brought this out years ago in special orders. I would bring this up. Nobody would listen, but they are on the record. How right after the war and by the time we got to the famous Hoover moratorium on the payment of reparations from Germany to the Allies and the Allies' moratorium on the payment of their debts to us, which were never collected, but these countries like Germany and Japan, the Imperial Government of Japan.

In 1921, it floated, I forgot how many millions, about 20 million, which at that time was a lot of money in that kind of dollar at that time. Twenty million in 1921 would be like several billion today or more.

What they did, they floated Japanese Imperial Government bonds in the Wall Street stock market. Germany did the same thing. They borrowed.

Now, the banks at that time in our country could borrow from the Federal Reserve at about 5 percent. So where did they put all that money they were getting from the Fed? They were not loaning it out any more than they are today. They were putting it in the stock market where they would get yields of 12 percent. Pretty good. There was a 7 percent spread.

But what happened was that then as now, it was a highly speculative and controlled manipulation.

So the Japanese Imperial bonds, like these repayment schedules, they were to mature in 20 years in 1941. Well, that

is when they bombed Pearl Harbor. So we have learned nothing. We are like the old Bourbon Kings. Even though we are a democracy, we are no different. We learned nothing and we forget nothing.

Right now, as I said earlier to the gentleman from Kansas [Mr. SLATTERY], we are in the process of repeating the mistake not with Iraq again this time but with Iran. We will bring out some documentation.

Fortunately, I do not think it involves any of our entities that have jurisdictional potential for us on the Committee on Banking, Finance and Urban Affairs.

That some analysis goes on to say:

Eight of the 12 major (countries) were "off-cover" for medium- and long-term business in Iraq and six were "off-cover" for short-term business. Most member countries reported delinquencies.

In fact, by January 1, 1987, just months before the Board's decision, Iraq had defaulted on a total of \$240 million in loans to various major Western governments. Delinquent loans increased from \$70 million at yearend 1985 to \$730 million at yearend 1986.

Not surprisingly, in the months following the Board's approval, Iraq again became delinquent on its previous exposure to Eximbank. On top of that, in a July 2, 1987 memo to the Exim Board, it was revealed that the Treasury Department had concerns over Iraqi creditworthiness.

Now comes the Treasury. Remember, we heard the State Department intervening, the Vice President. Now we have the Treasury.

The State Department recruited others besides Vice President Bush to help it sway the Eximbank Board. A communication from Ambassador Newton to the Secretary of State says:

We know you are doing all you can on this and assume appropriate economic offices have been mobilized to help get Exim to resume cover.

As another example consider an April 28, 1987 cable from the Secretary of State Shultz to the United States Ambassador in Iraq, in which the Secretary states:

It may be that arguments from State, Commerce, and Agriculture and elsewhere have made themselves felt.

Remember, this is our Secretary of State, but he also could be the Secretary for Bechtel.

The strategy of getting Vice President Bush involved in the Eximbank issue paid off handsomely. Reflecting upon the Eximbank Board meeting where the Iraq credits were discussed in detail, agency documents remark:

The Exim staff presented an economic forecast in keeping with their recommendation against extending new credit to Iraq. However, Eximbank Board members asked a number of questions which seemed to imply an interest in doing business in Iraq. \*\*\* several key Board members, including Eximbank President Bohn were

leaning in the direction of granting the \$200 million for Iraq.

The State Department had won the war to get Eximbank coverage for Iraq. On May 17, 1987 Ambassador Newton stated that Eximbank's decision:

Contained the best economic news we have received in a long time. Despite the limitations \*\*\* Exim's decision will help us politically and help American business develop its foothold in the Iraqi market.

The State Department's actions in 1987 were not an isolated incident. The days between the 1987 Board decision and the Iraqi invasion of Kuwait produced much of the same for the Eximbank-Iraq relationship. While Iraq's financial position did not change materially during this period, the State Department continued to pressure the Eximbank to extend its program with Iraq. This strong support for Iraq occurred despite Iraq's use of poison gas to exterminate thousands of Kurdish people and extensive evidence that Saddam Hussein had stepped up efforts to build weapons of mass destruction.

Working to change the Eximbank policy on Iraq in 1987 was not the last time the State Department worked with Mr. Bush to permit Iraq to continue utilizing Eximbank programs.

#### THE EXIMBANK WAIVER

On January 17, 1990, President Bush issued a determination waiving the legislative prohibition on Eximbank financing for Iraq. Just 2 months earlier, Congress had passed sanctions legislation specifically singling out Iraq for its atrocious human rights record.

The State Department was working on the Iraqi waiver even before the Congress passed the legislation on November 21, 1989. At the time the atrocious Iraqi human rights record was well known, but what was kept for most of the Congress was the degree to which Iraq was building up its military arsenal even though its war with Iran had long ago ended.

At the time of the sanctions debate the State Department had extensive knowledge of Iraq's efforts to develop additional chemical, biological, and nuclear weapons along with the missiles to deliver those weapons. In addition, the State Department was aware that Iraq had a secret military procurement network operating in Europe and even in the United States. Had the Congress been fully informed about these issues, the waiver authority probably would not have been made available to the President.

At this time I would like to place in the RECORD a memorandum prepared by the State Department that illustrates their thinking about Iraq sanctions. The memo continues to express the sentiment that the State Department could use the \$200 million Eximbank program as an incentive for moderating Saddam Hussein's behavior. Obviously, that thinking was flawed.

#### GAO REPORT

At this time I would like to say that I will write to Comptroller General Charles Bowsher requesting that GAO investigate whether or not the Eximbank Board's decision to reopen for business in Iraq was in violation of its charter. There appears to be ample evidence to indicate that despite repeated warnings that extensions of credit to Iraq did not offer reasonable assurance of repayment, the Eximbank Board approved the Iraqi program anyway.

During the 1980's Iraq rarely, if ever, truly met the reasonable assurance of repayment criteria. In retrospect, it took constant pressure from the State Department and interventions from high level Reagan and Bush policy makers to get Eximbank to permit Iraq to utilize its programs to achieve policy objectives that were shifting, muddled, and ultimately that worked against our own national interest.

Mr. Speaker, I include for the RECORD the materials to which I referred.

U.S. DEPARTMENT OF STATE,  
Washington, DC, December 22, 1983.

To: P—Mr. Eagleburger.  
From: NEA—Richard W. Murphy for  
Subject: Exim Bank Financing for Iraq.

#### ISSUE

Whether to sign a letter to Exim President Draper recommending that Exim approve financing for Iraq.

#### ESSENTIAL FACTORS

Exim currently opposes loans to Iraq because it considers that loans to Iraq lack a reasonable expectation of repayment. Exim points to Iraq's recent rescheduling of commercial contract payments, large transfers from Gulf governments, decreased oil production and the drop in Iraqi reserves to support its view. In addition, Exim is concerned about the threat of war damage.

Exim has virtually no exposure in Iraq because, until recently, Exim was precluded from doing business with Iraq in light of that country's involvement with terrorists.

Recent analysis of Iraq's economic situation indicates that the crisis situation which prevailed during the early part of 1983 has been alleviated somewhat through imposition of an austerity program which included cutbacks in development projects and major cuts in imports. As a consequence, Iraq's estimated net foreign assets for 1983 are \$11 billion although the current account balance is—\$9 billion for the year. In addition, Iraq has been successful in obtaining supplier credits and deferred payments for ongoing projects. Current payments on these debts are being met. If present policies and external financing are sustained, the current account should be roughly in balance, but further rescheduling is a possibility.

Iraq's financial condition will remain dependent on petroleum export earnings and aid from the Gulf states. Iraq is determined to achieve alternative outlets for its petroleum exports in addition to the pipeline through Turkey (capacity 750,000 b/d). Iraq expects to increase its oil export capacity through Turkey to just over 1 million b/d in the spring of 1984 with a possible additional 50% increase in exports by the end of 1984. Cash transfers from the Gulf states to Iraq, at least \$30 billion since the start of the war,

have been and will continue to be important to Iraq. For the Gulf States, there appears to be no alternative to a continuation of this aid flow because of their dependence upon Iraq to resist export of the Iranian revolution.

There is the possibility, on the political side, that internal frustrations resulting from economic deprivation and a seemingly endless war may produce problems for the government. On the military front, Iraq has suffered limited setbacks on the northern front. It is uncertain how long the status quo can be maintained by Iraq in its confrontation with a much more populous Iran as long as Iran exports three times as much oil as Iraq.

#### DISCUSSION

The U.S.-Iraq political relationship could be advanced by Exim financing which had previously not been possible for political reasons. Exim financing would benefit U.S. manufacturers and workers and could serve marginally to bolster the Iraq economy by freeing resources for use elsewhere in the country. Most importantly, Exim financing would signal our belief in the future viability of the Iraqi economy and secure a U.S. foothold in a potentially large export market. Viewed in combination with CCC credits already granted Iraq, an Exim gesture would go far to show our support for Iraq in a practical, neutral context. This would be especially important in the absence of other substantial U.S. gestures, to ease the military pressures of the war, and would provide some incentive for Iraq to comply with our urgings that it show restraint in widening the war.

Although Iraq's economy is confronted with significant problems, we are guardedly optimistic regarding Iraq's ability to manage these problems through 1984.

#### RECOMMENDATION

That you sign the letter attached at Tab 1 recommending that Exim consider financing for Iraq. Our Interests Section endorses this recommendation. (Baghdad 3134 attached).

U.S. DEPARTMENT OF STATE,  
Washington, DC, December 24, 1983.

Hon. WILLIAM H. DRAPER III,  
President and Chairman, Export-Import Bank  
of the United States, Washington, DC.

DEAR BILL: I would like to bring to your attention the important role EXIM can play in furthering long range political and economic interests of the United States by being receptive to financing American sales to and projects in Iraq.

I understand that there were legal constraints on EXIM financing for sales to Iraq arising from Iraq's links to international terrorists. Recently, the President of Iraq announced the termination of all assistance to the principal terrorist group of concern, among others. Iraq then expelled this group and its leader. The terrorism issue, therefore, should no longer be an impediment to EXIM financing for U.S. sales to Iraq.

Although we cannot know when the heavy burden of war will be lifted from the Iraqi economy, the threat of economic crisis has receded. A strict austerity program, supplier credits, foreign government project financing, and continued financial assistance from the Gulf states should continue to sustain the oil export capacity by 30% to one million b/d in the spring of 1984, and has plans well advanced for an additional 50% increase in its oil exports by the end of 1984.

From the political standpoint, EXIM financing would show U.S. interest in the

Iraqi economy in practical, neutral context. It could provide some incentive for Iraq to comply with our urgings that it show restraint in the war. This evidence of our interest in increasing commercial relations also will bring political benefits, as well as balance-of-trade and employment benefits to our economy.

Sincerely,

LAWRENCE S. EAGLEBURGER.

U.S. DEPARTMENT OF STATE,  
Washington, DC, February 26, 1987.

MEMORANDUM FOR MR. DONALD P. GREGG, THE  
WHITE HOUSE

Subject: The Vice President's March 2 Meeting with Iraqi Ambassador Nizar Hamdoon.

The Department forwards herewith additional background material which may be useful for the Vice President's March 2 meeting with Iraqi Ambassador Hamdoon. This material, supplementing the memorandum of February 14 on the same subject, covers issues which Hamdoon may raise during the meeting.

Since Hamdoon is planning to introduce the issue of Exim credit insurance for Iraq, the Department strongly recommends that, before meeting with Hamdoon, the Vice President telephone Exim Chairman Bohn to discuss the issue. We believe the Vice President should emphasize to Bohn the advantages for U.S. regional policy of resuming short-term credit insurance for Iraq. Recommended talking points for that call to Chairman Bohn are attached.

MELVYN LEVITSKY,  
Executive Secretary.

MEETING WITH IRAQ AMBASSADOR NIZAR  
HAMDOON, MARCH 2, 1987

(Issues to be Raised (if Introduced by  
Hamdoon))

1. EXPORT-IMPORT BANK CREDIT INSURANCE FOR  
IRAQ

In September 1985 Exim offered Iraq a Continuing Guarantee Agreement (CGA), which would have supplemented the short-term credit already available to Iraq with \$50 million in medium-term credit insurance. The Iraqis unceremoniously turned down Exim's offer of a CGA, professing to be insulted by the small amount of money called for in the agreement.

Shortly thereafter, the plunge in oil prices seriously set back Iraq's financial situation. During 1986 the Iraqis missed payments on loans from several Western governments, as well as on letters of credit to suppliers from a number of countries.

Among the unpaid L/Cs in 1986 were several insured by Exim. Under those circumstances, Exim stepped back from its offer of a CGA for medium-term credits, and stopped approving short-term credit insurance for Iraq as well.

In the fall of 1986, Iraq's Rafidain Bank began singling out Exim-insured L/Cs for repayment, and we understand that Rafidain has now paid all overdue L/Cs insured by Exim. Moreover, by means of improved internal procedures and bilateral debt rescheduling arrangements with creditors in third countries, the Iraqis have begun to regain some measure of control over their financial situation. Their short-term financial situation is still difficult, but—with their great long-term potential based on vast oil reserves—they should be able to manage in the short term, with an eye to reconstruction when the war winds down.

Considering Iraq's success in continuing the latest Iranian offensive, its clear policy

decision to give preference to Exim-insured debts, and its long-term potential, we believe that Exim should give favorable consideration to resuming short-term credit insurance for Iraq. The Exim Board plans to meet soon to decide the issue.

We recommend that, before meeting with Hamdoon, you telephone Exim Chairman Bohn to point out the advantages for U.S. policy of a quick Exim decision to resume short-term insurance cover to Iraq. As appropriate, you could then review the results of your call to Bohn during your conversation with Hamdoon.

#### 2. LICENSING FOR HIGH-TECH U.S. EXPORTS TO IRAQ

Commerce licenses for some high-tech U.S. exports to Iraq have been held up for extended periods because of DOD concerns, putatively about the risk of diversion to the Soviet bloc. From the Iraq perspective, the long delays appear to be capricious. We agree with that assessment.

Licensing procedures are under interagency review at present, and we may be able to give the Iraqis and other interested trading partners more complete guidance soon. In the meantime, we can point to progress on a few specific cases: After extensive discussions with State and DOD, Commerce has issued long-pending licenses for two high-priority scientific projects, including one at the Iraqi Space and Astronomical Research Center.

#### TALKING POINTS FOR THE VICE PRESIDENT'S CALL TO JOHN BOHN (EXIM CREDIT INSURANCE FOR IRAQ)

##### EXIM CREDITS FOR IRAQ

Iraqi Ambassador Hamdoon is calling on me soon, and I expect him to raise the issue of short-term Exim credit insurance for Iraq. I would like to be as responsive as possible.

I understand that the Iraqis have resolved some outstanding arrearages to Exim, and that the Exim Board will decide soon whether to resume short-term credit insurance for Iraq. I urge you and your colleagues on the Board to give that favorable consideration.

As you know, there are major U.S. policy considerations at work on this issue. Iraq has apparently contained the latest Iranian offensive, and we are taking advantage of that to try to put some life into peace efforts. Exim's support for continued trade with Iraq would be a powerful, timely signal—both to Iraq and to the Gulf Arab states—of U.S. interest in stability in the Gulf.

Although in the near term Iraq will continue to face financial stress because of the war, Iraq's prospects for the medium-to long-term are good, considering the country's vast oil reserves. Now is the time to begin building a solid trade relationship with Iraq for the future.

U.S. DEPARTMENT OF STATE.

Washington, DC, November 8, 1989.

To: The Acting Secretary.  
Subject: Letter to Treasury Deputy Secretary Robson on a CCC Program for Iraq.

In our conversation earlier today, Department of the Treasury Deputy Secretary John Robson asked that you send him a letter outlining the policy reasons for which State strongly backed USDA's proposal for a full, billion-dollar program of Commodity Credit Corporation (CCC) credit guarantees, with safeguards, for Iraq. Attached is a letter for your signature that outlines those policy considerations. It essentially follows the

talking points provided for your telephone conversation with Mr. Robson.

RECOMMENDATION

That you sign the attached letter to Deputy Secretary Robson.

Attachment—Proposed letter to Deputy Secretary Robson.

U.S. DEPARTMENT OF STATE,  
Washington, DC, November 8, 1989.

HON. JOHN E. ROBSON,  
Deputy Secretary of the Treasury, Washington,  
DC.

DEAR JOHN: Further to our discussion, on foreign policy grounds we support the Department of Agriculture's proposal for a full, billion-dollar program of Commodity Credit Corporation GSM-102 export credit guarantees in FY 90, with adequate safeguards, for Iraq.

In addition to the near-term benefits for agricultural sales, the CCC program is important to our efforts to improve and expand our relationship with Iraq, as ordered by the President in NDS-26. Iraq is a major power in a part of the world which is of vital importance to the United States. Our ability to influence Iraqi behavior in areas from Lebanon to the Middle East peace process to missile proliferation is enhanced by expanded trade. Also, to realize Iraq's enormous potential as a market for U.S. goods and services, we must not permit our displacement as a major trading partner.

With regard to the real concerns which arise from the investigation into the operations of the Atlanta branch of the Banco Nationale de Lavoro, we have received from the Government of Iraq a pledge of cooperation. Our intention is to hold Iraq to this commitment and to work with the Department of Agriculture to ensure that the problems with the program in the past are fully resolved in a new program. The safeguards proposed by USDA, including disbursement of the CCC guarantees in tranches, buttress the program and merit our backing.

I appreciate your support in this connection.

Sincerely,

LAWRENCE S. EAGLEBURGER,  
Acting Secretary.

MYTHOLOGY ABOUT IRAQ

Myth #1: Iraq is one of the largest markets for U.S. exports in the developing world.

Reality: The myth of the Iraqi market is based on two or three years of huge imports around 1980. The Iraqi market was not among the largest before that, nor is it now. Iraq in 1987 was the 28th largest importer (of civilian goods) among non-OECD countries. An end to the war alone does not imply a financial bonanza for Iraq. The conditions existing in 1981—simultaneous 4 mb/d production and \$30 per barrel oil—will not return. Any dramatic increase in imports depends on the uncertain prospect of substantially higher oil revenues and the willingness of creditors (such as Exim) to finance the creation of a larger Iraqi market.

Myth #2: Because of its vast oil reserves, Iraq must be a highly creditworthy country.

Reality: Large oil reserves do not imply high oil revenues. Oil revenues depend on oil export capacity and oil prices. In spite of valiant efforts to boost oil export capacity, Iraq's oil revenues remain at half their level of the early 1980s. Neither oil export capacity, nor oil prices, are guaranteed to work in Iraq's favor in the future.

Myth #3: Iraq is perfectly willing to repay creditors; it just does not have the ability to repay right now.

Reality: Because its debt has a short maturity structure, Iraq cannot pay all its debt service. Moreover, Iraq has an attitude problem regarding foreign debt. Iraq only fully repays creditors who offer large new loans. If creditors don't offer new loans, Iraq simply fails to pay, and demands bilateral rescheduling arrangements involving oil barter. This strategy permits Iraq to secure project financing, as well as pure BOP assistance.

Myth #4: Iraq hit rock-bottom in 1986; since then, Iraq's finances have already gotten a lot better.

Reality: The oil price collapse (and Iranian military victories) of 1986 took the Iraqis by surprise; for a time, they weren't even answering communications from creditors. Today, they are better organized, but within an Iraqi context. Iraq has become more sophisticated in its calls for bilateral reschedulings, and in its cultivation of potential creditors (such as Exim).

Myth #5: Iraq's financial problems are temporary; when the next oil pipeline opens up, things will get better.

Reality: Pipeline capacity has more than tripled since 1984, without significant effect on total oil revenues. Weak oil prices, caused in part by Iraq's larger output, offset volume increases. In the long run, oil revenues will depend on Iraq's ability to influence OPEC decisionmaking, to the detriment of moderates like Saudi Arabia. Iraqi attempts to increase oil export volumes may lead to lower world oil prices and thus dampen Iraq's own oil revenues.

Myth #6: The end of the war with Iran, and thus of Iraq's financial problems, is just around the corner.

Reality: The "cease-fire" does not guarantee an effective peace accord. Even if the war with Iran should formally "end", Iraq is not likely to ignore the continuing threats posed by Iran and the Kurds, and will not drastically reduce military spending. Furthermore, Iraq will undertake a costly reconstruction, at the expense of debt repayment. To sustain the benefits of playing one creditor off the next, Iraq will avoid a multilateral Paris Club rescheduling, and continue to use default as a device to secure continued financial assistance.

Myth #7: Closer ties between the U.S. and Iraq will ensure Exim repayment, even if other creditors are not being paid.

Reality: Relations between Iraq and the U.S. are not guaranteed to be warm, because the principal U.S. interest in the region is not in supporting Iraq's objectives (a peace settlement which favors Iraqi border claims, and an end to the Kurdish threat), but in ending the Gulf War. Even if the U.S. offered political and material support to Baghdad, Exim repayment is still not guaranteed. Iraq does not fully repay countries (such as France, Italy, Japan, or Turkey) which have been important to Iraq's military or economic effort, because Iraq believes these creditors have already received a paycheck in the form of greater access to the Iraqi market. Iraq will view Exim credits as something the U.S. does in its own self-interest, not in Iraq's.

Myth #8: Iraq pays CCC; the Iraqis believe we're all one government so they'll repay us, too.

Reality: Iraq pays CCC, and two other export credit agencies, because they have been offering consecutively larger programs of new medium-term credit. Nizar Hamdoon and other sophisticated observers of the American scene know that Exim and CCC do not speak with the same voice. If Exim becomes a "favored creditor", it is only be-

cause Baghdad believes that we too will eventually commit to larger and larger programs of long-term credit.

Myth #10: Iraq is no less creditworthy than other heavily-indebted countries where Eximbank is open.

Reality: Creditworthiness has two components, ability and willingness. In the long run, Iraq may have greater ability to repay than many countries. However, Iraq has demonstrated a clear unwillingness to adopt normal debtor-creditor relations. Iraq is more aptly compared to Peru (which pays when it wants to), than to Yugoslavia (which makes a valiant effort) or Argentina (which at least pays lip service to the IMF and the Paris Club).

IRAQ COUNTRY REVIEW UPDATE

(October 10, 1989, Eximbank Country Review)

Since our April and June 1989 Country Reviews, Iraq's ability and willingness to repay foreign obligations appears not to have changed appreciably. Unable to service all of its debts, Iraq only pays creditors who it believes are willing to increase their exposure continuously. Recent events confirm this analysis.

ECGD—once Iraq's "most favored" creditor—has suspended its \$600 million 1989 protocol because of major arrearages. Iraq was to repay over \$400 million in 1989, but permitted arrears because ECGD refused to consider a large increase in its program.

Because of arrears this year, CCC's \$1 billion program has occasionally been suspended. Iraq permits arrears to CCC in spite of the program's size and attractive terms. Because of their concerns about Iraqi financial behavior, the Fed and Treasury want CCC to scale back this program.

Other export credit agencies—COFACE, MITI, and SACE—are off-cover or suspended for medium- and long-term credits. Only HERMES has a medium-term program, but it is smaller than Exim's short-term program. Like Exim, most agencies now operate only on a revolving basis—providing cover only as Iraq makes payments.

The BNL incident—which may have involved criminal behavior by both BNL and Iraqi officials—raises additional doubts about the nature of Iraq's financial behavior. Iraq does not wish to repay already-disbursed L/Cs unless disbursements are made on promised L/Cs, even those issued illegally.

In spite of growing international pressure, Iraq continues to refuse to undertake a multilateral rescheduling exercise through the Paris Club. Paris Club reschedulings would force Iraq to treat creditors equally, and would require international scrutiny of Iraq's economic situation and priorities. U.S. policy requires multilateral reschedulings (see attached NAC policy).

The BNL incident has revealed the extent of Iraqi efforts to attract Western financial support for Iraq's military industrialization program. Iraq is pursuing technologically advanced, import-substituting, dual civilian-military industrialization, possibly in violation of Western export restrictions.

Iraq's oil revenues cannot cover Iraq's ambitious industrialization plans. Even before the recent completion of a second Saudi pipeline, Iraq had ample pipeline capacity; however, its OPEC quota permits no room for additional oil exports. Any Iraqi attempt at overproduction risks retaliation by other OPEC members and a revenue-offsetting price collapse.

Iraq continues to cajole export agencies through offers of lucrative contracts to exporters, friendly visits, and promises of favored creditor status.

## MEMORANDUM TO THE BOARD OF DIRECTORS,

MAY 4, 1987

## COUNTRY LIMITATION SCHEDULE

RECOMMENDATION: IRAQ

## Background and Country Summary

Eximbank has been "Off Cover" for all transactions since March 1986 when it ended FCIA insurance coverage under letters of credit from Bank Rafidain and the Central Bank of Iraq because Bank Rafidain became delinquent. At the highest point these arrears amounted to just over \$5 million. Some claims were paid. Commencing in late 1986, the Iraqi Government made payments on the delinquencies and brought the payments current by February 18, 1987. Rafidain's letters of credit became over due again on March 17, 1987, but subsequent payments of \$1.9 million brought the account current on April 13, 1987. A payment due April 21, 1987 was made on time; the next payment is due May 14, 1987.

The Board conducted an interagency review of Iraq on April 24, 1987. The discussion indicated that, for the first time, it now appears possible for Iran to win the 7-year old war. Over the shortterm, the current situation, chiefly a stalemate with Iran making periodic probes and occasional advances, is likely to continue. But over the medium-term, a slow wearing-down of Iraq's defenses and morale could result in an Iranian victory. No predictions were given concerning the future of the existing Government in Iraq or what could be expected in the post-war period.

Economic conditions in the country have steadily worsened since the start of the war. Foreign exchange reserves are essentially exhausted. Payments on external debt have been rescheduled bilaterally each year since 1983. Berne Union members report payment delays have increased from \$70 million as of December 31, 1985 to \$730 million as of December 31, 1986; unrecovered claims increased from \$238 million as of September 30, 1986 to \$314 million as of December 31, 1986. Eight of the major Berne Union members are Off Cover for medium-term transactions and six are also Off Cover for short-term as well. All members have tight restrictions or reduced cover if they are open.

Our balance-of-payments projections, even under the optimistic assumption that Iraq would export more than 3 million barrels of oil per day after 1989, indicate that Iraq will be unable to service scheduled debt repayments over the next 5 years and will require continuing reschedulings. This forecast and a detailed economic analysis are attached.

## Eximbank Exposure

Eximbank current exposure in Iraq, all short-term, is \$4.3 million with maturities falling due under letters of credit through December 12, 1987.

## Recommendation

Eximbank should remain Off Cover for all programs concerning Iraq.

Prepared by: Charles Hammond, Financial Economist, Country Risk Analysis.

Approved by: Thomas A. Forbord, Vice President for Country Risk Analysis.

EXPORT-IMPORT BANK OF THE UNITED STATES,  
COUNTRY RISK ANALYSIS DIVISION, JANUARY  
23, 1989

ALERT REPORT—IRAQI PAYMENTS SITUATION  
FURTHER DETERIORATES

Iraq's payments situation has further deteriorated, according to recent reports from Embassy Baghdad, the CIA, and others.

ECGD of the United Kingdom, once Iraq's paramount "favored creditor", suspended all

cover in December after two months of significant (and clearly non-technical) arrearages. So far, the suspension has not resulted in any catch-up payments by Baghdad.

The French Finance Ministry has been approached to reschedule interest payments falling due on already twice rescheduled debts. The French recently conducted a poll of export credit agencies to explore methods of negotiating payment from the Iraqis. However, COFACE is very nearly at the point of saying "enough is enough", and going off cover even for short-term credit.

Other creditors—EFIC of Australia (previously a favored creditor), EDC of Canada, HERMES of West Germany, OeKB of Austria, and Japan's Marubeni, Mitsubishi, and Sumitomo trading houses—also report significant new arrearages under previous bilateral rescheduling agreements.

As for the U.S., payments under Eximbank's short term insurance facility are now current, after technical arrearages early last fall. Payments due CCC are also current, after a more recent arrearage (which brought a short suspension of CCC cover). No doubt, the Iraqis anticipate that Eximbank will approve a large medium-term program in early 1989 (assuming an improvement in the political climate), and do not want to spoil the atmosphere, even through technical arrearages.

With export credit agencies off cover for medium-term projection-related credit, Iraq has approached commercial banks and investment banks. Banks are reportedly considering extending credits secured by Iraqi oil export receipts placed in overseas escrow accounts (*a la* the new Venezuelan debt package). The banks are fully aware of Iraq's severe payments problems vis-a-vis official creditors, and will seek concrete legal mechanisms to ensure that they become Iraq's new favored creditors.

Iraq's payments problems—related to its low, uncertain oil revenues—are likely to continue. In the heady days following the cease-fire, Iraq was convinced that oil prices would immediately rise to \$18 per barrel, and boasted of plans for renewed exports of 4 million barrels per day. Since then, reality has set in. Oil prices plunged to \$11-12 per barrel, forcing Baghdad to come to terms with its fellow OPEC members and accept an output quota of 2.6 million barrels per day. Plans to rebuild the destroyed Gulf oil terminals—a prerequisite to significantly higher oil output—have been suspended.

MOST-FAVORED-NATION STATUS  
FOR CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Ms. PELOSI] is recognized for 60 minutes.

Ms. PELOSI. Mr. Speaker, I just wanted to come to the floor to talk about a landmark vote that the Congress of the United States is facing, and that is the vote to condition the renewal of most-favored-nation status to China on condition of improvement of human rights, trade practices and weapons nonproliferation. The Senate tomorrow will have an opportunity to vote on this legislation.

The reason I rushed to the floor this afternoon to talk about this is because the administration on Friday, as Members are aware, lifted the sanctions on

the sale of satellite and computer technology to China. They based this relaxing, lifting of sanctions, on China's word that they would abide and sign the Missile Control Technology Regime.

This is a blow to the reformers in China because once again, without much evidence, the administration has sided with the hardline regime in China.

This spring Li Peng, the current Premier and China's preeminent hardliner, the man who ordered the massacre of Tiananmen Square in June 1989, will face a Party Congress which is rumored to be antagonistic to his hardline economic and political policies. Li's vulnerability signifies a deeper debate within the ruling circle of Chinese leaders over what path to take in the aftermath of the Tiananmen Square crackdown and negative world reaction to it.

The U.S. Senate is about to take a landmark vote. When Senators vote on legislation to condition the removal of China's most-favored-nation status on improvement in human rights, trade, and weapons nonproliferation, as I mentioned earlier. They will have an opportunity to strengthen the reformers within the Chinese Government at a time when the succession is increasingly under question.

It is a landmark time, Mr. Speaker, because as we have heard people say from time to time, why all the fuss about what is going on in China? These people are very old. They will die and then everything will be OK.

□ 1320

Perhaps if the succession vote proceeds to the reformers right now, the premier is a hardliner, and as he moves around the world, with the reaction which the United States gives to his policies, he is strengthened in China.

In May 1990, China's Communist Party General Secretary Chan Su Man said that the West's reaction to Tiananmen Square was much ado about nothing. Can you imagine that? Not only did he say that, he said it was an old Chinese proverb.

Since that statement the Chinese Government has ignored repeated congressional and administration requests for the release of political prisoners. To be sure, the Chinese Government has dribbled out a prisoner or two whenever it needed to curry Western favor. For every prisoner released, however, the Chinese Government has subjected another to trial and sentencing. There has also been no overall reduction in the level of political repression in China since June 1989.

At the same time, China has enjoyed increasing benefits from its trade relationship with the United States. China's trade surplus with United States is growing annually and has totaled nearly \$30 billion since the Tiananmen

Square massacre. This year alone it is \$12.5 billion for 1991. Those figures were just released. It is a large and growing trade deficit.

Given the tremendous potential that trade with the United States offers it is likely that the Chinese Government will make some concessions in order to preserve its MFN status. This situation gives the United States leverage, but we must use that leverage.

Against the backdrop of the leadership succession, the upcoming Senate vote on whether to condition the further extension of MFN trade status for China takes on major significance. A strong Senate vote would bolster the argument of reformers within the Chinese Government that weapons sales to the Middle East and political repression at home have become too costly in terms of economic relations with the United States.

Conversely, a weak partisan Senate vote would reassure Li Peng and other hardliners that China's policies of the past 2½ years have not significantly affected China's international relationships.

Given the current regime sales of advanced weapon technology to countries such as Iran, any United States policy statement that encourages this hardliner appeal would jeopardize global security. For despite its calculated assurances to American diplomats about adherence to international weapons nonproliferation treaties, there is evidence that the Chinese Government is continuing to fuel a dangerous arms race among developing countries that could have devastating implications for United States policy in the Middle East and elsewhere.

It is not coincidental that Li has just returned home from a Western trip designed to bolster his lagging image. He had also sought publicly to portray himself in a more reformist light. Despite his recent calls for economic reforms, however, Li continues to be associated with the political crackdown and economic tightening that he orchestrated after June 1989, and which continues today.

Unfortunately, the President's January 31st meeting in New York with Li Peng may bolster Li's position in the succession. For while the administration tried to downplay the significance of the meeting, the Chinese premier undoubtedly benefited domestically from this having a private discussion with the leader of the free world.

Cloaked in his newly acquired respectability, Li Peng will augment his appeal for a continuation of his hardline policies by stressing his acceptance by the world community and his fitness as an international statesman.

The Senate will therefore send an important message at a critical time to the people of China. Senators will have an opportunity to set American ground

rules for trade with China, a trade relationship that benefits China far more.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. VENTO). The Chair will remind the Member that the remarks in debate may not include characterizations of Senate action or inaction or adjurations to Senate actions.

The gentlewoman I think should talk about future Senate actions. These are the rules of the House and I know the gentlewoman has tried to subscribe to that. I would just remind the other Members and the gentlewoman of the rules.

Ms. PELOSI. Mr. Speaker, all that I am saying about the Senate also applies to the House on our override vote should the President veto the legislation.

A trade relationship that benefits China far more than it benefits the United States. Each of us, whether in our vote in the House of Representatives, or whatever body we serve in the Congress, has an opportunity to answer to history for our vote. Each of us has to decide whether to contribute to reform or to bolster the current policies of repression and weapons proliferation. Each of us will have to weigh the political price of voting against the administration if the administration chooses to veto this legislation, and weighing that against our own obligation to discourage another generation of political tyranny and international recklessness.

The China vote in the House and in the Senate and the President's signature or veto is really a vote about America. Let us hope that principle has not yet been overtaken by policies and that bravery and the love of freedom have not become mere slogans.

I say this particularly, as I said, Mr. President, in my opening remarks, in light of the administration's lifting of the sanctions on sale of satellite and computer technology to China. And as I say, this all should be taken in light of the succession.

There are two things that the United States has that China needs desperately and will do almost anything to get. One is hard currency, and the Chinese have been very successful in their unfair trade practices to achieve enormous trade surpluses with the United States, \$6 billion in 1989, \$9 billion in 1990, \$12.5 billion in 1991, a large and growing deficit, second only to our trade deficit with Japan, and growing, as I said.

So the results in hard currency, which gives this regime a certain independence that they have, this hard currency makes them strong.

The other thing we have that they want and need desperately is technology. In the district I represent, San Francisco is a destination point for many trade delegations from China. It is a very popular destination, not only

because of geography but also because of our proximity to Silicon Valley and Lawrence Livermore Lab, which are important sites for visits of these trade delegations.

It is for this reason precisely that this administration's action is so questionable. China sees its future tied to its acquiring and utilizing advanced, sophisticated technology. For one thing, it will enable them to upgrade their weapons arsenal and increase their West weapons export program, again gaining for them more hard currency added to their hard currency from their trade surplus with the United States. Again, we directly and indirectly are strengthening this hardline regime who can do whatever they want because they have the hard currency to back them up.

So while we know of pending sales and rumors of sales to the Middle East, sales to Iran, to Syria, to Libya, we know of transfer of technology to Algeria, potential missile sales to Pakistan, one would have to wonder why the administration saw fit in the dark of night on Friday, after everyone was gone, to issue a press release at the State Department, not in the President's name, and I do not blame him for disassociating himself with the action and not being proud of it, to lift the sanction.

It is a very dangerous action. It supports the hardliners in terms of the succession. It supports the hardliners in terms of what comes next in terms of nuclear proliferation. It supports the hardliners in their repression at home.

But let us say for a moment that the Members would support the administration's action. If in fact the administration takes China at its word and China is worthy of that confidence, then that argues even more strongly for passage of the MFN legislation in both Houses, and a signature by the President, and if not an override in both Houses, because if China indeed is worthy of the confidence the administration has placed in it, it will have no trouble meeting the conditions of the legislation before the Congress of the United States at this time.

□ 1330

Again, as I say, it is at this critical time in Chinese history in preparation for this spring's party conference. So I appeal to my colleagues and the entire Congress and to the President of the United States to make a judgment about this legislation and hold it up to this standard that it makes the world safer by conditioning renewal of MFN on nonproliferation of missiles and other technology, that is, makes the trade fairer by conditioning MFN on improvement in our trade relationship by being fairer to American workers, by having China abide by our trade treaties and makes the political climate freer by saying to the regime in

Beijing that MFN which is special for the United States to give to a centralized economy will be granted if those prisoners who were arrested in the events surrounding the Tiananmen Square massacre are released.

Freer, fairer, safer, that is what the future is about. That is what this legislation is about. We will all have to answer for this vote. I do not think it will be good enough to say, I voted with the President on it. We all have to have the reasons why we would not want to support a reasonable achievable doable legislation when we have the opportunity to do so.

With that, Mr. Speaker, I yield back the balance of my time.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DORGAN of North Dakota, for 60 minutes, today.

Mr. BRUCE, for 5 minutes, on February 25.

Mr. HOAGLAND, for 30 minutes, on February 25.

Mr. LIPINSKI, for 60 minutes each day, on February 25 and 26.

Mrs. COLLINS of Illinois, for 60 minutes each day, on March 3 and 4.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. PELOSI, for 60 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. GUNDERSON.

Mr. GREEN of New York.

Mr. GINGRICH.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. PENNY.

Mr. REED.

Mr. MAZZOLI.

Mr. VENTO.

Mr. FALEOMAVAEGA in four instances.

Mr. FASCELL in three instances.

Mr. HAMILTON.

Mr. BORSKI in two instances.

#### ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that

that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3866. An act to provide for the designation of the Flower Garden Banks National Marine Sanctuary.

#### ADJOURNMENT

Ms. PELOSI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 25, 1992, at 12 noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2848. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting the text of an agreement in which the American Institute in Taiwan is a party, pursuant to 22 U.S.C. 3311(a); to the Committee on Foreign Affairs.

2849. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, transmitting a report on its activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2850. A letter from the Director, ACTION Agency, transmitting a report on its activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2851. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on its activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2852. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during calendar year 1991, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2853. A letter from the President, James Madison Memorial Fellowship Foundation, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1991, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

2854. A letter from the Chief Administrative Officer, Postal Rate Commission, transmitting a report on its activities under the Freedom of Information Act for calendar year 1991, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2855. A letter from the Secretary, Postal Rate Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1991, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2856. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty

payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2857. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2858. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2859. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2860. A letter from the Deputy Associate for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2861. A letter from the President and CEO, Little League Baseball, Inc., transmitting the organization's annual report for the fiscal year ending September 30, 1991, pursuant to 36 U.S.C. 1084(b); to the Committee on the Judiciary.

2862. A letter from the Chairman, Merit Systems Protection Board, transmitting the 13th annual report on the activities of the Board during fiscal year 1991, pursuant to 5 U.S.C. 1209(b); to the Committee on Post Office and Civil Service.

2863. A letter from the Secretary, Department of Commerce, transmitting the 1991 annual report of the Visiting Committee on Advanced Technology of the National Institute of Standards and Technology, pursuant to Public Law 100-418, section 5131(b) (102 Stat. 1443); to the Committee on Science, Space, and Technology.

2864. A letter from the Secretary of Labor, transmitting the 17th annual report of the Pension Benefit Guaranty Corporation covering fiscal year 1991, which includes the Corporation's financial statements as of September 30, 1991, pursuant to 29 U.S.C. 1308; jointly, to the Committees on Education and Labor and Ways and Means.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted February 21, 1992]

Mr. ASPIN: Committee on Armed Services. H.R. 1558. A bill to amend the Panama Canal Act of 1979 to provide for a Chairman of the Board of the Panama Canal Commission, and for other purposes; with amendments (Rept. 102-428, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

[Submitted February 24, 1992]

Mr. MILLER of California: Committee on Interior and Insular Affairs. H.R. 3519. A bill to authorize the establishment of the Stearns National Historic Site; with an amendment (Rept. 102-434). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMEY (for himself, Mr. DELAY, Mr. DANNEMEYER, Mr. ROHRABACHER, and Mr. CRANE):

H.R. 4288. A bill to repeal the part IV of title III of the Communications Act of 1934, relating to assistance for public telecommunications; to the Committee on Energy and Commerce.

By Mr. FALEOMAVAEGA:

H.R. 4289. A bill to amend the Agricultural Act of 1949 to make American Samoa eligible for emergency livestock feed assistance; to the Committee on Agriculture.

H.R. 4290. A bill to amend section 325 of the Immigration and Nationality Act to provide that residence within the outlying possessions of the United States shall be counted as residence within a State or district of service for purposes of the residency requirement for naturalization; to the Committee on the Judiciary.

By Mr. FOGLIETTA:

H.R. 4291. A bill to amend the Shipping Act of 1984 to establish requirements for the approval by the Federal Maritime Commission of conference agreement amendments that terminate service to a port, to ensure consideration of the public interest with respect to those agreements and amendments, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LEACH:

H.R. 4292. A bill to provide for 50,000 additional immigrant visas for certain nations of the previous Soviet Union who are involved in nuclear weapons research, development, or production or who have other advanced scientific or technical knowledge that could be useful to enterprises in the United States; to the Committee on the Judiciary.

By Mr. LOWERY of California:

H.R. 4293. A bill to provide an extension of time for the payment of Federal income tax on the nonexcluded portion of the combat pay of members of the Armed Forces of the United States serving in the Persian Gulf conflict; to the Committee on Ways and Means.

## ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. SHUSTER and Mr. ATKINS.

H.R. 371: Mr. SKEEN.  
H.R. 430: Mr. SAXTON.

H.R. 710: Mr. PETERSON of Minnesota and Mr. INHOFE.

H.R. 815: Mr. RICHARDSON.

H.R. 843: Mr. KOLTER.

H.R. 967: Ms. KAPTUR.

H.R. 1124: Mr. SPENCE, Mr. PAYNE of New Jersey, Mr. DYMALLY, Mr. MANTON, Mr. MURPHY, and Mr. POSHARD.

H.R. 1156: Mr. ROEMER.

H.R. 1161: Mr. SAVAGE.

H.R. 1288: Ms. KAPTUR and Mr. FLAKE.

H.R. 1414: Mr. EWING and Mr. ALLEN.

H.R. 1456: Mrs. MEYERS of Kansas.

H.R. 1497: Mr. GOSS.

H.R. 1820: Mr. HOAGLAND and Mr. FRANK of Massachusetts.

H.R. 1987: Mr. APPLEGATE, Mr. MILLER of California, Mr. LOWERY of California, Mr. VENTO, Mr. WEISS, Mr. STARK, Mr. WAXMAN, Mr. WILSON, Mr. GORDON, Mr. ANNUNZIO, Mr. FLAKE, Mr. LEVINE of California, Mr. FOGLIETTA, Mr. RAHALL, and Mr. PASTOR.

H.R. 2410: Mr. ARMEY, Mr. GOSS, and Mr. DUNCAN.

H.R. 2565: Mr. WOLPE, Mrs. LOWEY of New York, Mr. MORAN, Mr. FLAKE, Mr. OLIN, and Mr. SCHEUER.

H.R. 2569: Mr. ZIMMER.

H.R. 2595: Mr. SANTORUM.

H.R. 2879: Mr. POSHARD and Mr. LIGHTFOOT.

H.R. 3051: Mr. FEIGHAN and Mr. FROST.

H.R. 3071: Mr. GALLEGLY, Mr. THOMAS of Georgia, and Mr. JAMES.

H.R. 3137: Mr. BERMAN and Mr. SANTORUM.

H.R. 3217: Mr. SANTORUM.

H.R. 3373: Mr. KOSTMAYER, Mr. LEHMAN of Florida, and Mr. FEIGHAN.

H.R. 3542: Mr. SABO, Mr. PETERSON of Minnesota, and Mr. FOGLIETTA.

H.R. 3553: Mr. FALEOMAVAEGA.

H.R. 3612: Mr. PANETTA, Mr. ATKINS, and Mr. BONIOR.

H.R. 3636: Mr. SKAGGS, Mr. JONES of Georgia, and Mr. McMILLEN of Maryland.

H.R. 3844: Mrs. UNSOELD, Mr. BLACKWELL, Mr. COSTELLO, Mr. SOLARZ, Mrs. KENNELLY, and Mr. ABERCROMBIE.

H.R. 3850: Mr. HARRIS, Mr. OWENS of Utah, Mr. PICKETT, Mr. CHANDLER, Mr. LOWERY of California, Mr. QUILLEN, Mr. STUMP, Mr. WYLIE, Mr. CARPER, Mr. JENKINS, Mr. LAROCCHIO, and Mr. MCCLOSKEY.

H.R. 3857: Mr. JONES of North Carolina.

H.R. 3861: Mr. FROST and Mr. VENTO.

H.R. 3887: Mr. JOHNSON of South Dakota.

H.R. 3943: Mr. HOUGHTON, Mr. RAMSTAD, and Mr. SPRATT.

H.R. 3989: Ms. SLAUGHTER, Mr. FROST, Mr. MAZZOLI, Mr. MFUME, Mr. LEVIN of Michigan, and Mrs. LOWEY of New York.

H.R. 3990: Mrs. SCHROEDER, Mr. ATKINS, and Mr. FOGLIETTA.

H.R. 3992: Ms. SLAUGHTER, Mr. FROST, Mr. MAZZOLI, Mr. MFUME, Mr. LEVIN of Michigan, and Mrs. LOWEY of New York.

H.R. 4050: Mr. UPTON.

H.R. 4058: Mr. MARLENEE and Mr. HERGER.

H.R. 4073: Mrs. PATTERSON, Mr. OLIN, and Mrs. KENNELLY.

H.R. 4089: Mr. SPENCE, Mr. BERMAN, Mr. RAY, Mr. BREWSTER, Mrs. BOXER, Mr. DEFazio, and Mr. LAGOMARSINO.

H.R. 4172: Mr. JONES of North Carolina.

H.R. 4175: Mrs. MINK, Mr. ALEXANDER, Mr. COLEMAN of Texas, Mr. FRANK of Massachusetts, Mr. MCNULTY, Mr. MURPHY, Mr. ROYBAL, Mr. DYMALLY, Mr. BUSTAMANTE, Mr. JONES of North Carolina, Mr. MANTON, Mr. MAZZOLI, Mr. OLVER, Mr. BLACKWELL, Mr. PAYNE of New Jersey, Mr. TOWNS, and Mr. LEHMAN of Florida.

H.R. 4194: Mr. CAMP, Mr. HUNTER, Mr. WILSON, Mr. ANNUNZIO, Mr. MURTHA, Ms. KAPTUR, Mr. HALL of Ohio, Mr. KILDEE, and Mr. POSHARD.

H.R. 4202: Mr. RIGGS and Mr. McMILLAN of North Carolina.

H.R. 4206: Mr. GUARINI and Mr. DAVIS.

H.R. 4220: Mr. JACOBS, Ms. KAPTUR, Mr. PORTER Mr. APPLEGATE, and Mr. KILDEE.

H.R. 4229: Mr. MRAZEK.

H.R. 4277: Mr. PENNY, Mrs. UNSOELD, Mr. DE LUGO, Mr. TRAXLER, Mrs. MINK, Mr. VOLKMER, and Mr. DEFazio.

H.J. Res. 240: Mr. RAVENEL and Mr. SENBRENNER.

H.J. Res. 334: Mr. FRANKS of Connecticut.

H.J. Res. 411: Mr. SMITH of Iowa, Mr. MARTINEZ, Mr. KANJORSKI, Mr. HUGHES, and Mr. MURPHY.

H. Con. Res. 92: Mr. RIGGS.

H. Con. Res. 180: Mr. TRAFICANT, Mrs. LOWEY of New York, Mr. FAZIO, Mr. PEASE, Mr. ATKINS, and Mr. LANTOS.

H. Con. Res. 224: Mr. ATKINS.

H. Con. Res. 232: Mr. GILMAN.

H. Con. Res. 246: Mr. LANTOS, Mr. BOUCHER, Mrs. COLLINS of Illinois, Mr. RAY, Mr. YATES, and Mr. MCHUGH.

H. Con. Res. 256: Mr. MFUME, Mr. ANNUNZIO, Mr. ROSE, Mr. BORSKI, Mr. SHAYS, Mr. MANTON, Mrs. SCHROEDER, Ms. PELOSI, Mr. COSTELLO, Mr. TRAFICANT, and Mr. LEVINE of California.

H. Res. 272: Mr. FROST, Mr. McMILLEN of Maryland, Mr. MCNULTY, Mr. ERDREICH, Mr. MARTINEZ, Mr. SKEEN, Mr. BILIRAKIS, and Mr. WALSH.

H. Res. 359: Mr. BERMAN, Mr. LAFALCE, Mr. SKEEN, Mr. JONES of North Carolina, Mr. HORTON, Mr. CARDIN, Mr. PAXON, and Mr. WALSH.

TIMES OF THE AMERICAS TURNS  
35

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FASCELL. Mr. Speaker, I would like to bring to the attention of our colleagues the occasion of the 35th anniversary of the publication of the Times of the Americas.

Begun originally as the Times of Havana in February 1957, this excellent English-language weekly newspaper has provided thorough, intelligent, and unbiased coverage of Cuba and Latin America. I know many of our colleagues rely on it as part of their own decisionmaking process on issues affecting the Western Hemisphere.

The cofounders of the paper, brothers Clarence and Carl Moore, saw the paper through the turmoil of the Cuban revolution, moved to Miami briefly, and then settled down in Washington to continue publishing. Carl passed away some years ago, but Clarence continues to produce what has become, for him, a labor of love.

I would like to bring to the attention of our colleagues two items that appear in the February 5 edition describing the history of the paper and offer my congratulations to Clarence W. Moore on this great occasion.

## A SPECIAL CELEBRATION

(By Clarence W. Moore)

Thirty-five years ago this week (or on Feb. 4, 1957, to be precise), the first edition of The Times of Havana appeared on the streets of Cuba's capital city. Its headline read "Saud says Arabs will OK Ike's plan" and the story began: "The plan to use U.S. arms if necessary to prevent Communist penetration of the Middle East would be agreed to by other Arab leaders."

Editorially, it declared that "we will aim to present the news accurately. Intelligent, we hope. Entertainingly at times. But always accurately." The first Easy Chair noted that The Times intended to "muddle along in the middle of the road with no point to prove, no slant, no preconceived notions of policy." And a boxed aside read: "Why is it that Democrats and Republicans always talk about cutting taxes when they are out and change their tune when they are in?"

Its premise was that most English-language newspapers in Latin America were aimed solely at the American expatriate colonies. The Times started out with the idea that it would also reach out to all English-speaking Cubans. Readership grew rapidly and after only two years it had purchased machinery to become a daily when Fidel Castro interrupted the process.

In the fall of 1960, with Fidel Castro in power, the paper was honored by the Inter-American Press Association for its "courageous stand in defiance of the Castro dictatorship."

A sidelight: On July 4, 1960, well into the Castro regime, it published a 76-page issue

## EXTENSIONS OF REMARKS

with Uncle Sam on the front cover in red, white and blue. Our sales force reported that many U.S. companies refused to advertise fearing that to do so would anger Cuban authorities. Its last edition appeared in November, 1960, when its print shop, cluttered with a Goss Flatbed press and rows of linotypes (those were "hot lead" days), was surrounded by gun-carrying militia, and its editor, the late Carl E. Moore, was jailed for several days.

After only a short vacuum it appeared in Miami as The Times of Havana (Caribbean Edition), often only four pages and with an erratic publishing schedule.

In those lean years it opened and operated a Spanish-language bookstore in downtown Miami.

Its back half was an art gallery, and its highly publicized show of Cuban caricaturists earned a full page in The New York Times Magazine, and was picked up by the U.S. government and toured South America.

In the spring of 1966 it became The Times of the Americas, "the only English-language paper in the world entirely dedicated to news of Latin America."

That is a claim it still holds.

[From the Times of the Americas, Feb. 5, 1992]

## TIMES OF THE AMERICAS TURNS 35

(By Henry Goethals)

The first office of The Times of Havana, precursor of Times of the Americas, was a small corner room in a print shop at the corner of Luz and Compostela Streets in the heart of Old Havana.

Four antique wooden desks holding battered typewriters lined one wall. A secretary sat in the corner, handling billing and circulation. Neon lights hanging from the high ceiling provided faint illumination. Linotype machines whirred and wheezed in the next room.

A fan in one corner stirred the sluggish, tropical air. There was no air conditioning.

As The Times was getting underway, a revolutionary named Fidel Castro—virtually ignored by people in Havana and believed dead by many—was hiding out in the Sierra Maestra mountains of eastern Cuba, attempting to regroup his small invasion force decimated by attack from the Cuban armed forces.

The first issue of the new newspaper, dated Feb. 4, 1957, signalled the start of a brief but exciting experiment in English-language journalism at a moment of revolutionary fervor and change in Cuba.

During its short 44-month life in Cuba, The Times blossomed as a valuable source of world, U.S. and Cuban news, serving a wide range of English-speaking Cubans and businesses as well as members of Cuba's extensive American colony and tourists.

The 24-page tabloid quickly became the most widely read English-language publication in Cuba as well as a scrappy defender of press freedom under the government of President Fulgencio Batista and—briefly, as it turned out—under the revolutionary Castro regime which followed.

It was honored by the Inter-American Press Association as one of two Cuban news-

papers that did not accept subsidies from the Batista government.

And in 1961, it was the last independent Cuban newspaper operating on the island before being shut down by Castro's police.

The Times of Havana was founded by Clarence W. Moore, a native of Michigan, and his brother, the late Carl Moore. Both had spent years in the U.S. foreign service. At the time of the paper's founding, Clarence Moore was a partner in law firms in Havana and Miami, Florida.

Editor of the newspaper for much of its life in Cuba and responsible for its wide coverage and witty style was Milton Guss, a highly skilled journalist from Omaha, Nebraska, who later worked as an editor on The Miami Herald, the Washington Daily News and the Pacific Stars and Stripes.

In late 1957, the newspaper moved to its own editorial plant in a building which had formerly housed the Cuban magazine Bohemia at Galeano and Trocadero streets in midtown Havana.

It was published on a Goss Press imported from the United States, the copy set by linotypes operated by Cuban typographers. Bi-weekly at the start, it expanded in 1958 to a thrice-weekly schedule.

By 1959, with the triumph of Castro, The Times gained increased notoriety.

Carlos Todd, a Cuban contributor, pointed Castro's steady march toward total economic and political control and repression in a series of incisive columns before being forced into exile in 1960.

In November of that year, the Castro police seized The Times plant and briefly jailed its editor Carl Moore. The paper resumed publication in Miami in 1961 and moved to Washington in 1966, expanding its coverage to include all of the Americas.

Today, thirty-five years later, The Times continues publishing as Times of the Americas, a twice-monthly newspaper dedicated exclusively to news about Latin America and the Caribbean.

It has served as a prime source of information for hundreds of Latin Americanists in the United States and has helped train scores of journalists, many of whom continue to make Latin America their main sphere of interest and activity.

Purchased from Clarence Moore in late 1990 by Florida businessman Paul Pope, the newspaper is currently produced in an office overlooking Farragut Square in downtown Washington, D.C., using a modern desktop-publishing system. Its circulation is now concentrated in the United States, but expanding steadily in Puerto Rico and Canada, as well as in Latin America and the Caribbean, with readers scattered in Europe, Africa and Asia.

Jon Basil Utley, a former associate editor of The Times and now a commentator for the Voice of America, observed that The Times has made a major contribution to journalism and to inter-American understanding.

In 1967, on the occasion of the 10th anniversary of the newspaper, Vice President Hubert H. Humphrey, an ardent supporter of U.S.-Latin American understanding, wrote to publisher Clarence Moore:

"I know that in its early years in Havana . . . your paper demonstrated a rare and

\* This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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

## EXTENSIONS OF REMARKS

courageous determination under the most difficult circumstances.

"It is a tribute to you and to your staff that your paper has not only survived confiscation by a regime that fears the free word, but has increased its scope as its first decade comes to a close."

The newspaper's continued success and longevity emphasize the words of the late John O'Rourke, then editor of The Washington Daily News, who wrote in the early 1960s: "The Times of Havana is proof of the old saying that nothing is harder to start than a good newspaper and nothing is harder to kill."

*[From the Times of Americas, Feb. 5, 1992]*

**VIOLENCE ESCALATES ON EVE OF PEACE TALKS**  
BOGOTA.—Colombian guerrillas have stepped up their attacks in recent days and threatened to kill a former minister if the Colombian army does not halt its attacks in the northern part of the country.

The renewed guerrilla activity has sharply increased the level of violence in the country less than 10 days before the start of a second round of peace negotiations between the government of President Cesar Gaviria and the Simon Bolivar Guerrilla Coordinating Group scheduled for Feb. 10.

Guerrillas of the National Liberation Army (ELN), one of Colombia's two remaining large rebel factions, released businessman Juan Arvalo Jan. 30 with a message for the government stating that they will not be responsible for the life of Argelino Duran, a former minister, if the army continues its operations in the northern part of the country.

The kidnapping of the 72-year-old Duran, a popular political figure, has caused outrage in Colombia and led to a growing demand that the government effect his release.

The guerrilla ultimatum follows a period of escalating violence in which airlifted army units are reportedly pursuing a large guerrilla column through a dense jungle area some 280 miles north of Bogota.

In recent days both sides have traded blows and inflicted casualties. On Jan. 29, army units counterattacked and killed 15 members of a guerrilla column which had raided an encampment of Construccion de Obras de Ingenieria, a French-Argentine consortium, in Antioquia.

Earlier, on Jan. 26, ELN guerrillas killed at least 11 soldiers and wounded seven others in two ambushes in Casabe and Valdivia, located some 180 miles north of Bogota.

The government announced, meanwhile, that peace talks are scheduled to resume in Caracas Feb. 10. Originally planned for Feb. 1, the talks were postponed largely to permit leaders of both groups to reach the Venezuela capital.

Meanwhile, the designation by the ELN of Nicolas Rodriguez and Francisco Galan, the number two and number three leaders, respectively, of the guerrilla group, as its representatives at the Caracas talks was taken here as an indication that the guerrilla command was considering resuming the peace negotiations in earnest.

The Gaviria government, in turn, has designated Horacio Serpa, a former interior minister, as its representative in Caracas. The designation of Serpa, an ideological member of the left wing of the ruling Liberal Party, was well received by the guerrilla command.

Started initially in June of last year, the peace talks were broken off in November as the two sides failed to agree on terms for a ceasefire.

ROBERT FOWLER, HONORED PRINCIPAL

## HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize Robert Fowler, who has been honored by the Dade County public school system as being one of its best administrators. He was one of seven candidates chosen to compete for an award.

As principal of the North Miami Beach High School, Mr. Fowler encourages students to get involved in community service, such as distributing food for the poor and programs dealing with abused children. He was recently featured in the Miami Herald for this extraordinary dedication and commitment to education. The article, "NMB Principal Believes in Kids," by Grace Lim, reveals why he is so admired by students and colleagues. The article follows:

The principal of North Miami Beach High School likens himself to a mayor of a small city of 2,700.

Robert Fowler knows in his school, as in any city, there are good and bad elements. But to him, the good that comes from his students and staff the greatly outweighs the bad.

"A principal is really only a coordinator of the efforts of the employees," and said. "I can sit here and have all kinds of wonderful ideas, but where the rubber meets the road is out there. It's the teachers, the kids and the community who make it all work."

Fowler encourages students to participate in community service. Every month up to 60 students help distribute food to the poor and elderly at the North Miami Beach food distribution center. Other students have started their own community service organizations, including programs that help abused children and kids with terminal illnesses.

As a way to bolster school pride, Fowler began weekly announcement citing the academic and extracurricular achievements of the students and staff. Every nine weeks, he sends a newsletter to parents about their children's good works.

"Kids generally are good," he said. "And we, in the society, don't do enough to tell them that."

Mr. Speaker, I commend Robert Fowler for his outstanding achievements as teacher and administrator. His devotion to education is an inspiration to all teachers and principals in Dade County and around the Nation.

## TRIBUTE TO THE PARENTS UNION FOR PUBLIC SCHOOLS

## HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. BORSKI. Mr. Speaker, I rise today in recognition of the 20th anniversary of the founding of the Parents Union for Public Schools.

The Parents Union for Public Schools in Philadelphia is made up of parents united to work for better public schools. It is an independent, voluntary, citywide, and multiracial

organization of, by, and for parents of public school children.

In the fall of 1972 a group of parents from all parts of Philadelphia bonded together in response to a 3-month school strike. This group of parents became Parents Union. In the two decades since its founding, the Parents Union has made an outstanding contribution to the community.

The primary purpose of Parents Union is to secure a quality education for the students of Philadelphia's public school system. The union has grown from a completely volunteer organization to a current staff of parent organizers, special education advocates, and board members, all of whom are public school parents. As an independent organization funded by private grants and donations, the Parents Union is able to tackle a broad range of issues affecting our public school system.

Parents Union helps individual parents and students by supplying information and assistance about the school system and school issues, providing parent advocates to help solve school disputes, informing parents of their rights, and serving as an educational resource to parents.

Because of the willingness of the parents of Philadelphia school children to devote so much time and so many resources to the community, the Parents Union has become a tremendous positive force for the enhancement of the Philadelphia school system. For that, Mr. Speaker, I would like to salute the Parents Union for Public Schools in Philadelphia.

## THE INCLUSION OF AMERICAN SAMOA IN THE EMERGENCY LIVESTOCK FEED ASSISTANCE PROGRAM

## HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, today I am introducing legislation to amend the Agricultural Act of 1949 to make American Samoa eligible for emergency livestock feed assistance. This program will provide critically needed emergency feed assistance for the preservation and maintenance of livestock in American Samoa in the event of disease, insect infestation, flood, drought, fire, hurricane, earthquake, storm, hot weather, or other natural disaster.

Mr. Speaker, this is yet another example of a vital program extended to all 50 States, Puerto Rico, the Virgin Islands, and Guam, but not American Samoa. I believe this may have been an oversight when the other three insular areas were added to this program in 1988 legislation.

American Samoa is in one of the most weather-turbulent areas of the world. Within the last 2 years, Samoa was devastated by two hurricanes with winds in excess of 150 miles per hour. The most recent of the two, Hurricane Val, struck the islands of Samoa for 4 days in December last year and destroyed 95 percent of subsistence crops and approximately 60 percent of housing units.

The farmers in Samoa were not covered under any agricultural emergency programs

February 24, 1992

until last month when the U.S. Department of Agriculture included the Territory in the Crop Loss Assistance Program. However, the livestock, dairy, and poultry farmers still remain without assistance from the Federal Government and private resources.

I believe this legislation will help relieve the critical need for emergency assistance faced by Samoa's livestock, dairy, and poultry farmers in the wake of disasters such as Hurricane Val.

Mr. Speaker, I urge my colleagues to pass this bill during this Congress.

#### FAT-FREE FRANK

#### HON. NEWT GINGRICH

OF GEORGIA

#### IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. GINGRICH. Mr. Speaker, I would like to insert for the RECORD the following Wall Street Journal editorial. I urge the Committee on House Administration to report H.R. 4104 by Mr. Thomas to the floor for consideration immediately.

#### FAT-FREE FRANK

One of the reasons for the public's cynicism about Congress is that when Members try to reform the institution, their efforts often turn out to be a sham. Take the issue of franking, the practice by which Members carpet-bomb constituents with taxpayer-funded propaganda hyping their accomplishments. In 1990, the public outcry over franking forced the House to place a formal limit on the amount of mail a Member could send out. But the limit still allows a wide variety of abuses.

Roll Call, the Capitol Hill newspaper, reports that in just two days last month more than 58 million newsletters and notices were mailed by House Members. That's enough to reach more than half the mailboxes in the nation.

But some Members aren't satisfied with just mailing to their current constituents. Dozens of Members are taking advantage of a loophole in the House Rules to mail to people outside their districts. Because the nation's congressional districts are being redrawn this year, Members are allowed to send mass mailings to areas that may be added to their district for the November election and to counties that border their current district. The excuse is that a Member should be able to "introduce" himself to potential constituents. The practical effect is to discourage challengers from filing against incumbents, and to make it more difficult for those brave challengers who do run to win.

Rep. Bill Thomas of California has introduced legislation to level the political playing field a bit by closing such franking loopholes. He says the potential for abuse is mind-boggling. Because he represents a corner of Los Angeles County, Rep. Thomas could send mail to residents of all the adjoining counties—a big advantage if he ran for statewide office. "I could mail to two-thirds of the state's residents, if I could afford it," he says.

Even traditional defenders of congressional perks, such as Brookings Institution scholar Thomas Mann, can't justify this latest abuse of power. Rep. Thomas has more than 50 co-sponsors for his franking-reform bill. includ-

#### EXTENSIONS OF REMARKS

ing such brave Democrats as Barney Frank of Massachusetts and Anthony Beilenson of California. The Democratic leadership is embarrassed by the franking abuses, but is quietly moving to sidetrack the Thomas reforms by attaching it to the legislative appropriations bill. That bill is unlikely to be approved until September, by which time Members will have completed all the out-of-district mailings their hearts desire.

Such flimflammy has proved too much for Roll Call's editorialists, who normally make the best case possible for Congress's outrageous behavior. They noted that the Thomas reforms may have no practical limit on franking until the next time districts are redrawn—in the year 2002. Roll Call warned that "If Congress proceeds on its current path, perhaps term limits will have chased everyone now in the House from office anyway." At the very least.

#### THE DEAFENING SOUND OF SILENCE: THE LACK OF RESPONSIBLE CRITICISM OF PATRICK BUCHANAN'S RACISM AND ANTI-SEMITISM

#### HON. TOM LANTOS

OF CALIFORNIA

#### IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. LANTOS. Mr. Speaker, while the outcome of Tuesday's Presidential primary was clearly more of a vote against George Bush than a vote for Patrick Buchanan, it is extremely troubling that a man with as clear a history of ethnic, racial and religious intolerance as Patrick Buchanan is seen as a credible candidate for the highest office in the land.

Unfortunately, Mr. Buchanan's record of intolerance and xenophobia has not been the subject of sufficient attention by political leaders or the national media. I suspect that when his often shocking and defamatory views are given the attention they deserve, he, and his candidacy, will be judged harshly by the American people.

The truth of the matter is that Patrick Buchanan represents an ugly past in American politics. His narrowminded vision for America and his divisive, negative tactics pose a great threat to the future of this Nation. He must not be underestimated.

The New York Times columnist A.M. Rosenthal has written an excellent article on the disturbing phenomenon of Patrick Buchanan. Most importantly, he argues that people who should know better have indirectly helped his cause—Mr. Buchanan's campaign has thrived because his intolerable rhetoric has been met with deafening silence and apparent indifference.

Mr. Speaker, I ask that Mr. Rosenthal's article be printed in today's RECORD and that my colleagues give it the thoughtful and serious attention it deserves.

[From the New York Times, Feb. 14, 1992]

#### ON MY MIND: VICTORY FOR BUCHANAN

(By A.M. Rosenthal)

Patrick Buchanan already has achieved a remarkable victory in the New Hampshire primary. It will stand no matter what the vote spread.

He could not have done it alone. He had the help of American journalists and politicians.

Still, it cannot be taken away from Mr. Buchanan that he not only has introduced anti-Semitism into the mainstream of American politics, but has made it acceptable, respectable enough to ignore—and potentially profitable.

In New Hampshire, the press paid only fleeting attention to his anti-Semitism. That was better than President Bush and the Democrats, who paid none.

Political bigots everywhere will correctly draw the lessons. And they had better be learned by all people who consider Mr. Buchanan just one more politician, all politicians who failed to condemn his cracks about Jews and "Zulus" and those journalists who ran from confrontation with their good old pal. They had better learn damned quick before they hear the bell tolling too close to their ears.

Mr. Buchanan now has earned close attention as a political propagandist. For years he will be using his new prominence, and his regular TV appearances and column to re-cast American conservatism in his particular mixture of populism and religious and racial divisiveness. If he succeeds, it will change the texture of American life.

But he is just as important as a vivid example of the increasing social and political acceptability of racism and bigotry in the intellectual and political life of the country.

For years now it has been there to see and smell—in anti-Semitic speeches at campus rallies, in college ads denying the Holocaust, in violently bigoted pop and rap lyrics sold to millions and clear except to music critics who left their brains in the piano stool, in TV air time given to skinheads to vilify blacks.

And now we come to the point where a Presidential candidate's record of carefully crafted insults is hardly even discussed during the campaign.

The responsibility for this phenomenon does not rest simply on the bigots—what else did we expect? It rests on blacks who participate in or ignore anti-Semitism, on whites who get all upset when blacks get even a few of the special, essential breaks in life that they themselves always enjoyed.

It rests on those journalistic friends—and TV partners—of Mr. Buchanan who tell us he really is a charming fellow even if he talks a little too bluntly. It rests on people like William Buckley, who agree now that Mr. Buchanan did after all say anti-Semitic things but then tell us they would vote for him in New Hampshire as a message to Mr. Bush. What message? Anti-Semitism is less offensive than raising taxes?

With a few staunch exceptions, Washington columnists and commentators looked straight at Mr. Buchanan's statements and innuendos—looked, and ran. They stayed friends and admirers right through his trashing of Holocaust truth, through his irritation of Catholic-Jewish sensibilities, through his cracks about how Congress was Israeli-occupied territory and Democrats the poodles of the Israeli lobby. These Washington experts needed no translation: the Israeli lobby gets its money and votes not from Jerusalem but from American Jews legally and morally supporting a cause close to them.

The cesspool was plumbed when Mr. Buchanan said in August 1990 that only the Israeli Defense Ministry and its "amen corner" in the U.S. were beating the war drums. That was a lie—a lie, and as plain a piece of deliberate evil as ever uttered on TV. It meant watch out, the Jews are trying to drag your children into war for foreign purposes. From the Beltway, came the sound of silence.

## EXTENSIONS OF REMARKS

Top politicians matched journalists in courage. Mr. Bush never suggests, heavens no, that Mr. Buchanan's anti-Semitism might be at least one reason to vote against him.

And not one of the five candidates of the other party thought Mr. Buchanan's anti-Semitism an issue worth mentioning. These people—they are Democrats?

So the victory is Mr. Buchanan's, the respectable, acceptable, charming Buchanan's. What's more, he has refused to withdraw, retract or soften his anti-Semitic insults. Please note. This man is keeping his powder dry.

## CONGRESSIONAL DELAYS COST \$500 MILLION

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. GRADISON. Mr. Speaker, we all know that, by refusing to provide the necessary appropriations, Congress has repeatedly delayed the Resolution Trust Corporation's efforts to resolve failed savings and loans. On April 1 of this year, the RTC will once again have to cease its operations unless Congress acts before then to extend its spending authority. Unfortunately, many Members of Congress remain unaware of the costs of these delays. Last month, Senator DOMENICI and I asked the RTC to document the magnitude of these costs and to forecast how they would grow if Congress once again fails to act in a timely manner. The RTC's response shows that past delays have already cost the taxpayer between \$400 and \$500 million. Unless Congress provides more funding by mid-March, these losses will begin growing again by \$2 to \$3 million per day. The letter from Senator DOMENICI and myself, as well as the RTC's response, are printed below.

CONGRESS OF THE UNITED STATES,  
COMMITTEE ON THE BUDGET,  
Washington, DC, January 17, 1992.

Mr. Albert V. Casey, Chairman,  
Resolution Trust Corporation, Washington, DC.

DEAR CHAIRMAN CASEY: We are writing to request an analysis of the costs of congressional delays in providing the Resolution Trust Corporation with sufficient appropriations to carry out its responsibilities.

As you know, Congress has chosen to fund RTC with current, definite appropriations rather than providing it with permanent, indefinite authority, which we would prefer. Periodically, RTC has exhausted its funding authority, forcing it to delay the pace of resolutions while awaiting action by Congress. Supporters of further funding, including ourselves, have argued that such action is unavoidable and that delays only act to increase the eventual cost of resolving failed savings and loans.

Congress first delayed RTC funding in the fall of 1990. Full funding was not provided until the spring of 1991. Estimates of the cost of delay reached hundreds of millions of dollars. More recently, Congress delayed funding for RTC during the fall of 1991. At the time, there were reports that the cost of delay was \$8 million per day. These numbers have been widely quoted but, to the best of our knowledge, no detailed justification for them exists. In our view, the lack of docu-

mentation on this point undercuts the case for further funding because many in Congress have chosen to ignore what they perceive to be unsubstantiated claims.

Last November, Congress provided RTC with an additional \$25 billion in loss authority. This authority expires on April 1, 1992. Unless Congress acts to provide additional funds before then, RTC will once again experience delays in its operations. We understand that the April 1, 1992 funding deadline may already be adding to RTC costs by limiting its resolution activity to those institutions which can be closed by that date. The size of such losses might be reduced if Congress had a better understanding of the costs of such delay.

It would therefore be helpful if RTC provided Congress with a careful analysis of the causes and magnitude of such delays. This analysis should focus on those costs that are due solely to Congressional inaction and should provide information on both the reasons for and the magnitude of past costs. To the extent possible, specific examples of additional costs should be provided. Finally, we would like to know by what date Congress must provide further funding to avoid such losses in the future.

We expect that much of the analysis requested in this letter has already been performed by your staff. We would therefore hope that it could be collected and presented by February 15 to give Congress sufficient time to act on it. Please advise us if this date is not attainable.

Sincerely,

PETE DOMENICI,  
Ranking Republican,  
Senate Budget Committee.  
BILL GRADISON,  
Ranking Republican,  
House Budget Committee.

RESOLUTION TRUST CORPORATION,

Washington, DC, February 20, 1992.

Hon. WILLIS D. GRADISON, JR.,  
Ranking Minority Member, Committee on the  
Budget, House of Representatives, Washington,  
DC.

DEAR MR. GRADISON: Thank you for your co-signed letter asking for further explanation of the cost to the American taxpayer of delaying funding for the Resolution Trust Corporation.

Since the fall of 1990, the RTC has had to postpone almost two quarters of resolution activity due to inadequate funding. We estimate that, in the aggregate, the cost of this delay was \$400 million to \$500 million. Last November, Congress provided the RTC with \$25 billion in loss funds, but the availability of these funds expires on April 1, 1992. If Congress does not provide the RTC with additional loss funds by mid-March 1992—when the RTC would normally begin marketing institutions for resolution during the second quarter of the calendar year—losses due to inadequate funding will once again begin to mount up.

We estimate that a one-quarter delay would result in unrecoverable costs of approximately \$200 to \$250 million, while two quarters of consecutive delay would result in unrecoverable costs of approximately \$600 to \$900 million. The cost of two quarters of consecutive delay is more than twice the cost of one quarter's delay because the longer the period of delay, the longer it takes to catch up. These estimates exclude nonquantifiable factors such as the deterioration of franchise values of institutions that remain longer in conservatorship than would otherwise be necessary, and their adverse competitive ef-

fects on marginally solvent institutions. Enclosed is a more detailed explanation of these costs prepared by my staff.

As the enclosed analysis indicates, delaying the resolution process, even for only a short period of time, is quite costly. I urge you to provide the RTC with sufficient appropriations to carry out its mission by no later than mid-March so that unnecessary costs do not begin to mount. Additional funds will eventually have to be appropriated in order to fulfill the government's obligation to insured depositors. Delay only worsens the situation and in no way serves any purpose.

I appreciate your interest and look forward to working with you. If you have any questions, please let me know.

Sincerely,

ALBERT V. CASEY,  
President and CEO.

## RTC STAFF ANALYSIS

Delay in the resolution process is costly because some, although not all, of the operating expenses of conservatorships are lowered or eliminated at resolution. In particular, before an institution is closed, its negative net worth and assets are funded at the institution's cost of funds. After resolution, negative net worth and remaining assets are funded at a government cost of funds. While downsizing during conservatorship and high cost funds replacement serve to lower a conservatorship's cost of funds, they cannot completely eliminate the government cost of funds advantage.

The cost of funds differential between conservatorships and 1-year Treasury borrowings at yearend 1991 was approximately 180 basis points. Compared to historical differences, this is a high differential. The reason for this high differential is that short-term interest rates dropped rapidly toward the end of 1991 while deposits repriced much more slowly. However, even during the third quarter of calendar year 1991, when interest rates did not decline as rapidly as they declined during the fourth quarter, the differential was approximately 115 basis points. Assuming a 115-basis-point differential, that approximately 20 percent of a conservatorship's liabilities can be replaced with lower cost funds, and that the replaced funds cost an average of 150 basis points above the institution's average cost of funds, resolution lowers funding cost by approximately 50 basis points.

In addition to lowering funding costs, resolution eliminates noninterest expenses associated with gathering liabilities such as branch employee salaries, marketing, etc. According to Functional Cost Analysis data, compiled by the Federal Reserve Board, noninterest expenses associated with gathering liabilities at thrifts comes to approximately 1.15 percent of assets.

Combining the Government's cost of funds advantage with the noninterest expenses that are eliminated at resolution yields a quarterly cost of delay of .38 percent of assets, or \$3.8 million for each quarter that the resolution of a billion dollars of assets is delayed.

Based on the information the RTC currently has from the Office of Thrift Supervision regarding this 1992 caseload, if the RTC were to receive uninterrupted loss funding, it would resolve institutions with assets of approximately \$33 billion, \$45 billion, and \$27 billion, respectively, during the last three quarters of calendar year 1992. If funding were delayed one quarter, the resolution of institutions scheduled to be closed during the second quarter of the calendar year—in-

stitutions holding approximately \$33 billion in assets—would be delayed. However, the RTC could not flood the market and make up the entire \$33 billion in delayed resolutions in one quarter.

Rather, since \$45 billion of resolutions are already anticipated for the third calendar quarter, it might make up one-third, or \$11 billion, in the third quarter of the calendar year, and the remaining \$22 billion in the fourth quarter. Under such circumstances, the one quarter delay in funding would cause \$11 billion in assets to be delayed one quarter and \$22 billion to be delayed two quarters. At a cost of \$3.8 million for each quarter that the resolution of \$1 billion of assets is delayed, this translates into a cost of delay of slightly over \$200 million. If, for some reason—perhaps because the actual caseload during the last quarter of calendar year 1992 turns out to be higher than currently anticipated—the \$33 billion in delayed resolutions is spread out evenly over three quarters, the total cost of delay would come to approximately \$250 million.

If funding were delayed two quarters, the RTC would have fallen behind by \$88 billion in resolutions by the time funding is authorized. Depending on the RTC's caseload during calendar year 1993, it is likely to take two to four quarters to completely make up for such a delay. At a cost of \$3.8 million for each quarter that the resolution of \$1 billion of assets is delayed, this would translate to a total cost of delay of \$600 million to \$900 million.

#### A TRIBUTE TO FIVE SNAPPER CREEK FAMILIES

**HON. ILEANA ROS-LEHTINEN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to congratulate five Snapper Creek families who have won \$1,000 in the Junior League of Miami's good neighbors contest. Maria de Pablo, Marlene Miles, Donna Russo, Frances del Pino, and Dulce and Benjamin Martinez are anxious to use their winnings to build a playground for the many children that live in their Snapper Creek neighborhood. In a Miami Herald article entitled "Parents Win \$1,000 for a Playground," Manny Garcia reports on the five Snapper Creek families' ambitions of winning the Junior League's contest:

Tired of not having a nearby playground for their children, five Snapper Creek families decided to do something about it last year. They entered a contest to win \$1,000 to build a small playground. They won last week.

"I had no idea we were going to win," said Maria de Pablo, who lives in the 10800 block of Snapper Creek Drive. "I was very excited. There's a lot of kids out here, but there's nothing for the little ones to do."

De Pablo and her group are among seven entrants that each won \$1,000 in the Junior League of Miami's Good Neighbors Contest.

Contest chairwoman Elaine Mijalis said winners were picked based on their project's ability to solve a problem in the community.

The Snapper Creek group submitted a plan to build a small playground along the banks of the Snapper Creek canal. The canal bank currently has a bike path and exercise course. The closest parks for children are In-

#### EXTENSIONS OF REMARKS

dian Hammocks Park and Tropical Park, both several miles away.

"It was a well thought out program," said Mijalis. "It was truly a grass roots effort."

Mijalis said community leaders also were impressed by the group's diverse ethnic and national mix, which include Haitian, Jamaican and Hispanic couples.

Neighbor Marlene Miles started the effort last fall when she saw the contest advertised in The Herald's Neighbors section.

She and de Pablo came up with the park idea, then got support from neighbors Donna Russo, Frances del Pino and Dulce and Benjamin Martinez. De Pablo mailed off the proposal and forgot about it until Mijalis called last week.

De Pablo, however, said the project has run into a snag since the announcement.

State law requires the playground to have a handicapped entrance. The group also needs to fence the playground, which they did not include in the budget.

DePablo, the mother of two boys, said she remains optimistic and hopes the county or somebody else will help out. Said Miles, who has three children: "The children are very excited. All they want is the monkey bars."

Mr. Speaker, I am pleased to bring to my colleagues' attention a few of my constituents who are actively working to make south Florida a more pleasant place for children. Congratulations on a job well done to Maria de Pablo, Marlene Miles, Donna Russo, Frances del Pino, and Dulce and Benjamin Martinez.

#### THE 50TH ANNIVERSARY OF THE VOICE OF AMERICA

**HON. DANTE B. FASCELL**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FASCELL. Mr. Speaker, this is an amazing time to be celebrating the 50th anniversary of the Voice of America—a time when the most unlikely governments are celebrating the Voice. Who would have thought several years ago that Mikhail Gorbachev would salute VOA? Who would have predicted that Boris Yeltsin would call on the VOA to disseminate his words during a coup attempt? At age 50, the Voice is in its prime and can only improve with age and experience. You have received the thanks of nations now attempting to embrace democracy. I thank you for giving me the opportunity to add my thanks and my congratulations.

It wasn't so long ago that VOA was jammed overseas and that some officials and media in our own country questioned the expenditure of public funds on what they call propaganda. Today the jamming has virtually ceased and the clamor appears to be for more broadcasting of every kind. You have proven the worth of a U.S. Government broadcasting service. You are survivors of the ebbs and flows of public opinion, and victors in the cold war. It is my pleasure to congratulate all of you—journalists, engineers, and managers—for bringing VOA the acclaim it has received during such a time of transition in the world.

Let me also say that your Director, Ambassador Henry Catto, is the man to have at the helm of USIA as we navigate the waters of whether U.S. Government international broad-

casting in the months ahead. I extend my warmest congratulations to you Mr. Director, and to Mr. Untermeyer as you kick off the next 50 years.

I have been asked to address how I see the VOA today and in the future. Well, VOA has always been somewhat of an enigma. It is asked to perform functions that may sometimes seem contradictory. On the one hand, VOA is the policy voice of the United States. On the other hand, it broadcasts accurate and objective news and information around the world. Given the VOA's charter, to articulate U.S. policy and to serve as an accurate, objective, and comprehensive source of news, there is ample potential for tension where VOA's diplomatic and journalistic mandates collide.

If VOA is to continue on its course of broadcasting more targeted news to certain areas of the world, then it must maintain an atmosphere of journalistic freedom in spite of these tensions. This is where strong leadership of the Agency and of the Voice are necessary to set and defend the standards of independence and professional journalism. This is the point on which the future structure of U.S. Government broadcasting will rest. Surrogacy may not be the magic word in formulating our future policies, but truth is. VOA has the flexibility in this charter to deliver some of the same goods as surrogate radio. But the question is whether the diplomats and journalists can make it work and whether the administration and the Congress can deliver the resources to make it work.

I don't have to tell you that VOA is already changing to meet the demands of the next 50 years. There is broad support in the Committee on Foreign Affairs for a Voice that targets a portion of its news and information to the region or country to which it is broadcasting. There is also support for the role of VOA as educator—not only in English language training, but in the rudiments of free enterprise and democracy to those governments entering the community of democratic nations and trying to establish viable economic systems in the world economy. The information age is also an education age. Without training, individuals will not be able to adapt and adjust to rapidly changing societies.

In performing its role as a builder of democracy, VOA can move closer to its place in a truly integrated public diplomacy policy that helps to accomplish foreign policy goals. Such expanded functions will demand the greater participation of USIA in the policymaking process, through the National Security Council.

Today the Voice of America is a symbol of a United States that did not shy away from its prominent place in the world. It is an example of our commitment to the free flow of information and a recognition that the United States should take the lead in delivering that basic human right. VOA proclaims our engagement in the world rather than a retreat into isolation. I am a firm believer that VOA is an instrument that can continue to figure prominently in our vision of a more peaceful world.

This country needs an official voice that can anticipate the repercussion around the world of changes in U.S. policy and ensure that these policies are properly explained. At a time when many new nations are looking to

the United States for guidance, VOA is a symbol of the values that we cherish.

I have always believed that the United States should broadcast to our friends as well as to countries whose governments hold U.S. policies in contempt or who attempt to control information flows. The future Voice should be a global system, broadcasting to successor generations in Europe, and reaching audiences in other parts of the world where our signal is weak or nonexistent. But a global broadcasting system will face a competitive environment from other government and private broadcasters. Competition will require us to understand and serve the needs and interests of particular audiences in various regions of the world.

My immediate concern for the future of U.S. government broadcasting is that decisions not be made by the budget knife, but be the result of long-term policy analysis. We must set a high priority for communications in our foreign policy budget, and not pit these moneys against refugee assistance or post openings in the Commonwealth of Independent States. And if we don't have the funds at this moment to make the Voice of America into the expanded, global service we want it to be, the Congress and the administration must work together to divine the structure and broadcasting priorities of U.S. Government broadcasting in a manner that will allow the radio or radios to evolve to meet the needs of our foreign policy.

As the question of programming and delivery systems is debated, we must also debate technology issues. To be sure, we cannot at this time afford redundant broadcast facilities. VOA and RFE/RL have shared broadcasting facilities with good effect. VOA has also moved to new frequencies in areas where shortwave audiences were declining. But as a government, we need to set a logical framework for global U.S. Government broadcasting as we evolve into new technologies in different regions of the world. Our first priority for the future of U.S. Government broadcasting should be to build a modern network to broadcast clearly and effectively, no matter what our ultimate message may be.

I don't have a crystal ball that forecasts the future of VOA, surrogate services, or the birth of a Radio Free China. My crystal ball can't even tell you how the birds will migrate over the Israeli relay station. What is clear is that America still needs the Voice.

I am sure that all of you at the Voice have received birthday greetings in more than the 44 languages in which VOA broadcasts. These greetings testify that the world still needs the Voice. VOA has made many friends for the United States around the world since its beginnings in the days after Pearl Harbor. Let me congratulate all of you on this anniversary representing 50 years of service to the U.S. Government and to the world, for surviving the vicissitudes of politics and Federal budgets, and for building a fine institution that represents the ideals of this country overseas.

## EXTENSIONS OF REMARKS

### BIOGRAPHIES OF CHIEF POWHATAN AND POCOHONTAS

#### HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, through Public Law 102-188 (S.J. Res. 217, H.J. Res. 342), Congress and the President designated 1992 as the Year of the American Indian. This law pays tribute to the people who first inhabited the land now known as the continental United States. Although only symbolic, this gesture is important because it shows there is sympathy in the eyes of a majority of both Houses of the Congress for those Indian issues which we as a Congress have been struggling with for over 200 years.

In support of the Year of the American Indian, and as part of my on-going series this year, I am providing for the consideration of my colleagues a short biography of Chief Powhatan and his daughter Pocahontas. This biography was taken from a U.S. Department of the Interior publication entitled "Famous Indians, A Collection of Short Biographies."

#### POWHATAN AND POCOHONTAS

When English settlers founded Jamestown Colony in 1607, all of what is now Tidewater Virginia was occupied by a confederacy of Algonquin Indian tribes headed by a powerful chief known as Powhatan (his proper name was Wahunsonacock). Although Chief Powhatan could easily have destroyed the entire young colony, he and his people were generally friendly during the pioneers' first difficult years.

Capt. John Smith, the English colony's leader, described Powhatan as a tall, dignified man in his 60's, with a grim suspicious face and a reputation for cruelty to anyone who got in his way.

But Powhatan had a very soft heart for his "dearest daughter," Pocahontas, a girl of about 13 at the time of the English arrival.

Many legends have grown up around Pocahontas. One of the most famous of these tells that when John Smith, having intruded too far on Indian territory, was captured and about to be beheaded at Powhatan's order, Pocahontas saved his life by throwing herself over his body. Then, the story continues, Powhatan, yielding to Pocahontas' pleas, pardoned the English leader and sent him back to Jamestown in peace.

In 1609, making a diplomatic effort to maintain the Indians' good will, the English settlers crowned Chief Powhatan king of the territory. Much pomp and ceremony went along with the crowning, but, according to Captain Smith, it was not a complete success. Powhatan was more interested in the gifts which went along with the event than in the crown itself, and was reluctant to bow his head even long enough for the crown to be placed upon it.

Indian-white relations became less friendly after John Smith's return to England, and promises were broken on both sides. The English intruded upon Indian lands, and the resentful Powhatans captured settlers and made off with colonists' belongings. There were several years of minor warfare.

In 1613, taking advantage of Powhatan's great love for his daughter, the English decoyed Pocahontas onto a British ship which lay at anchor in the Potomac, and carried her off to Jamestown. With so valuable a

hostage, the settlers were able to arrange ransom terms; English prisoners and goods were returned, and Pocahontas was restored to her father.

But while she was living among the English at Jamestown, Pocahontas had met John Rolfe, "an honest gentleman and of good behaviour," as records of the time describe him. The two fell in love. After Pocahontas had been converted to Christianity and baptized under the name of "the Lady Rebecca," she and Rolfe were married.

The match was much to the benefit of English colonists, for Powhatan kept peace with them until his death in 1618.

In 1616, Mr. and Mrs. Rolfe and several other Indians accompanied Jamestown Governor Thomas Dale to England, where Pocahontas was received as a princess. She lived happily there until, at about 22, she died of smallpox. Her only son, Thomas Rolfe, returned as a young man to the home of his mother, and later founded one of America's most distinguished families—the Randolphs of Virginia. Several remnant groups, representative of the historic Powhatan Confederacy, are found today in Virginia. Of these, the Pamunkey and Mattaponi are best known.

## DAY OF RECOGNITION OF PHILIPPINE WORLD WAR II VETERANS

#### HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. BENNETT. Mr. Speaker, I introduced a joint resolution to designate April 9, 1992, as a Day of Recognition of Philippine World War II Veterans and I encourage Members of Congress to join me in this.

I had the privilege of serving in the 33d Infantry Division in the Philippines in World War II; and after our capture of Baguio, the summer capital of the Philippines, I was privileged as a guerrilla to fight in the northern Luzon mountains for the freedom of our ally, the Philippines. So, it is with a feeling of nostalgia and great love for the Philippine people and their great country that I introduce this resolution today. I would not be alive today if it had not been for the Philippine guerrillas I fought alongside in those days now long distant past.

The resolution I have introduced is as follows:

#### H.J. RES. —

Whereas, upon the outbreak of war between the United States and Japan in World War II, 110,000 members of the organized military forces of the Government of the Commonwealth of the Philippines who had been called into the service of the United States Armed Forces by order of President Roosevelt dated July 26, 1941, were committed to battle, along with United States personnel, against the Imperial Japanese forces that invaded the Philippines on December 8, 1941;

Whereas April 9, 1992, and May 6, 1992, mark the 50th anniversaries of the fall of Bataan and Corregidor, respectively, to Imperial Japanese forces;

Whereas the Filipino and United States defenders of the Philippines engaged Japanese forces from the breaches of the Philippine islands to the last defense of Bataan and Corregidor in a grueling battle lasting 150 days;

February 24, 1992

Whereas that defense compelled Japan to divert thousands of additional troops to the Philippines;

Whereas the enormous sacrifices of the defenders in the battles of Bataan and Corregidor provided the United States and its Allies with valuable time to prepare their armed forces for a counteroffensive campaign against Japan;

Whereas, in that defense, the members of the Filipino forces and their United States counterparts struggled against difficult odds and desperate circumstances and faced, with indomitable spirit, fortitude, and loyalty to America, powerful Imperial Japanese forces;

Whereas members of the Filipino forces acquitted themselves nobly during the Bataan death march, during their internment in death camps, and throughout 3 years of resistance against Japanese occupation of the Philippines; and

Whereas the United States recognizes the sacrifice, loyalty, and valuable contribution of the Filipino World War II veterans to the causes of peace, freedom, and human dignity; Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. DESIGNATION OF DAY.**

(a) DESIGNATION.—The President is authorized and urged to designate April 9, 1992, the 50th anniversary of the fall of Bataan, as the "Day of Recognition of Filipino War Veterans".

(b) PRESENTATION OF RESOLUTION.—It is the sense of Congress that a copy of this resolution be presented to Filipino veterans and the Filipino people in Manila on April 9, 1992, during the observance of the 50th anniversary of the fall of Bataan, as an expression of goodwill and a reaffirmation of the continuing regard of the United States and the American people for a lasting Filipino-American friendship.

**UNITED STATES DISCUSSIONS WITH EGYPT ON THE POSSIBLE PURCHASE OF SUBMARINES FROM THE UNITED STATES**

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. HAMILTON. Mr. Speaker, on January 7, 1992, I wrote to the Department of Defense with questions regarding the October 1991 visit to the United States of Egyptian Defense Minister Tantawi. On February 6 I received a reply from the Department of Defense. I would like to bring the correspondence to the attention of my colleagues, and the text follows:

COMMITTEE ON FOREIGN AFFAIRS,  
Washington, DC, January 7, 1992.

Hon. RICHARD H. CHENEY,  
*Secretary of Defense, The Department of Defense, The Pentagon, Washington, DC.*

DEAR MR. SECRETARY: Subsequent to a hearing last November with the Department of State on the Middle East, it was suggested that I contact you with questions regarding the October 1991 visit to the United States of Egyptian Defense Minister Tantawi.

I would like to know what were the key issues on Minister Tantawi's agenda and what was discussed during his visit. I would also like to know the following: Did the Defense Minister make an official request for the

**EXTENSIONS OF REMARKS**

purchase of two diesel electric submarines? Is Egypt seeking U.S. permission to purchase the hull sections for these two submarines from Germany and then have them outfitted in the U.S. using U.S. FMF assistance? What is your position on these matters? Is there currently a prohibition against providing the U.S. funding for the manufacture of any submarine for export? Have there been any exceptions to this policy in recent years?

I appreciate your consideration of these general and specific questions and look forward to an early reply.

With best regards,

Sincerely,  
LEE H. HAMILTON,  
*Chairman, Subcommittee on Europe and the Middle East.*

THE ASSISTANT SECRETARY OF DEFENSE,  
Washington, DC, February 6, 1992.

Hon. LEE H. HAMILTON,  
*Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: Secretary Cheney received your inquiry related to the recent visit to the United States by General Mohammed Hussein Tantawi, Egyptian Minister of Defense. He asked that I respond to the important questions raised in your letter.

The key issues discussed during General Tantawi's visit included regional security arrangements, the situation in Iraq, Middle East arms control, potential threats to regional security, joint exercises and training, and purchases of military equipment from the U.S.

General Tantawi did not make an official request for the purchase of two diesel-powered submarines during this visit. Although Egyptians have informed us that they wish to utilize FMF credits to the maximum extent possible for a diesel submarine purchase, they have not provided an authoritative statement on where or how they wish to have the submarines built and how they wish to pay for them. We are aware, however, that the Egyptian Government has requested proposals for construction of conventional submarines from shipyards in the United States, France, the United Kingdom, and possibly other countries.

Since the Egyptians have not submitted a Letter of Request, the Department of Defense has not taken a final position on this issue. We have expressed concern to our Egyptian friends about the use of FMF credits for such a purchase (Egyptian credits are fully committed for several years to come) and about possible construction of submarines in the U.S.

There is no legal prohibition against providing U.S. Government funds for the manufacture of submarines in the U.S. for export. It should be noted, however, that the only submarines ever transferred to a foreign state have been surplus older U.S. conventional submarines.

The U.S. Navy is opposed to manufacturing submarines in the United States for export because of the possibility of technology transfer that could undercut our vital advantage in undersea warfare. In the past, the Secretary of Defense has supported the Navy. There have been no exceptions to this policy.

I hope we have answered your questions. We will keep in touch with your staff if anything develops on this issue of diesel submarines.

Sincerely,

JAMES R. LILLEY.

**SUPPORT FOR H.R. 2492**

**HON. ROBERT A. BORSKI**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. BORSKI. Mr. Speaker, I rise in support of H.R. 2492, to repeal the tax on unemployment compensation.

Congress must right a wrong that took place 6 years ago when we approved a provision of the 1986 Tax Act and agreed to fully tax a person's unemployment compensation.

There could be no better time than the present to correct our mistake. The Nation is in the depths of a serious recession and to tax people who are the victims of this crisis is simply cruel and inhumane.

In my own city of Philadelphia I see hundreds of hard-working people whose lifestyles screeched to a halt when the recession cost them their jobs.

They bought houses and cars based on steady incomes and now have much smaller unemployment checks to pay their bills.

Just 2 weeks ago I spoke with many of these people when I announced I would co-sponsor H.R. 2492. Hearing their frustration and sense of betrayal was all that I need to understand that taxing unemployment compensation must stop immediately.

Congress must show unemployed Americans we are here to pick them up, not punch them down.

I ask that my colleagues join me as a co-sponsor of H.R. 2492 and that we move quickly to repeal the tax on unemployment compensation.

**DADE EDUCATOR RECEIVES NFL TEACHER OF THE YEAR AWARD**

**HON. ILEANA ROS-LEHTINEN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize Miriam Williams, the 1991 recipient of the National Football League's Teacher of the Year Award. As a teacher at Miami Palmetto Middle School, Ms. Williams met Derrick Thomas, currently a linebacker for the Kansas City Chiefs, 13 years ago. It was he who nominated his middle school teacher, Ms. Williams, for the honor.

When Ms. Williams recalls her first encounter with Mr. Thomas, she notes that the relationship did not begin well. In fact, it ended up with a suspension for Mr. Thomas. However, this incident encouraged her to work with Mr. Thomas in order to help him. Eventually, her efforts paid off, and she helped Mr. Thomas build academic self esteem by assisting him with his reading skills. Ms. Williams' dedication did not end there. When it came time for Mr. Thomas to pursue a college career, Ms. Williams aided him in his decision to attend the University of Alabama.

Today, Ms. Williams still teaches at Miami Palmetto Middle School. Her former student Thomas has proceeded on to play professional football. In addition, Mr. Thomas and

his praises for Ms. Williams helped to inspire the creation of the National Football League [NFL] Teacher of the Year Award. When NFL Commissioner Paul Tagliabue heard Thomas speak highly of his grade school mentor, he began talk of the program. Response from the players since then has been incredible, according to NFL spokeswoman JoJo Rein.

For her dedication and hard work, Ms. Williams will receive from the National Football League a \$5,000 grant for use at her school, and a free trip to the Pro Bowl game in Hawaii. Her school will also be the recipient of a \$10,000 scholarship, funded by the NFL, to be given in the names of both Ms. Williams and Mr. Thomas. In addition, I would like to commend the leadership of Principal Sidney Clark for making Palmetto Middle School a place where learning can happen, and where talented students like young Thomas are not overlooked.

#### INCLUSION OF AMERICAN SAMOA IN THE EMERGENCY LIVESTOCK FEED ASSISTANCE PROGRAM

##### HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, today I am introducing legislation to amend the Agricultural Act of 1949 to make American Samoa eligible for emergency livestock feed assistance. This program will provide critically needed emergency feed assistance for the preservation and maintenance of livestock in American Samoa in the event of disease, insect infestation, flood, drought, fire, hurricane, earthquake, storm, hot weather, or other natural disaster.

Mr. Speaker, this is yet another example of a vital program extended to all 50 States, Puerto Rico, the Virgin Islands, and Guam, but not American Samoa. I believe this may have been an oversight when the other three insular areas were added to this program in 1988 legislation.

American Samoa is in one of the most weather-turbulent areas of the world. Within the last 2 years, Samoa was devastated by two hurricanes with winds in the excess of 150 miles per hour. The most recent of the two, Hurricane Val, struck the islands of Samoa for 4 days in December last year and destroyed 95 percent of subsistence crops and approximately 60 percent of housing units.

The farmers in Samoa were not covered under any agricultural emergency programs until last month, when the U.S. Department of Agriculture included the territory in the Crop Loss Assistance Program. However, the livestock, dairy, and poultry farmers still remain without assistance from the Federal Government and private resources.

I believe this legislation will help relieve the critical need for emergency assistance faced by Samoa's livestock, dairy, and poultry farmers in the wake of disasters such as Hurricane Val.

Mr. Speaker, I urge my colleagues to pass this bill during this Congress.

#### EXTENSIONS OF REMARKS

H.R. 4289

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

##### SECTION 1. ELIGIBILITY OF AMERICAN SAMOA FOR EMERGENCY LIVESTOCK FEED ASSISTANCE.

Section 602(3) of the Agricultural Act of 1949 (7 U.S.C. 1471(3)) is amended by inserting "American Samoa," after "the Virgin Islands,".

#### IN REMEMBRANCE OF GEN. JAMES H. POLK

##### HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to honor the memory of four-star Gen. James H. Polk, a constituent of mine and, more importantly, a friend. General Polk was United States forces commander in Berlin during the cold war and commander-in-chief of the United States Army in Europe from 1966 to 1971, when he retired.

General Polk began his military career at Fort Bliss, TX, after graduating from the U.S. Military Academy at West Point in 1933. He was the last senior Army officer to serve in the horse cavalry. Additionally, General Polk was a former commander of the 3d Armored Cavalry Regiment, now located at Fort Bliss.

In 1945, General Polk was honored for gallantry by Gen. George S. Patton during the march across Nazi-occupied Europe. When he was promoted to brigadier general in 1956, he was pinned with two of General Patton's stars which had been given to him by General Patton's widow. He received the Croix de Guerre and the Legion of Honor from France for helping liberate the country from the Nazi occupation.

As assistant 3d Cavalry commander in Europe, General Polk spearheaded General Patton's 3d Army advances through France, Germany, and into Czechoslovakia.

General Polk followed a family legacy by joining the army. His great-uncle, Leonidas K. Polk, was an Episcopal bishop and West Point graduate who served as a Confederate general in the Civil War. His father, Army Col. Harding Polk, was a roommate of General Patton at Virginia Military Institute and West Point. And his brother, Thomas Polk, commanded a submarine in the October 1962 arms blockade of Cuba.

I first met General Polk in July 1967 when he was the keynote speaker for the graduation of the armored officer course, a course his son Jamie and I completed at that time. Prior to that first meeting General Polk was an inspiration to me. After, he became a great friend.

Mr. Speaker, I ask that today my colleagues join me in wishing godspeed to Gen. James J. Polk, a good friend to me, the residents of the 16th Congressional District of Texas, and all the citizens of the United States. I would also like to thank God for providing us with General Polk's military leadership and thank his family for sharing him with us for those many years.

February 24, 1992

#### STRENGTHENING THE ELECTIONS PROCESS IN ROMANIA

##### HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. HOYER. Mr. Speaker, on February 9, 1992, the people of Romania went to the polls to elect local councilors and mayors in the first free local elections in over 40 years. A member of the Helsinki Commission staff traveled to Romania in January as part of a pre-election survey mission and returned this month as an accredited election observer.

The pre-election assessment prepared by the staff of the Helsinki Commission identified areas of significant improvement relative to the national elections of May 1990, in particular a more tolerant campaign atmosphere, more equal access to mass media, and the decision to allow domestic election observers. There were, however, a number of areas of concern. These included the lack of standard, detailed guidelines and procedures for election officials, the substantial technical role played by incumbent [appointed] officials, procedures for military and student voting, and the decentralized complaint process.

I recently received a response to the Commission's report from Doru V. Ursu and Mircea T. Vaida, Secretaries of State at the Romanian Department of State for Local Public Administration. They assured me that our recommendations and findings, as well as those of other observers, will be considered carefully in view of preparations for the general elections currently slated for May. They also informed me that a copy of the Helsinki Commission report will be submitted to the Romanian parliament for proper consideration during the drafting of the general election law, and that the Government will take into account recommendations regarding the areas within its competence, as it prepares for the organization of the upcoming general elections.

I am encouraged by the tone of this response, and I commend my Romanian colleagues for their intent to strengthen the process prior to the upcoming elections. The problems witnessed and concerns raised regarding the local elections were serious but not insurmountable. In particular, the provision of clearcut rules and procedures for election officials could help reduce inconsistencies and confusion. In addition, strengthening the interpretive and enforcement authority of the Central Election Commission could permit deeper and more public investigation of complaints and thus enhance confidence in the system.

With the general elections so near at hand, I urge the Romanian authorities to work closely with the political parties and parliament to establish consensus on anticipated electoral reforms. In this regard, I have learned of an elections roundtable in early March, at which time such negotiations might begin. I hope that a broad range of democratic political forces will support and participate in this process.

Finally, I would like to note the important role domestic observers played in the local elections. On February 9, more than 5,000 do-

mestic observers representing a variety of nongovernmental organizations joined the international observers at the polling sites. Some of these organizations had also sponsored civic education programs during the campaign period. As recognized in the Document of the Copenhagen Meeting of the Conference on the Human Dimension of the CSCE, the presence of domestic observers can enhance the electoral process. I hope they will be encouraged and supported in the upcoming elections and any future contests.

The Helsinki Commission will continue to follow events in Romania with great interest and concern, and will do all it can to support the Romanian people in their efforts to build a democratic society.

#### HELPING REPUBLICS DISARM

**HON. NANCY PELOSI**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Ms. PELOSI. Mr. Speaker, on February 5, the San Francisco Examiner published an op-ed by our esteemed colleagues, Representatives FASCELL and BROOMFIELD entitled "Helping Republics Disarm." This cogent piece articulates the importance of the United States assisting the Commonwealth of Independent States in the physical act of disarmament. Disarmament in today's changing world is not only a matter of treaties, but also a matter of technical assistance. The United States has disarmament technology and expertise which, if shared with the former Republics of the Soviet Union, will make the world a safer place. I commend this article to the attention of my colleagues and urge them to give it thoughtful consideration.

[From the San Francisco Examiner, Feb. 5, 1992]

#### HELPING REPUBLICS DISARM

(By Dante Fascell and Wm. Broomfield)

Not many people know it, but the United States has quietly and efficiently gone about the business of destroying its nuclear and chemical stockpile over the last several years. About 20 percent of the job is already complete.

We know how to destroy these weapons safely. What we need to do now is make sure the former Soviet Union, the Commonwealth of Independent States, destroys its weapons—about 27,000 nuclear weapons and some 40,000 tons of chemical stocks. We should help the commonwealth with the job.

We need to share the technology that a House Foreign Affairs staff study says has allowed the United to disarm 10,000 nuclear and 100,000 chemical weapons in a safe and environmentally sound manner.

The window of opportunity is open and Congress has approved \$400 million for this purpose. We should get on with it before that window slams shut.

Four steps need to be taken without delay:

1. We need an inventory of the republics' nuclear and chemical weapons. That means we need exact data on their quantity, quality, design and location. We also need an honest assessment from the commonwealth of exactly how much disarmament know-how they possess and how much we must supply.

2. We should press the commonwealth to join in forming both nuclear and chemical

#### EXTENSIONS OF REMARKS

weapons disarmament commissions. These joint groups should be able to identify areas of common concern, pinpoint problems and arrive at solutions agreeable to both sides. Experts could be exchanged.

3. As other countries join with us in coordinating aid to the commonwealth, they should seriously consider establishing a billion-dollar disarmament fund to add to the \$400 million the United States has already committed.

4. The United States has specially designed trucks and rail cars for transporting nuclear weapons to disarmament sites safely and securely. We should consider loaning these vehicles to the commonwealth to help jump-start its disarmament program.

The inventory, disarmament commissions, technical exchanges and transportation aid would be prudent and inexpensive first steps to disarmament.

Disarming offers significant business opportunities for American industry. Conversion from defense enterprise to disarmament enterprise by companies such as Raytheon, General Atomics and Waste Management is approaching a gross private sector income of \$10 billion. Much of the technology used here is applicable in the former Soviet Union, where even greater opportunities await U.S. businesses.

The United States has taken the disarmament leadership position and our ante is on the table. That leadership is important and we in Congress can be proud of our efforts to initiate the process last fall. Add that to Secretary of State James Baker's leadership this month in convening an international conference on aid to the commonwealth, and you've got a winning American team.

Disarmament is not a giveaway to the commonwealth. It is a program that enhances America's own interests by keeping the commonwealth's weapons of mass destruction out of the wrong hands.

#### A SALUTE TO THE NATIONAL VISITING NURSE ASSOCIATIONS

**HON. ROMANO L. MAZZOLI**

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. MAZZOLI. Mr. Speaker, this past week we observed National Visiting Nurse Associations Week to recognize and commend the vital role these local organizations play in our Nation's health care delivery system.

In my own hometown, the Visiting Nurse Association [VNA] of Louisville is embarking on its 102d year of exemplary service to our community. Actually, VNA of Louisville serves a much broader geographic area that we call "Kentuckiana" which is comprised of about 13 counties along the Ohio River in Kentucky and southern Indiana.

The VNA of Louisville makes more than 600 daily home visits, providing a range of nursing, rehabilitation, dietician, social work, personal care, pediatric and mental health services. It is no surprise that from this long history of commitment, and with the support of many dedicated volunteers, the Visiting Nurse Association of Louisville has become one of the largest and most comprehensive associations in the country.

I was particularly pleased and proud to read in the recent issue of *Caring*, a publication of

the National Association of Home Care, of the leadership role which the Visiting Nurse Association of Louisville has assumed in the treatment of Alzheimer's disease patients.

We are all too familiar with this devastating disease which afflicts nearly 4 million Americans and their families, and imposes upon the families of Alzheimer's victims heavy financial burdens and the mental and emotional torment of seeing a loved one deteriorate into total dependence.

Recently, there have been encouraging developments in research and diagnostic studies of Alzheimer's disease. And I am hopeful that Congress will continue to regard these efforts with the highest priority and support leading toward improved treatment and a cure.

It is in this realm that the VNA's 18 mental health staff nurses have made a significant contribution in annually caring for over 800 patients, a third of whom are affected by some level of Alzheimer's symptoms. For most American families, home-based health care services provide a more cost-efficient and preferable alternative to institutionalized care.

The visiting nurse is ideally suited to this situation as both a teacher and a friend—as someone who dispenses both knowledge and compassion in behalf of their patients. It is difficult to place a value on the counsel and emotional reinforcement provided to a family caregiver by a home visit from someone skilled in coping with this trauma.

Mr. Speaker, I was pleased to be a cosponsor of the legislation, House Joint Resolution 212, to commemorate the occasion of National Visiting Nurse Associations Week. And, I salute the Visiting Nurse Association of Louisville for their enduring commitment to the people of Louisville and Jefferson County and Kentuckiana. I know that my comments echo the deep sense of appreciation felt among my colleagues in paying tribute to the members of all the visiting nurse associations across America for their outstanding service.

#### TURMOIL IN NAGORNO-KARABAGH

**HON. ROBERT G. TORRICELLI**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. TORRICELLI. Mr. Speaker, I would like to address an issue of great concern to me and the many Armenian-Americans living in the United States: The turmoil in Nagorno-Karabagh.

The people of Armenia have long endured hardship and human suffering. Between 1915–23, 1.5 million Armenians died in a brutal genocide campaign waged by the Ottoman Turks. After this massacre, the State of Armenia was carved up and the region of Nagorno-Karabagh was entrusted to Azerbaijani rule. Today, ethnic Armenians are still struggling for their liberties under the domination of Azerbaijan.

Soviet state repression and Azerbaijani dominance have kept the ethnic Armenians in Nagorno-Karabagh from objecting to their political predicament. The people of Nagorno-Karabagh liken their domination by Azerbaijan to their suppression by the Turks. For some

70 years, they have endured in silent protest, maintaining their culture, their religion, and their language while the Azerbaijanis have tried to chip away at their resolve.

The Gorbachev regime in the 1980's heralded a new era in the Soviet Union where ethnic expression and independence movements flourished. In 1988, the Nagorno-Karabagh State Soviet seized the opportunity and voted for secession from Azerbaijan. The Government of Azerbaijan rejected the vote and sent troops to the region to stifle the secessionist movement. Since then, hundreds of people have been killed and a half million have been displaced as Armenians fight for independence from Azerbaijani control.

The Armenian people in Nagorno-Karabagh will never assimilate into the Azerbaijani state. They constitute some 80 percent of the populace, observe a different culture and speak a different language than their Azerbaijani rulers. They continue to practice Christianity in a predominately Muslim state. Resentment between the people run deep.

The people of Nagorno-Karabagh must be allowed the freedom of self determination. We are in the midst of an epoch of ethnic liberation, of new political, religious, and cultural expression. The Armenians in Nagorno-Karabagh cannot be excluded from this process.

For 6 months, Yugoslavia was torn apart by a bloody and brutal war between the Serb and Croatian states. The root of the conflict was ethnic and it was avoidable. If world attention had been focused on this issue at the outset, thousands of lives may have been saved and widespread destruction avoided. We cannot repeat the same mistakes we made in our policy toward Yugoslavia.

I support Secretary of State Baker's recent trip to the region to highlight the conflict in Nagorno-Karabagh. It is imperative that the United States lend its support to the conference on security and cooperation in Europe and the United Nations to resolve this dispute. Moreover, I call on the Bush administration to withhold full diplomatic relations with Azerbaijan pending their commitment to a peaceful settlement in the region.

I call on my congressional colleagues to take a firm stance on this issue and pressure the administration to work to resolve this conflict expeditiously.

#### H.R. 4197—TO EXPAND THE SBA LOAN GUARANTEE PROGRAM

**HON. STEVE GUNDERSON**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. GUNDERSON. Mr. Speaker, it will take increased small business activity to lead the Nation out of the recession. America's small businesses employ 60 percent of the work force and produce 38 percent of the Nation's gross national product.

Unfortunately, small businesses eager to increase their activity, and looking for capital, are being held back. The credit crunch created by banks unwilling to lend money is a large part of the problem.

#### EXTENSIONS OF REMARKS

To help, I introduced legislation with Representative IRELAND (H.R. 4197) to increase the amount of capital available for loan by the Small Business Administration. Demand for loans from the SBA Loan Guarantee Program is up 23 percent over last year.

Let me relate the importance of this program to my own home State, and to my own congressional district. Last year alone, the Loan Guarantee Program provided over \$184 million for Wisconsin businesses, creating 2,796 new jobs. One hundred and fifty-six of those new jobs were in western Wisconsin, created through just 41 loans totaling nearly \$18 million. The loans, which of course are paid back to the Government, generated \$41 million in tax revenues.

More loans were approved in Wisconsin than in any other State in the Midwest region. The per capita rate of SBA lending also is among the highest in the Nation, while loan delinquency rates are the lowest in the Midwest region.

In Eau Claire, our largest city, the SBA made loans to 17 small businesses. Combined, these businesses employ 368 workers—20 more than last year.

In La Crosse County, our largest, just 4 loans created 27 additional jobs, bringing to a total of 118 jobs provided by the loan recipients.

Other loans were made as follows:

Barron County: 4 loans; \$430,000; creating 4 new jobs.

Crawford County: 2 loans; \$1.77 million; creating 19 jobs.

Dunn County: 1 loan; \$831,000; creating 4 jobs.

Eau Claire County: 17 loans; \$3.8 million; creating 20 jobs.

Grant County: 1 loan; \$95,000; no new jobs.

Jackson County: 2 loans; \$930,000; no new jobs.

La Crosse County: 4 loans; \$5 million; creating 27 jobs.

Pierce County: 1 loan; \$455,000; no new jobs.

Polk County: 2 loans; \$2.5 million; creating 16 jobs.

St. Croix Falls: 6 loans; \$1.7 million; creating 66 jobs.

Trempealeau County: 1 loan; \$190,000; no new jobs.

This represents a good start. However, there are still too many small businesses that need help. They have solid business plans for startup ventures and expansion, but are not getting enough help from local lenders.

Just last week, I was contacted by three such small business owners in my district. In one case, a business owner seeking to expand her trucking-transport business in Eau Claire, WI was turned down for a \$30,000 loan by a local bank, despite the fact that the bank is holding \$500,000 of her money. She wants to hire four new drivers—doubling her staff—and has delivery orders backlogged. The bank refuses to take the risk on her business, even though she has been in business for 10 years.

In another case, six banks in Eau Claire, refused to lend \$30,000 to a light manufacturing business. The owner wants to compete with the only other U.S. manufacturer of a lid and rack system for light trucks. Despite the fact that she has a solid business plan, a state-of-

the-art manufacturing design, committed additional funding from the city's Business Incubation Center, and orders already lined up, the banks consider her proposal too speculative. With such pessimism, even the best small businesses won't be able to pull through this recession.

By expanding the SBA loan program, the credit crunch problem should subside. Under the program, the SBA covers 90 percent of a bank's risk for each guaranteed loan. In the above cases, local banks would risk just \$3,000 on each loan.

As important, SBA loans often free up other community-based loans for additional funding. For example, the city of Eau Claire, WI has established a \$600,000 fund to assist business development in the community. Businesses may get up to 30 percent of their desired loan amounts from the fund after securing funding elsewhere first.

The recession will end only when communities and local leaders combine resources to assist area small businesses. Until then, they will continue to be held back from doing what they do best—putting Americans to work. In my view, it is critical that we increase the funding levels for the SBA Loan Guarantee Program to match demand. I appreciate the willingness of this committee to help meet that demand.

#### THE HILLEL FOUNDATION AT THE STATE UNIVERSITY OF NEW YORK AT STONY BROOK CELEBRATES ITS 25TH YEAR

**HON. GEORGE J. HOCHBRUECKNER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. HOCHBRUECKNER. Mr. Speaker, I would like to take this moment to recognize the B'nai B'rith Hillel Foundation at the State University of New York [SUNY] at Stony Brook as it celebrates its 25th anniversary.

Hillel has served the needs of the Jewish community on the Stony Brook campus by providing religious, educational, cultural, and social programming as well as counseling, guidance, and religious leadership. Throughout the past 25 years, Jewish communal organizations, particularly B'nai B'rith International, United Jewish Appeal-Federation of Greater New York, and Friends of Hillel at Stony Brook have provided invaluable support and financial resources.

Perhaps Hillel's greatest accomplishment has been its ability to provide a Jewish home for Stony Brook students who are away from their families. This critical support has enabled students to develop and grow into active members and leaders of the community.

Mr. Speaker, I ask my colleagues to join with me in congratulating the B'nai B'rith Hillel Foundation and SUNY at Stony Brook on their 25th anniversary.

INTRODUCTION OF LEGISLATION  
REGARDING RESIDENCY RE-  
QUIREMENTS

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce a bill which will remove the 3-month U.S. residency requirement placed on U.S. nationals born in American Samoa who desire to apply for U.S. citizenship.

Mr. Speaker, American Samoa is in an anomalous position: It is the only U.S. territory in which persons born are not U.S. citizens. American Samoa has a system of compulsory education as does the United States, and the English language and American history are mandatory subjects for study. With our current system of government and emphasis on American education, it seems unfair and unreasonable to me for American Samoa-born U.S. nationals to have to move to the United States and establish residency for 3 months before they can apply to become U.S. citizens. This is an unnecessary burden on American Samoans, and I hope my colleagues will pass this bill during this Congress.

H.R. 4290

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. RESIDENCE WITHIN AN OUTLYING POSSESSION AS RESIDENCE WITHIN A STATE OR DISTRICT OF THE SERVICE.**

Section 325 of the Immigration and Nationality Act (8 U.S.C. 1436) is amended by inserting "and within a State or district of the Service in the United States," after "presence within the United States".

TRIBUTE TO THE LATE R.W. BRICKEN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. SKELTON. Mr. Speaker, today I pay tribute to an outstanding Missourian, Richard Woodson Bricken, who passed away recently at the age of 85. His contributions to the State of Missouri and his community will be well remembered.

Born in Carrollton, MO, Richard Bricken later moved to Waverly where he owned and edited the Waverly Times from 1941 to 1974. Mr. Bricken also owned the R.W. Bricken Real Estate & Insurance Agency from 1946 to 1991. In 1961, he was the president of the Central Missouri Board of Realtors.

Mr. Bricken, who was an Army veteran of World War II, kept continued links with the veterans through his active participation as a member of the Veterans of Foreign Wars in Carrollton, MO, and was a founding member of the Waverly post of the American Legion. He was also named an honorary colonel by former governors James T. Blair, Jr., John M. Dalton, and Warren E. Hearnes.

Richard Bricken is survived by his wife Pan. He will be missed not only by his many

EXTENSIONS OF REMARKS

friends, but by the community he served for so many years.

THE INTRODUCTION OF THE  
McKINNEY HOMELESS ASSIST-  
ANCE REAUTHORIZATION ACT OF  
1992

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. VENTO. Mr. Speaker, I am introducing the reauthorization of the Stewart B. McKinney Homeless Assistance Amendments Act of 1992, H.R. 4300.

Almost 10 years ago, when I first initiated national policy on homeless legislation, most of us hoped that we could effectively address and resolve the challenges presented by homelessness. I had thought that by now we could have moved beyond the McKinney Act. Unfortunately, homelessness persists—a tragic consequence of the excesses of the 1980's and a precursor of the 1990's, the human deficit left behind by the misplaced priorities of the last decade.

The national phenomenon of homelessness continues to grow and change. In the 1991 U.S. Conference of Mayors annual survey of hunger and homelessness, it was found that requests for emergency food assistance rose an average of 26 percent and emergency shelter requests increased by an average of 13 percent. Underfunded and overcrowded facilities in most cities turned away some 17 percent of the people seeking food and 15 percent of those seeking shelter. Requests for emergency shelter by homeless families with children increased by an estimated average of 17 percent.

Across the survey cities, half of the homeless population is estimated to be 50 percent single men; 35 percent families with children; 12 percent single women; and 3 percent unaccompanied youth. An estimated 29 percent of the homeless population in the survey cities is considered mentally ill, 40 percent have substance abuse problems, and 7 percent have AIDS or HIV related illnesses. An average of 18 percent is employed full- or part-time and 23 percent are veterans.

This grim picture of the homeless is unlikely to change in the near future. The economy is in a weakened state. The national economic recession, a structural economic phenomena, has exacerbated unemployment, stifled consumer demand and has done little to enhance housing affordability. Further, as recovery proceeds, we will see renewed pressures on home prices and rents.

Because we have an imperfect social welfare system and housing policies, we have to continue to fill the gaps in the safety net with the McKinney Homeless Assistance Act.

The new 1992 McKinney reauthorization proposal would authorize nearly \$1.5 billion for each of the next 3 years. It would extend existing programs providing housing, food, and essential services, such as job training, education, and health care, with increased authorization levels to reflect the increasing costs faced by programs that are up and running

and to reflect the ongoing and increasing needs of homeless Americans.

The act also contains several new programs—including a program to specifically address rural homelessness, a demonstration grant for the expansion of advocates and benefits service programs, an expansion of the homeless veterans job training programs, revised disposition of properties for the homeless or homeless advocates at the Farmers' Home Administration and the Department of Veterans Affairs, and a new component to provide for residential substance abuse treatment and prevention for homeless persons.

Congress, in conjunction with local and State governments, and the integral network of nonprofits and service organizations, has and must continue to respond to the homeless through existing mainstream programs and through the many unique programs that make up the McKinney Homeless Assistance Act. We need to continue coordination between Federal, and State and local governments in order to generate effective programs and to maximize the funds. While there is no magic formula and there is no money tree, together we can and we must reverse the trend and bring new hope to those Americans tragically affected by homelessness.

Mr. Speaker, I hope all my colleagues will join me, and the 41 other Members who are original cosponsors of the bill, in supporting comprehensive McKinney legislation—paving the way to enact this much needed reauthorization of Federal homeless assistance programs.

Following my statement is a section-by-section of the bill as introduced.

**SECTION-BY-SECTION OF THE MCKINNEY HOMELESS ASSISTANCE REAUTHORIZATION ACT OF 1992**

**TITLE I**

Provides for general budgetary compliance with the concurrent resolution of the budget. Makes technical corrections to the table of contents.

**TITLE II**

Extends the Interagency Council on the Homeless, which serves as a central coordination, evaluation and information-sharing agency for all homeless assistance programs through October 1, 1995. Authorizes \$1,360,000 for fiscal year 1993 and such sums as necessary through 1995.

**TITLE III**

Authorizes \$160,000,000 for the FEMA Emergency Food and Shelter Program, which provides food, shelter, and support services to meet the immediate needs of the homeless, for fiscal year 1993 and such sums as necessary through 1995.

**TITLE IV**

Requires the inclusion of homeless information in comprehensive housing affordable strategies (CHAS) of National Affordable Housing Act.

Authorizes \$145,000,000 for the Emergency Shelter Grants Program, which provides funding for the conversion or rehabilitation of buildings for use as emergency shelters and for homeless prevention activities for fiscal year 1993 and such sums as necessary through 1995.

Authorizes \$210,000,000 for Supportive Housing, which provides assistance in development of transitional and permanent housing for fiscal year 1993 and such sums as nec-

essary through 1995. Specifies the eligibility of small commercial office space for conversion to supportive housing.

Authorizes \$35,000,000 for Supplemental Assistance for the Homeless, a program that provides funding to assist facilities and provide support services for the homeless, for fiscal year 1993 and such sums as necessary through 1995.

Increases the budget authority available for Section 8 Single Room Occupancy (SRO) Dwellings to \$110,000,000 for fiscal year 1993 and such sums as necessary through 1995. The SRO program provides rental assistance for single rooms for homeless individuals.

Authorizes \$77,000,000; \$39,060,000; and \$175,560,000 respectively for Shelter Plus Care programs (Section 8 SRO; 202 housing, and Rental Assistance) for fiscal year 1993 and such sums as necessary through 1995.

Requires evaluations of homeless assistance programs through surveys of homeless clients. Extends McKinney programs without block granting certain housing assistance through October 1, 1995. Disallows the use of 1990 Census data gathered on 8 night for the allocation of federal homeless assistance.

Authorizes a new property disposition program for the FmHA single family disposition targeting no less than ten percent of eligible properties for lease or purchase for the homeless.

Authorizes \$40,000,000 for a new rural homelessness grant program to target emergency, prevention and permanent housing assistance to rural areas for fiscal year 1993 and such sums as necessary through 1995.

#### TITLE V

Authorizes \$84,000,000 for categorical grants for Primary Health Services and Substance Abuse Services for the homeless for fiscal year 1995. This categorical grant provides discretionary funding for primary health care services.

Authorizes \$75,000,000 for a new residential substance abuse treatment and prevention program for the homeless for each of the fiscal years 1993 through 1995.

Authorizes \$79,000,000 for the PATH mental health block grant for 1995. This block grant program provides funding for numerous services, including substance abuse and mental health treatment, rehabilitation services, other outreach or case management services and a structure for coordinating housing services.

Authorizes \$12,000,000 for Mental Health Services for Homeless Individuals with Chronic Mental Illness for fiscal years 1994 and 1995. This program provides discretionary funding for primary care services, drug and alcohol abuse treatment, mental health treatment, housing for the mentally ill homeless, and other outreach or case management services.

#### TITLE VI

Authorizes \$14,500,000 for Adult Education for the Homeless, which provides assistance for literacy training and remedial skills for homeless adults, for fiscal years 1994 & 1995.

Authorizes \$55,000,000 for the Education for Homeless Children and Youth grants, which provide funding for the development and implementation of education programs for homeless youth, for fiscal years 1994 and 1995.

Extends Job Training for the Homeless programs and authorizes \$20,000,000 for the job training programs, including counseling, job search skills, training, and remedial education for fiscal years 1993 through 1995. Of these funds, \$10,000,000 is targeted for homeless veterans reintegration projects.

Authorizes \$55,000,000 for the Emergency Community Services Homeless Grant program for fiscal years 1994 and 1995. This program provides grants to expand programs to the homeless and to assist those at risk of becoming homeless.

Authorizes \$55,000,000 for Family Support Centers for fiscal years 1993 through 1995. This program coordinates services designed to prevent homelessness among families at risk.

#### TITLE VII

Authorizes \$34,750,000 for the Medical Care of Veterans for fiscal years 1993 through 1995. These funds are available for providing domiciliary care for homeless veterans and for the provision of treatment or rehabilitation services for mentally ill homeless veterans.

Authorizes a new property disposition program for the Department of Veterans Affairs single family disposition targeting no less than ten percent of eligible properties for lease or purchase for the homeless.

#### TITLE VIII

Authorizes \$40,000,000 for a new National Homeless Advocate Demonstration Grant Program for fiscal years 1993 through 1995. This new program would provide funding through the states for advocacy services, including representative payees and guardians, for the homeless.

#### ALL TITLES

To the extent practicable, all McKinney Act programs will provide for consultation, representation, and employment of homeless or formerly homeless persons to or by the programs.

### THE AIDS CRISIS: WE CAN WAIT NO LONGER

**HON. CHARLES B. RANGEL**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. RANGEL. Mr. Speaker, once again I rise to call the attention of my colleagues to the unfolding AIDS crisis, an epidemic so threatening that it is soon expected to surpass all other diseases in lost human lives.

I recommend you all to the recently published report in the New York Times, "Accelerating, Nation's AIDS Count Hits 200,000." As the article states:

The nation's AIDS epidemic has reached another grim milestone: 200,000 reported cases, with the second 100,000 coming four times as quickly as the first.

And the United States is expected to reach the next 100,000 cases even more quickly, in less than 2 years.

These numbers tell a tragic tale. While the nation slept, while our politicians and our clergy and our educators dragged their feet and deliberately looked the other way, AIDS began its race through our lives.

And it has not slowed yet, nor will it soon.

According to the President's National Commission on AIDS:

Disproportionately and increasingly the epidemic has attacked segments of society already at a disadvantage—communities of color, women and men grappling with poverty and drug use, and adolescents who have not been effectively warned of this new risk to their futures.

February 24, 1992

In New York, we know these faces all too well. New York City has an estimated 200,000 intravenous drug users, roughly half of whom are HIV positive. More than 80 percent of all female cases and 88 percent of all pediatric AIDS cases are black or Hispanic. Indeed, AIDS is the leading cause of death in New York City among all men aged 30-49 and all women aged 20-39.

Yet despite its epic proportions—despite the rapid spread of AIDS into our schools, our churches, and our homes, despite the crushing impact the disease has on delivery of health care to our communities, despite the 133,232 American lives already lost—we are still not getting the job done.

As the National Commission on AIDS stated, "Our nation's leaders have not done well."

President Bush, to be sure, has not done well. He has made only one speech—only a single speech out of thousands—on AIDS. He has consistently undercut congressional efforts to fund AIDS research and health care. His administration has impeded efforts to establish reasonable and responsible public policy by introducing obscuring and peripheral issues, like mandatory testing and immigration barriers.

Worst of all, so many people remain indifferent. Americans must learn that AIDS will not wait for them.

We must become more humane and compassionate in our treatment of AIDS patients. We must become willing to commit more funds to research. We must ensure that medical treatment is available to those that need it.

Above all, we must break the silence on AIDS.

As the New York Times columnist A.M. Rosenthal recently wrote:

Silence has a loud voice. It shouts, "Nothing important is happening, don't worry." So when something important is going on, silence is a lie.

Let us be silent no more. Let us wait no longer.

#### ACCELERATING, NATION'S AIDS COUNT HITS 200,000

ATLANTA, January.—The nation's AIDS epidemic has reached another grim milestone: 200,000 reported cases, with the second 100,000 coming four times as quickly as the first.

The Federal Centers for Disease Control reported today that the nation now has 206,392 cases of people whose immune systems have been severely weakened by the disease, with 133,232 deaths. It was August 1989, eight years into the epidemic, when the 100,000th AIDS case was reported; the next 100,000 cases surfaced in just 26 months, the agency said.

The cumulative total "emphasizes the rapidly increasing magnitude of the H.I.V. epidemic," the agency said in its report.

If current trends continue, the next 100,000 cases should come even faster as the epidemic spreads, said Dr. Larry Slutsker, an AIDS epidemiologist at the agency.

"The AIDS cases we're seeing now are a reflection of H.I.V. infections that occurred years ago," he noted.

#### A CHANGING PROFILE

The second 100,000 cases differed from the first 100,000 in these ways:

Seven percent of the newer AIDS cases were traced to heterosexual transmission—still a minority but an increase compared with the first 100,000, 5 percent of which were

heterosexual cases. More than 11,000 heterosexual AIDS cases have now been reported. Scientists at the disease-control centers expect that count to double by 1995, Dr. Slusker said.

Twelve percent of the second 100,000 AIDS cases occurred in women, compared with 9 percent of the first 100,000.

Thirty-one percent of the second 100,000 patients were black, compared with 27 percent earlier. Seventeen percent of the patients were Hispanic, compared with 15 percent earlier.

Fifty-five percent of the later cases occurred in gay or bisexual men not using injectable drugs, down from 61 percent earlier.

Twenty-four percent of the later cases occurred among heterosexual drug abusers, compared with 20 percent earlier.

The number of AIDS cases in the United States is expected to reach 300,000 in less than two years. The C.D.C. has proposed broadening its definition of an AIDS case, a move that could add another 160,000 people infected with the human immunodeficiency virus to the list of those with the disease.

If the new definition is approved, the health agency hopes to send it to state and local health officials for use this spring.

#### SUPPORT FOR HIGH-VALUE AGRICULTURAL EXPORTS

##### HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. PENNY. Mr. Speaker, today Representative TOM COLEMAN of Missouri and I were joined by 12 of our colleagues in introducing the "Expansion of Processed and High-Value Agricultural Exports and Employment Opportunities Act of 1992."

There are numerous economic benefits to be gained by adding value to raw agricultural commodities before exporting them. Those benefits include increased tax revenues, multiplied economic activity, rural economic development, and jobs for rural Americans. It is also likely that improving our effectiveness in exporting high-value agricultural products [HVP's] will give the United States additional leverage with the European Community at the crucial GATT negotiations.

I have long been interested in increasing U.S. exports of agricultural HVP's. These products, such as meats and poultry, vegetable oil, cheese, butter, and dry milk, flour, and fruits and vegetables, currently make up less than 10 percent of all commercially assisted U.S. agricultural exports. It is important to note that over the last decade, while the European Community increased its share of HVP world trade to 41 percent through a variety of policies and mechanisms, the U.S. share of that market has stagnated at only about 9 percent. This occurred during a period when world demand for agricultural HVP's increased by more than 50 percent.

During the development of the 1990 farm bill, several of my Agriculture Committee colleagues and I included a provision urging the U.S. Department of Agriculture to set 25 percent as a goal for U.S. HVP world market share. We are woefully short of that goal and

#### EXTENSIONS OF REMARKS

I am not aware that the USDA has a plan in place to improve our efforts in this area.

For that reason, Representative COLEMAN of Missouri and I worked closely with agricultural exporters, food processing companies, labor organizations, and commodity groups to develop this legislation. By increasing our share of the HVP market to 15 percent by targeting a larger share of our export efforts to HVP's, we can create more than a million new jobs and increase our GNP by up to \$100 billion without affecting traditional exports of bulk agricultural commodities.

Let's redirect a small part of our agricultural export efforts and reap big gains for the U.S. economy and the American work force by passing the Expansion of Processed and High-Value Agricultural Exports and Employment Opportunities Act of 1992.

#### HOUSE POST OFFICE SITUATION

##### HON. PAT ROBERTS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. ROBERTS. Mr. Speaker, I rise to help clarify statements made on February 5 during the debate of House resolution to investigate the House post office.

Throughout the floor debate on House Resolution 340, several points were raised in an effort to determine which House committees, officials, staff, and others were aware of the events surrounding a U.S. Postal Inspector Service review of the House operation. The primary concern surrounding the September 27, 1991, report was that the minority leadership and committees of jurisdiction were not alerted to its existence.

During a briefing requested by Minority Leader BOB MICHEL with the U.S. postal inspectors on January 29, 1992, about the report, the minority was told that the House Post Office and Civil Service Subcommittee on Postal Operations, Chaired by the Hon. FRANK McCLOSKEY, had been provided information surrounding the report. This statement lead the minority to believe that the subcommittee had not informed members of the situation earlier.

I have now been provided a copy of U.S. Postal Service receipt showing that a copy of this report was sent on January 28 at the request of Chairman McCLOSKEY's staff to the subcommittee—this action happened on the same day of the first Washington Times report on the House post office. As well, I have been assured by Chairman McCLOSKEY that that date was the first time his staff was made aware of the report.

I have not been able to confirm when this or other committees, staffs, officials, or others were informed of the U.S. Postal Service inspectors activities.

Mr. Speaker, it seems this situation illustrates the continuing confusion surrounding the entire affair. Chairman McCLOSKEY was kept in the dark despite his subcommittee's jurisdiction. He also is a victim of certain individuals working outside the official committee structure. These individuals have done a disservice to Chairman McCLOSKEY and to the Congress.

#### TRIBUTE TO BOBBY "BLUE" BLAND

##### HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. FORD of Tennessee. Mr. Speaker, I rise today to salute the great vocal artist Bobby "Blue" Bland, who this month was inducted into the Rock and Roll Hall of Fame.

Mr. Bland, who makes his home in my district—Memphis—is truly one of the fathers of modern soul singing. In his more than 40 years in show business, he has become a living legend, recording and touring across this country and internationally.

Mr. Bland is known for his classy, stylish performances sung in a distinctive bluesy baritone voice over brassy orchestrations. His grainy vocal style draws on gospel and blues, which are at the core of Memphis music.

Robert Calvin Bland was born on January 27, 1930, in Rosemark, TN. In 1944, he and his family moved to Memphis, where he joined a gospel ensemble, the Miniatures. He later met the great blues performer B.B. King, and he joined the Beale Streeters, an informal group of Memphis blues musicians. In 1954 he landed his first recording contract with Duke Records.

Mr. Bland has had an extensive and successful career with a string of hits including "I pity the Fool," "Turn on Your Lovelight," "Call on Me," "Ain't Nothing You Can Do," "Ain't Nothing Too Bad," and "Rocking in the Same Boat."

In 1989, Mr. Bland received a Grammy nomination for best male contemporary blues artist. And on January 15, 1992, Mr. Bland received an honor deeply desired but seldom received by many artists—the induction into the Rock and Roll Hall of Fame.

Mr. Speaker, it is truly a pleasure to recognize the many accomplishments and artistic contributions of Bobby "Blue" Bland. I ask my colleagues to join me in congratulating him on his membership in the hall of fame and in wishing him many years of continued success.

#### TRIBUTE TO YUNGMAN LEE

##### HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 24, 1992

Mr. GREEN of New York. Mr. Speaker, I rise today to recognize a distinguished New Yorker, Yungman Lee, who is being honored tonight in my district for dedicating 20 years of service to the Chinatown community in New York City. Mr. Lee recently was appointed the first deputy superintendent of banks for the State of New York Banking Department.

Yungman Lee's résumé displays an exemplary list of civic activities. He is the former chairman of the board of directors and the former program director of Community Health Education at the Chinatown Health Clinic in New York City where he maintains his membership on the board. Additionally, Yungman

Lee is a member of the community board at Bellevue Hospital and also a member of the board of directors at the Forest Hills Settlement House.

Mr. Lee not only is extremely active in the community, but he also has proven his expertise in economic issues. He is the commissioner of the New York City Tax Commission, a former associate at Shearman & Sterling, Esqs., and also a graduate of New York University's School of Law.

I am pleased to take this opportunity to congratulate Mr. Lee upon his recent appointment and commend him for the leadership role he plays within our community.

Although my legislative schedule in Washington will prevent me from attending tonight's farewell dinner in Mr. Lee's honor, I should like to send my best to Mr. Lee and the friends of Yungman Lee for a successful event.

#### 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.

Meetings scheduled for Tuesday, February 25, 1992, may be found in the Daily Digest of today's RECORD.

#### MEETINGS SCHEDULED

##### FEBRUARY 26

9:30 a.m. *beginning of session*

##### Appropriations

##### Transportation Subcommittee

To hold hearings on S. 2169, making supplemental appropriations for fiscal year 1992 for programs that will provide near-term improvements in the nation's transportation infrastructure and long-term benefits to those systems and to the productivity of the United States economy.

SD-138

##### Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To hold hearings to review NASA's proposal to restructure their Earth Observing System program (EOS), which is designed to conduct long-term measurements of the Earth's environmental systems.

SR-253

##### Energy and Natural Resources

Business meeting, to consider the Views and Estimates Report for fiscal year 1993 of the portions of the Federal budget under the committee's jurisdiction.

SD-366

#### EXTENSIONS OF REMARKS

##### Governmental Affairs

To hold hearings on the integrity and effectiveness of the Offices of Inspectors General.

SD-342

##### Rules and Administration

To hold hearings on S.J. Res. 221, providing for the appointment of Hanna Holborn Gray as a citizen regent of the Smithsonian Institution. S. 1598, to authorize the Board of Regents of the Smithsonian Institution to acquire land for watershed protection at the Smithsonian Environmental Research Center, and S. 1682, to authorize the Board of Regents of the Smithsonian Institution to acquire an Administrative Service Center.

SR-301

10:00 a.m.

##### Banking, Housing, and Urban Affairs

Business meeting, to consider the nominations of Alan Greenspan, of New York, to be Chairman and a Member of the Board of Governors of the Federal Reserve System, Lawrence U. Costiglio, of New York, Daniel F. Evans Jr., of Indiana, Marilyn R. Seymann, of Arizona, and William C. Perkins, of Wisconsin, each to be a Director of the Federal Housing Finance Board, J. Carter Beese Jr., of Maryland, to be a Member of the Securities and Exchange Commission, and Frank G. Zarb, of New York, to be a Director of the Securities Investor Protection Corporation.

SD-538

Judiciary

##### Constitution Subcommittee

To hold hearings on S. 2236, to revise the Voting Rights Act of 1965 to modify and extend the bilingual voting provisions of the Act.

SR-385

10:30 a.m. *beginning of session*

##### Rules and Administration

Business meeting, to consider pending calendar business.

SD-430

2:00 p.m.

##### Armed Services

To hold hearings on the impact of the defense buildup (decrease in defense spending) on the United States industrial base.

SD-192

2:30 p.m.

##### Commerce, Science, and Transportation

##### Surface Transportation Subcommittee

To hold hearings on proposed legislation to authorize funds for AMTRAK.

SR-253

3:00 p.m. *beginning of session*

##### Select on Indian Affairs

Business meeting, to mark up S. 1602, to ratify a compact between the Assinibone and Sioux Indian Tribes of the Fort Peck Reservation and the State of Montana; to be followed by an oversight hearing on the President's proposed budget request for fiscal year 1993 for Indian programs.

SR-485

3:30 p.m.

##### Appropriations

##### VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the American Battle Monuments Commission, the Selective Service System, and Army Cemeterial Expenses.

SD-138

February 24, 1992

#### FEBRUARY 27

9:15 a.m.

##### Joint Economic

##### Technology and National Security Subcommittee

To hold hearings to examine international competition in the commercial aircraft industry.

SD-628

9:30 a.m.

##### Governmental Affairs

##### Permanent Subcommittee on Investigations

To hold hearings to examine current trends in money laundering.

SD-342

##### Veterans' Affairs

To hold hearings on proposed budget requests for fiscal year 1993 for veterans programs.

SR-418

10:00 a.m.

##### Appropriations

##### Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Transportation and related agencies.

SD-138

##### Commerce, Science, and Transportation

To hold hearings on indicators of global warming and solar variability.

SR-253

##### Environment and Public Works

To hold hearings on the President's proposed budget request for fiscal year 1993 for the Environmental Protection Agency.

SD-406

##### Finance

Business meeting, to mark up proposed legislation to encourage economic growth and recovery.

SD-215

##### Foreign Relations

To resume hearings to examine strategic nuclear reduction in a post-cold war world, focusing on national security issues.

SD-419

##### Judiciary

Business meeting, to consider pending calendar business.

SR-325

10:30 a.m.

##### Banking, Housing, and Urban Affairs

To hold hearings on the semi-annual review of the Resolution Trust Corporation.

SD-538

1:30 p.m.

##### Appropriations

##### Defense Subcommittee

To hold closed hearings on proposed budget estimates for fiscal year 1993 for global defense programs.

SD-116

2:00 p.m.

##### Armed Services

To hold hearings on managing the defense buildup (decrease in defense spending).

SH-216

2:30 p.m.

##### Appropriations

##### VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the American Battle Monuments Commission, the Selective Service System, and Army Cemeterial Expenses.

SD-138

## Select on Indian Affairs

To continue hearings on the President's proposed budget request for fiscal year 1993 for Indian programs.

SR-485

## FEBRUARY 28

## Commerce, Science, and Transportation Communications Subcommittee

To hold hearings on S. 1200, to establish a new national goal that by the year 2015 the U.S. has established an advanced, interactive, interoperable, broadband communications system nationwide.

SR-253

10:00 a.m.

## Foreign Relations

To resume hearings to examine the strategic nuclear reduction in a post-cold war world.

SD-419

## MARCH 3

9:30 a.m.

## Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.

345 Cannon Building

## Special on Aging

To hold hearings to examine the effects of fuel assistance and housing reductions on the elderly.

SD-628

10:00 a.m.

## Appropriations

## Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Agriculture, focusing on the Agricultural Research Service, the Cooperative State Research Service, and the Extension Service.

SD-138

2:30 p.m.

## Appropriations

## Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for foreign assistance, focusing on multilateral development banks.

SD-138

## Energy and Natural Resources

## Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 1755, to reform the concessions policies of the National Park Service.

SD-366

## MARCH 4

2:00 p.m.

## Armed Services

To hold hearings on proposed legislation authorizing funds for fiscal year 1993 for the Department of Defense and the future year defense plan, focusing on the unified commands military strategy and operational requirements.

SR-222

## MARCH 5

9:30 a.m.

## Armed Services

To continue hearings on proposed legislation authorizing funds for fiscal year 1993 for the Department of Defense and the future year defense plan, focusing

## EXTENSIONS OF REMARKS

on the unified commands military strategy and operational requirements.

SR-222

## Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Blinded Veterans of America, WWI Veterans, Military Order of the Purple Heart, Association of the United States Army, Retired Officers Association, and Vietnam Veterans of America.

345 Cannon Building

10:00 a.m.

## Appropriations

## Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of State.

S-146, Capitol

## Appropriations

## Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Interstate Commerce Commission, and the Office of Inspector General.

SD-138

2:00 p.m.

## Appropriations

## VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Consumer Product Safety Commission, the Office of Consumer Affairs, and the Consumer Information Center.

SD-116

## Energy and Natural Resources

## Public Lands, National Parks and Forests Subcommittee

To resume hearings on S. 1755, to reform the concessions policies of the National Park Service.

SD-366

## MARCH 6

9:30 a.m.

## Agriculture, Nutrition, and Forestry

## Agricultural Research and General Legislation Subcommittee

To hold hearings on the alternative uses of agricultural commodities, focusing on impediments to commercialization.

SR-332

## MARCH 7

9:30 a.m.

## Commerce, Science, and Transportation

## Science, Technology, and Space Subcommittee

To hold hearings to examine an overview of NASA's budget for fiscal year 1993.

SR-253

10:00 a.m.

## Appropriations

## Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Agriculture, focusing on the Food and Nutrition Service, and the Human Nutrition Information Service.

SD-138

## MARCH 18

9:30 a.m.

Commerce, Science, and Transportation Science, Technology, and Space Subcommittee

To hold hearings to examine NASA's space station and launch issues.

SR-253

## Select on Indian Affairs

To resume oversight hearings on the implementation of the Indian Gaming Regulatory Act (IGRA).

SH-216

## MARCH 19

9:30 a.m.

Appropriations VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the National Science Foundation, and the Office of Science Technology Policy.

SD-124

10:00 a.m.

Appropriations Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Justice.

S-146, Capitol

## Appropriations

## Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Highway Administration, Department of Transportation.

SD-138

## MARCH 20

10:00 a.m.

Appropriations Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Agriculture, focusing on the Farmers Home Administration, the Federal Crop Insurance Corporation, the Rural Electrification Administration, and the Rural Development Administration.

SD-138

## MARCH 25

9:30 a.m.

Appropriations VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Neighborhood Reinvestment Corporation, and the National Credit Union Administration.

SD-116

## Select on Indian Affairs

To hold hearings on S. 1752, to provide for the development, enhancement, and recognition of Indian tribal courts.

SR-485

10:00 a.m.

Appropriations Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Communications Commission, and the Securities and Exchange Commission.

S-146, Capitol

Appropriations  
Transportation Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1992 for the National Highway Traffic Safety Administration, and the Research and Special Programs Administration, both of the Department of Transportation.

SD-138

MARCH 26

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Environmental Protection Agency, and the Council on Environmental Quality.

SD-G50

Commerce, Science, and Transportation  
Consumer Subcommittee

To hold hearings on S. 664, to require that health warnings be included in alcoholic beverage advertisements.

SR-253

MARCH 27

10:00 a.m.  
Appropriations  
Agriculture and Related Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Agriculture, focusing on the Animal and Plant Inspection Service, the Food Safety and Inspection Service, and the Agricultural Marketing Service.

SD-138

APRIL 1

9:30 a.m.  
Select on Indian Affairs  
To hold hearings on proposed legislation to authorize funds for programs of the Indian Health Care Improvement Act.

SR-485

10:00 a.m.  
Appropriations  
Commerce, Justice, State, and Judiciary Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Commerce.

S-146, Capitol

APRIL 2

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Deposit Insurance Corporation, and the Resolution Trust Corporation.

SD-116

10:00 a.m.  
Appropriations  
Transportation Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the National Transportation Safety Board.

SD-138

APRIL 3

10:00 a.m.  
Appropriations  
Agriculture and Related Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Agriculture, focusing on

## EXTENSIONS OF REMARKS

the Agricultural Stabilization and Conservation Service, the Foreign Agricultural Service, the General Sales Manager, and the Soil Conservation Service.

SD-138

APRIL 7

10:00 a.m.  
Appropriations  
Agriculture and Related Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Agriculture, focusing on the Commodity Futures Trading Commission, the Food and Drug Administration, the Farm Credit Administration, and the Farm Credit System Assistance Board.

SD-138

Appropriations  
Commerce, Justice, State, and Judiciary Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Bureau of Investigation, and the Drug Enforcement Administration, Department of Justice.

S-146, Capitol

APRIL 8

9:30 a.m.  
Veterans' Affairs  
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the AMVETS, American Ex-POWs, Jewish War Veterans, Non-Commissioned Officers Association, National Association for Uniformed Services, and Society of Military Widows.

SD-106

APRIL 9

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the National Aeronautics and Space Administration.

SD-50

10:00 a.m.  
Appropriations  
Commerce, Justice, State, and Judiciary Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the National Oceanic and Atmospheric Administration.

S-146, Capitol

Appropriations  
Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1993 for Amtrak, and the Federal Railroad Administration, Department of Transportation.

SD-138

APRIL 29

10:00 a.m.  
Appropriations  
Commerce, Justice, State, and Judiciary Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the U.S. Information Agency, and the Board for International Broadcasting.

S-146, Capitol

February 24, 1992

APRIL 30

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Housing and Urban Development.

SD-G50

10:00 a.m.  
Appropriations  
Transportation Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Transit Agency, and the Washington Metropolitan Area Transit Authority.

SD-138

MAY 7

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Department of Veterans Affairs, and the Court of Veterans Affairs.

SD-124

10:00 a.m.  
Appropriations  
Transportation Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the U.S. Coast Guard, Department of Transportation.

SD-138

MAY 14

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Emergency Management Agency.

SD-124

10:00 a.m.  
Appropriations  
Transportation Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the Federal Aviation Administration, Department of Transportation.

SD-138

MAY 21

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the National Community Service, and the Points of Light Foundation.

SD-116

10:00 a.m.  
Appropriations  
Transportation Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the General Accounting Office.

SD-138

MAY 22

9:30 a.m.  
Appropriations  
VA, HUD, and Independent Agencies Subcommittee  
To hold hearings on proposed budget estimates for fiscal year 1993 for the De-

partment of Housing and Urban Development and certain related agencies.

SD-138