FROM THE EDITOR’S DESK

When the cover package theme “Changing New York” was first proposed, many expected a torrent of pessimism about the City’s present plight and problematic future. This has been far from the case. Article after article that emerged painted a brighter picture, of energy and hope and a yearning to make things better. While the last two issues plumbed the emotional depths of The Homeless and Race, Ethnicity and Business, this time around the staff picked out new details in the “glorious mosaic.”

In “War of the Words” we ask if New Yorkers can get a true picture of significant events just by reading one newspaper. As two plebiscites near that will decide whether Staten Islanders and Puerto Ricans gain independence—decisions that will affect fully one-sixth of the City’s population—we examine the pros and cons of autonomy. The rehabilitation of a drug-infested area in the West Bronx is celebrated, and we take a long, hard look at the harsh realities of immigration to America in “From Russia with a Degree and Difficulties” and “The Real Slaves of New York.”

From viewing communities, we shift focus to the deals. Life inside Wall Street’s white-shoe law firms after the collapse of the junk bond market is revealed in “Mayday!” and “Damage Control” examines the new Mr. Clean image on the Street following the imprisonment of Levine, Boesky and Milken. These convictions resulted from a get-tough attitude nationwide towards white-collar crime and “Collaring Corporate Criminals” gets to the bare bones of the story. The rapid rise and fall of prices in New York’s art world—an estimated $5 billion industry—is pictured in “Going, Going...Gone.” Those once-glorious, and now possibly departing, Yankees are visited in the Bronx. Our special “Day in the Life of New York City” sent 36 contributors into the five boroughs on Friday, December 7, 1990 to survey the New York scene, moment-by-moment, through the course of one typical, crazy day.

The issue also offers a bumper crop of business features, including an interview with Harry Markowitz, Nobel laureate in economics. Corporate performance is reviewed in “Survival in a Saturated Market,” the story of The Knoll Group, “Kellogg’s Super Bowl Champ” and “The Eagle Soars Again,” the Harley-Davidson saga. While the Japanese advantage in world markets continues to stymie American industries, even they must look over their shoulders at the “Tigers on the Pacific Rim”—Korea, Taiwan, Singapore and Hong Kong. As industry continues to consume world resources, we look to the “Guardian Angels of the Environment,” Greenpeace Action, to fight for a better tomorrow. Life on the job is covered in “Uncorking an Office Secret,” “Cleaning Up the Workforce” and “Under the Sign of the Rising Sun.” The section closes with a socio-economic think piece on “Making the Right Moves.”

The 13th issue of Dollars and Sense, Bernard M. Baruch College’s Business Review, returns with the departments of the past two years with Off-The-Beat, Spotlight, Cutting Edge, Book Review and Updates. Our innovative and popular Inside Out, which was last year’s guest, returns as a department accompanied by a photo essay. All in all, the May 1991 issue is bigger than ever before—104 pages—and we hope it points to new directions for a changing tomorrow.

[Signature]
Editor-in-Chief
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FF THE BEAT

Shave and a Haircut, Big Time!

In Brownsville, one of Brooklyn's most rough-hewn neighborhoods, there is a booming business that specializes in style and polish. Barbers of the Ville, an outrageous—and lucrative—barber shop located at the corner of Bergen Street and Saratoga Avenue is arguably the most popular haircut in Brooklyn. The roster of individualist barbers create bizarre and artistic styles as they carve characters and symbols into the heads of their customers. With haircuts ranging from Caesars to High Top Fades to Mohawks, the prices range from nine dollars for a Caesar to $17 for a High Top Fade. Designs and shaves cost extra. And they are the reason this shop is so popular. Most designs alone can run you $35. The young and talented Barbers of the Ville claim that most of their competition exists under their own roof. “All the barbers in this shop are good. We cut with a professional attitude,” says 17-year-old master barber Jamie. Perhaps the most popular barber is Cass. He has been at the barber shop for two-and-a-half years and has accumulated the most customers. The five other barbers in this shop are T.C., Reuben, Kurtis, Jeanette and Charlie, the boss.

The barbers earn a solid income. This comes from a sound reputation, and such universal acclaim has even led to spying. On several occasions barbers from other shops have sneaked into Bergen Street to compare prices and cop a few new techniques. Disputes have occurred and blood has even been shed.

The shop also offers equal opportunity, which leads to further complications. Jeanette is the shop’s woman barber. By resisting the advances of customers, her reputation has been ruined. “Since I refuse to get into any sort of relationship with them, they began spreading rumors that I was a lesbian,” she says.

The shop also has a fair dose of sibling rivalry. The newest denizens of Bergen Street are 17-year-old twins. The shop has brought them recognition, female companionship and their own cars. This is no ordinary barber shop.

There are a few celebrity regulars. Television figures like Big Daddy Kane, his dancers Scoob and Scrap Lover, Heavy D, and Kim Cites formerly of In Living Color are done exclusively by the Barbers of the Ville. Cass even toured for two months in 1989 with Big Daddy Kane as his personal barber. Kane is known to pay up to $80 for a cut and eyebrow arching whenever he visits.

The shop's popularity, and the fact that a lot of customers are from the “turf,” necessitates a numbering system for impatient customers. The shop is a source of neighborhood pride. As the locals say, “We'll never let anybody come around here and disrespect our shop, because this has got to be the best thing in this part of Brooklyn.”

—Latarsha Hayes

“Household Items with a Twist”

What’s the best word for a product that’s a little off-beat and nutty, yet practical and innovative? “Cute” perhaps? “Unique”? Or just plain “Clever”? If describing it seems hard, imagine inventing, manufacturing and marketing it. Noel and Adele Zeller, founders of Zelco Industries, Inc., have been tapping their originality since 1976.

Zelco’s credits include an array of useful everyday articles with a twist. There’s nothing new about the items they start with, such as lights, clocks, calculators and thermometers. It is the design by Zelco that breaks the mold of familiarity. Whoever heard of a hand-held calculator made specifically for right-handed or left-handed people? Zelco made their own market with it.

The Double Plus calculator is ergonomically designed with a suitable grip-like hold and a patented trigger-plus key for quick addition and an articulated oversized display head that adjusts for easy viewing. Its sleek black case with bold red, yellow
and green buttons may connote a playschool look, but it is not just made for kids.

Zelco’s first retail hit was the “itty bitty” book light, a small flip-on lamp that allows a person to read in bed without disturbing a bed partner. In 1988, Zelco introduced the “itty bitty” book light Jr. It comes in a special storybook package in brightly colored red, blue, and yellow with the appeal: “The ‘itty bitty’ book light Jr. gets kids into books.”

Yet another Zelco lighting system is the Eddy lamp, a plastic unit that has a socket on the top for an opaline or semi-shielded incandescent bulb and four flexible “limbs.” This lamp has its own personality. At the 1989 International Gift Fair held at the Jacob Javits Center, it was featured reading a miniature copy of The New York Times and drinking a bottle of Pepsi.

Then there is the Thumper. This is the first tumbler-free alarm clock of solid state engineering that deactivates a five-minute snooze alarm with a pat on its enlarged pad. A thump also activates a built-in light so that time on the large liquid crystal display can be easily viewed in the dark.

One of Zelco’s latest products is the Second Degree, an indoor-outdoor thermometer system that comes with a high-performance self adhesive. The advantage is that both internal and external temperatures can be read at one glance. “The Second Degree is doing great. It’s doing very well overseas as well,” says Noel Zeller. In fact 40,000 units were sold in the last nine months of 1990.

Since its conception Zelco has expanded to Australia, Canada, Italy, Japan and recently Germany. While all product and package development is carried out in the United States, manufacturing is done overseas in Italy and the Far East. The products have won awards such as the Rosco, Clio and Accent on Design Awards. Zelco’s packaging, creatively conceived by Manhattan based Bernstein Design Associates, received the Andy Award in 1983, and the Clio Award in 1984.

In the future Noel Zeller sees his products being designed for the increasing over-50 population in America. “Products must be easier to see and more user friendly,” says Zeller. “New products will be driven by new technology and will be more inclined for traveling purposes. Our products are not fashionable items. They’re household items with a twist.”

—Christine Loh

The Erotic Baker

Picture erotic art so delectably enticing that it makes you hungry. Upon viewing a particular erotic art exhibit with Patrika Brown, Karen Dwyer turned to her friend and said, “Wouldn’t it be great if we could eat this?” Patrika immediately agreed it was an intriguing concept.

The Erotic Baker was soon erected in 1976 at 582 Amsterdam Avenue in Manhattan. The tiny storefront with a standout sculpture of neon lips in the window entices one off the street to investigate the possibilities. Open most days from 11 a.m. to 7 p.m., you are titillated inside this tiny show room by an abundance of erotic bakes. On Sundays, The Erotic Baker takes a weekly breather.

Their first clients were mostly famous and affluent women. "Jet setters," Patrika called them. Fifteen years later, business has expanded. Patrika explains, "There are now more marriages." This increase has occurred because of the fear of AIDS and other diseases has increased pre-marital parties and created more catering work for The Erotic Baker.

"This bakery is for grown-ups," says Patrika. "No kids allowed, unless they’re with adults. It’s all fun! If you don’t have a sense of humor, you won’t appreciate the outrageous atmosphere in this shop—baked penises, frosted breasts, and uhmm..." But The Erotic Baker’s non-erotic baking is attracting a number of corporate clients.

Anyone in the tri-state area can enjoy the treats of The Erotic Baker as they deliver through Federal Express and take phone orders. For an original sculpture the bakery will brainstorm with a client for an additional service charge. For the past 11 years they have employed a marzipan sculpture artist with whom clients consult. This must be done, however, 24 hours in advance.

Among the goodies are average-size cakes serving eight, for $40 and edible underwear and edible condoms for $8.50. Last year The Erotic Baker catered for the premiere party of The Cook, the Thief, His Wife and Her Lover.

Patrika Brown and Karen Dwyer have not become millionaires but have been widely acclaimed. A Japanese business owner who was impressed with their marzipan sculpture techniques sent his head baker to the U.S. for a 10-day training session. At first the trainee was annoyed with the westerners but in the end said, "I’m so happy. I’ve learned so much." And now there is a successful licensed location in Osaka, Japan. Can you imagine enjoying The Erotic Baker on Mount Fuji?

—Danielle Burnside

Magic Man

Warm sunny days attract hoards of pedestrians to the sidewalks of Manhattan. There, you might chance upon a motionless crowd blocking the thoroughfare. It is very likely that you will find some type of street entertainer as the center of attraction. This kind of work does not provide upward mobility but
offers the street artist an excellent source of much needed additional income.

Michael Davis is just one such enterprising street performer who converts passing pedestrians into a captivated audience. His series of simple magic tricks serve as the vehicle for the true appeal of his act: comedy. "I'm a magician and that's what people pay to see. I'm not trying to be funny, they laugh because they're having a good time."

The 31-year-old Brooklyn resident depends on his talent during the spring and summer months to supplement his income as a truck driver. "It's a tough living you know. And it still doesn't pull the weight," Michael says. He and his wife have full-time jobs yet struggle to pay their bills. Michael insists that his income from street performing is by no means a gold mine. "Yeah, I act like I like it," he says, "and I do, but this is because I have to."

When asked where a "good crowd" could be found, he hesitates. "I try to work the out-of-towners whenever I can... you know, at those tourist spots. But I like to hit the Wall Street area once in a while during lunchtime." The tourists, though, are the magic man's meal ticket. "Anyone will stop to watch a free show but it's the out-of-towners who really know how to show their appreciation. Maybe they're not used to seeing this kind of thing or maybe they don't know the value of U.S. dollars."

Washington Square is also a hot performance spot. "The cops don't hassle you there." Mike says that police harassment isn't a major concern. However, there have been times when police intervention has been both necessary and appreciated. He recalls the time when a crowd gathered in overwhelming numbers impeding traffic in the street. "It was almost scary to see all those people popping out of nowhere. I was completely swamped. I sorta felt like Jesus giving his Sermon on the Mount."

Mike's greatest worry is returning to his Bedford Stuyvesant residence in the evening hours after a really good day. "Everyone around here knows about my gig and some people, you know, they'll be your homeboy today but kill you tomorrow for some drug money."

Mike's interest in magic started 10 years ago when he saw a television show starring magician David Copperfield. After seeing kids half his age performing on the street he thought, "I can do what they're doing with a lot less energy." He shrewdly invested his money in a magic kit that consisted of a fake thumb tip, three miniature foam rabbits and several colored handkerchiefs. After just a day of practice at home, his seven dollar investment yielded a profit of $260.

Mike Davis is just one of what seems to be a growing number of street performers who are finding that by adding a little daily enjoyment to the lives of others, they can add a large amount to their income. —Ben Lee

Night Life in the Fast Lane

At Manhattan Raceway on lower Broadway, the first rule posted above the register orders all customers to have fun. Opened in June of 1990, the Raceway is New York's first slot car raceway in 15 years. Patrons rent cars or bring their own to race on three huge tracks familiarly known as the Hill Climb, Lazy L and the "no wimps allowed" American King. There is also a drag strip for those addicted to flat-out speed.

The idea is nothing new—slot tracks are popular in other parts of the United States. Their recent revival in New York City is related to other indoor sport crazes. As people became bored with pool, they turned to mini-golf and then small-scale car racing for a night's excitement. Manhattan Raceway's prices are comparable to pool and golf, running from seven to nine dollars per hour. The better the car and track, the higher the price.

Most people rent, but the pros build their own cars from kits. These can run you as much as $400, but take you up to phenomenal speeds. Zipping down the long straightaway of the American King, the raceway's largest track, they clock speeds up to 115 m.p.h. If an engine blows out, a replacement costs $200. Sunday drivers can buy a ready-made car for under $20.

Chris Switzer, Raceway's manager, competed professionally for five years. He plans to bring the pro circuit to Manhattan. There are semi-pro tournaments on Sundays, Mondays and Wednesdays. Winners earn credits toward buying the parts needed to build superior machines.

Kids' stuff, you say. Not totally. "We get all kinds of people in here—mostly kids and families on weekends—but during the week we see everything from suits and ties to Orthodox Jews to heavy-metal types," Switzer notes. And at two in the morning, when the last winners are crossing the finish line, the take is anything but child's play.

Switzer is already looking to expand. Possible additions call for new tracks in upper Manhattan and New Jersey. For now, though, if your dream is to be the next Mario Andretti or A.J. Foyt, or just to do 100 in midtown without getting stuck with a speeding ticket, Manhattan Raceway will put you on the right track. —Ben Sawyer

DOLLS AND SENSE
WAR OF THE WORDS
New York's Press Under the Microscope

by Sadia Graham and Rhonda Reynolds

ew York City is in the midst of a war of the words. There is an ongoing battle to provide fair coverage that pits the media elite against a counter-offensive mounted by the alternative press. The major dailies continue to report in ways that many say are offensive to groups which, in effect, constitute a majority in this city. In response, minority groups struggle to overcome the stereotyping and sensationalism that makes them scapegoats in the mainstream media.

Sometimes called the fourth estate—after the executive, legislative, and judicial bodies—the press has the power to mold public opinion, society's values and the collective conscience. It is a power that others want to share.

New York's mainstream papers, like The New York Times and the Post, are locked in a make-or-break competition for a large audience and deep-pocketed advertisers. In their quest to top one another, experts say they frequently overlook important interest groups. According to critics, Hispanics, Asians, blacks, gays, women and other minorities are treated as a secondary audience, thus far insufficient in influence to change the direction of the mainstream press.

The mainstream press strikes many observers as prone to constant dramatization. "In New York, any suggestion of violence across racial lines is enough to push a story onto the front page," Ellis Cose commented in a 1989 New York Times editorial.

Along with controversy, media mavens and even journalists suggest that the mainstream often exploits the collective fear of violence and aggression that permeates the city and often projects it onto young men of color. "The mainstream media is a confirmation of people's fears," notes Abiola Sinclair, an editor at the Amsterdam News.

Not everybody has to read The New York Times, of course. There are alternative publications. El Diario/La Prensa, The Amsterdam News, The World Journal, and Outweek Magazine are just a few of the publications geared toward members of society who are neglected by the mainstream press.

ALTERNATIVE PERSPECTIVES

"Our goal is to reach the population with another view of black people. The existing view is so ludicrous, it's obscene," says Sinclair. The problem is the image that is conveyed by most news coverage. "We never see our contributions to the American public, and the same is true for other minorities," she adds. The view is echoed by Hispanic publishers. "The media must cease to report on minority communities only when something negative is occurring," asserts Carlos Ramirez, publisher of El Diario. Young Kim, editor of the Korea Times, agrees. "This community is
thirsty for information," he says. Because information for and about these groups is sparse, it is not surprising that they have come to regard the mainstream press as "them."

Aside from redressing the perceived imbalance created by mainstream, the alternative press has other important functions. Often it is a new immigrant's link between his or her native culture and that of America. Hispanics turn to papers like El Diario/La Prensa because, as Ramírez says, the publication seeks to educate Hispanics about their rights and responsibilities, while at the same time offering vital information on immigration, jobs, and housing. Along similar lines, while being a concerned news source for its community, the gay press also provides listings of support services and groups to aid victims of gay bashing and other forms of prejudice.

The alternative press sees itself as a means of empowering the powerless. As Sinclair notes, "We can, in the words of Frederick Douglass, agitate, agitate, agitate." She adds, "We are biased, but we have to be to balance the system—we had to learn how to compensate for an already imbalanced situation." To Ramírez, the mainstream press is comprised of and targeted to one particular type: "Crones in their own image and likeness."

Recognizing this, Clinton Cox wrote in the City Sun, "A people without a voice are a people without protection." He cites an editorial in the Liberator, the first African-American newspaper: "Too long have others spoken for us. Too long has the public been deceived by misrepresentation which tends to discredit any person of color."

While they agree with these sentiments, the gay and lesbian community feels that, unlike racial tension, gay bashing does not have the same trigger to manipulate the media. According to Matt Foreman, executive director of the New York Gay and Lesbian Anti-Violence Project, "When the press refuses to cover our crisis it communicates to us that our lives and bias attacks against us are not important. Our blood is red, these wounds are real and are just as debilitating to our community."

"Although painfully aware of the recent rise in violence, most New Yorkers aren't aware that one of the fastest-growing categories of crime in the city is violence against lesbians and gay men. Rarely reported in the press, anti-gay equivalents of Howard Beach are happening all around us. This is because homophobia, a form of bigotry that is still socially acceptable, remains entrenched throughout our city," says Gabriel Rotello, editor-in-chief of Outweek magazine in the November, 1990, issue of New York magazine. "Homophobia prevents our concerns from getting the attention they deserve," agrees John Hammond, an editor at the New York Native.

Julio Rivera, a young, gay, Hispanic man, was bludgeoned to death by a group of college students in July 1990. According to police the motives were unclear, but the gay community remains convinced that it was a bias incident. It is the responsibility of the mainstream to cover these stories that "reek to high heaven of bias" asserts Foreman.

BLATANTLY BIASED

A number of cases dramatically illustrate the trend. After eight black and Hispanic youths were arrested in 1989 for the rape of a jogger in Central Park, many felt that all black and Hispanic Americans were put on trial. Former Mayor Edward Koch asked publicly, "Can't you people control your kids?" Shriek comments were written about inner city youth who "come from a world where jail is just another puberty rite," and the suspects were referred to as "bloodthirsty teens from the tenements bursting with boredom and rage" and a "real horde of dead-end kids."

Because those arrested were singing a rap song, the reputation of rap took a hit. "Rap became the subtle ominous soundtrack to the crime," says David Hinckley of the Daily News. It is just one example of the way that contemporary forms of minority culture come under attack, adding to the misunderstanding.

By contrast, many have pointed out that the coverage of a relatively similar
Central Park crime involving two white principals was decidedly different. When Jennifer Levin was killed in Central Park, her murder was overshadowed by an analysis of her sex life. Instead of focusing on the crime and the attacker's cultural background, the media concentrated on the probable innocence of an all-American boy.

Some examples are ostensibly more casual, but still betray the main source of the problem: bias. Many involve well-known figures in the media. Jimmy "the Greek" Snyder made headlines in 1988 briefly with his offhand remark about all black athletes being bred for certain physical traits that made them excel. Jimmy Breslin was suspended last June for two weeks because of the racist and sexist remarks he made about a colleague, Ji Yoon Yuh, a female Korean-American staff writer at New York Newsday, who criticized one of his columns. Some are not penalized.

On the radio Howard Stern peppers his early morning show with constant attacks on blacks, Hispanics, Asians and gays. Stern defends himself by alleging that he is just reflecting the real attitudes of his audience, as well as referring to his First Amendment right to free speech. Ironically, this cornerstone of the alternative press is also one of the strongest defensive weapons at the disposal of the most biased and insensitive members of the media. Even press magnets have been guilty of damaging comments. Ted Turner, owner of CNN and TBS, once proposed that unemployed black males should be hired to carry nuclear warheads on their backs, according to The Nation.

FAIRER REPORTING

Incidents of this kind have kept the mainstream press from gaining the respect of minority readers, but the future may be a time of reform. The role of the mainstream press—which includes informing the general public as well as grabbing the top advertising dollar—is a complex one. In a city as large and diverse as New York, it would be impossible to please each of the 80-plus communities. "You can't be all things to all people—you have to focus," points out Bill Zimmerman, editor of New York Newsday's City Business section.

Ideally, the job of informing is done on a purely need-to-know basis. But commercial interests intervene. "Readership studies and surveys are being used to direct the kinds of information that are being presented to the public," says Kovach.

Reform is bound to start in the newsroom itself. Ramirez contends that the blatant discrimination apparent in the mainstream is due to the level of knowledge of the people who write and edit the news. He says, "The press is guilty of ignorance initially." Institutionalized racism fuels the built-in bias of the newsroom. The discriminatory attitudes are largely due to the absence of minorities in the media.

As more women and minorities fill the ranks of editors and reporters, coverage may become more balanced. Until then it is up to the alternative press to combat the inaccuracies of the mainstream and re-educate the public.

One area already shows a change. The Statistical Abstract of the U.S., 1990, shows there are 100,296 white males and 96,619 white females in newsrooms. On the negative side, there are 3,392 black males and 4,216 black females in newsrooms. Hispanic males account for another 3,585 members and their female counterparts for 3,922. Among the Asian population there are 1,920 male journalists and 1,545 women.

Change is essentially an internal process, if it is to be successful. As the readership changes, the directions taken by the major media corporations must reflect complementary growth. "Newspapers have to constantly reinterpret themselves. You can't be the same for 100 years," observes Zimmerman.

Though the effort of some papers to include and accurately represent all people seem sincere, there are still "cracks in the mosaic." The mainstream often uses the alternative press as a reference point in its effort to better understand communities outside of their scope. But, until all people are fairly represented, all of the papers agree that "You can't read just one."
A Tale of Two Cities:
Will the City of Staten Island Emerge From the Referendum?

By Rafael Olmeda

Staten Island is sometimes jokingly referred to as “the island of toxic waste.” Known mostly for the vile stench that permeates its simple, suburban atmosphere, the borough is subjected to constant ridicule from other New Yorkers. But now, if the people of Staten Island have their way, the city they became a part of in 1898 will be a distant, unpleasant memory.

On Nov. 6, 1990, the voters on the island passed a referendum calling for the creation of a charter commission that could ultimately sever the borough’s ties to New York City. The question presented to Staten Islanders, which passed by a margin of 81 percent to 19 percent, was:

“Shall a charter commission to provide for the separation of the borough of Staten Island from the city of New York and for the establishment of the city of Staten Island be created?”

Dan Singletary, the founder and former head of the Staten Island Secession Party, says the desire for a divorce is rooted in the powerlessness Staten Islanders feel as a result of New York City’s charter revision in 1989, which they rejected by a 65 percent margin. Charter revision was mandated when the Supreme Court ruled the board of estimate unconstitutional earlier in the same year. With the Board gone, the City’s governmental structure tilted.

“I’ve said many times in the past that last year’s charter revision was the biggest power grab in the City’s history,” Singletary laments. “It centralized power in the city council and the mayor and virtually stripped the local community boards of any kind of influence.”

Singletary adds, “When the borough presidents before charter revision had power, they were able to put the screws to the agencies that did not listen to the community boards, because the borough presidents had power of the purse. After charter revision, the borough president doesn’t have that power.”

A high-profile secession party would force the Mayor and city council to listen to the needs of the Staten Island community. This was Singletary’s goal. “Not that, necessarily, we should secede,” he says, “but we really need more power for the local communities.”

Thomas Cocola, the press secretary for the borough president of Staten Island, feels however that the residents’ desire to separate is mostly an emotional reaction to 93 years of perceived slights. “I think that most Staten Island-
ers feel like they've been dumped on, literally and figuratively, for years,” Cocola says.

**WHY THEY WANT OUT**

Why are Islanders disgruntled? For one thing, it’s the home of the world’s largest outdoor landfill. “The Fresh Kills Landfill and the Great Wall of China are the only two man-made structures you can see from space,” Cocola points out.

The dump was created over 40 years ago by the Board of Estimate as a temporary site which was supposed to be replaced with a recreation or amusement park. Another reason, Cocola points out, is that Staten Islanders feel the borough is improperly serviced by the city. Public transportation is considered so inferior that many choose to drive into Manhattan, which means the Verrazano Narrows Bridge must be crossed. This entails a five-dollar toll. Ironically, four of these dollars go to support the City’s massive public transportation system.

With no public bus from Manhattan, residents who choose rapid transit fall into a three-fare zone: the subway, the ferry, and the bus. All in all, a round-trip pinches $5.10 out of the pocket. “We get 19,000 tons of city garbage a day out at that landfill,” Cocola says. “If you’re going to house the locale that features the world’s largest garbage dump, then maybe you should get something in return.”

**A PIPE DREAM**

Borough president Guy Molinari has called secession a “pipe dream.” In an article in New York Newsday on March 1, 1990, Molinari comments, “What we have here is an extremely emotional issue that has been turned into a giant political hoax.”

Cocola echoes Molinari’s opinion. “I’m not optimistic,” he says. “I can say to you most assuredly, and Guy has said this too, in a lot of ways this has been a cruel political hoax, and it will never happen.”

“They started with ‘hoax’ early on,” Singletary complains, “that this whole thing was a hoax on the public. It’s easy when you take a negative stance on everything, because then you can use those negative words. When you say it’s a hoax, you play right into the hands of the people who like big expensive government that only caters to the special interests and not the guy on the street.”

Singletary believes the borough president’s office is obliged to be reluctant about secession, because to do otherwise would imply that the office currently lack political clout. “What is he gonna say? That they’re toothless? That they can’t do anything? There’s no way in the world they can do anything but keep a stiff upper lip.

“There are a lot of things that the borough president says are driven by political necessity rather than reality,” Singletary adds.

Cocola predicts if Staten Island’s departure ever became imminent, New York would make it as difficult as possible on the new city. “If I was Mayor Dinkins, I’d say get all the good ambulances out of there and give them the worst ambulances you can find. Get all the good buses out of there and send them the worst buses you can find, and really stick it to these people.”

The borough president has also maintained for some time that an independent Staten Island is not legally feasible. “I believe that the legislation is unconstitutional and so does the City,” says Molinari. “In its lawsuit against the state, the City maintains that the secession law violates home rule provisions because the city council never voted on the issue.”

The Court of Appeals decided in September 1990 that the current secession movement only calls for a proposal and does not fall under the home rule requirement. This adds to Cocola’s wariness. “All the City has to do to reinitiate that lawsuit is to say that there’s no home rule message here, and I think the courts will kill it,” he warns.
FURTHER DIFFICULTIES
In addition to the legal complications, CocaCola points out a number of fiscal difficulties. First of all, the startup expenses for the new city would be greater than the residents would be willing or able to handle. "I could not, for the life of me, see it being viable unless the people of Staten Island think that the doubling or tripling of their real estate tax is worth paying it alone."

There is also the question of what will happen to municipal workers. The debate is over which city would foot the bill for pensions and benefits for long-time employees who are near retirement or have considerable service.

Perhaps the most irksome question concerns the future of the dump itself. A recent State Senate Finance Committee study conducted by Baruch College's Graduate School of Political Management concludes that if Staten Island had title to the landfill's revenues, the new city would show a surplus. Otherwise, it would fall quickly into debt.

"It's really the ultimate delicious irony of this whole movement," CocaCola says. "It all depends on the dump. The dump is, in essence, the real reason behind the secession movement."

But secessionists are not daunted by talk. "There are a couple of interesting things they always forget to tell you," Singletary points out, referring to much higher real estate taxes in Nassau and Suffolk counties, double the rates of Staten Islanders, Singletary notes that residents of those counties do not pay a personal income tax. "I, as a homeowner, with my income tax, pay equal if not more than what they pay for personal property tax alone," he says.

While he still supports the movement, Singletary is no longer involved with the Secession Party because he feels it lost sight of its original goals. They became involved with nominating candidates for Congress, and Singletary felt that Congressmen should be concerned with national issues, not potholes on Staten Island streets. "My contention was that, that wasn't our purpose," Singletary says. "Our purpose was to stimulate the people a dialogue, which we did very well."

Now that Staten Islanders have chosen to study the idea of secession, a committee consisting of 13 members will be given a minimum of three years to come up with a charter for the city of Staten Island. Voters will then be faced with a second referendum. At this point, they can choose to cut New York City off, continue studying, or put a final end to the secession movement.

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PROFUSE REFUSE

Short of tax increases or a reduction in services, the city of Staten Island would be dependent on the net profit from the Fresh Kills Landfill. This is the suggestion of a study conducted by the Graduate School of Political Management at Baruch College, commissioned by the New York State Senate Finance Committee.

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Fresh Kills:

- Revenues: $575
- Expenditures: $221
- Net Profit: $354
New York City Law Firms Face Forced Landings in the '90s  
by Quan Tran  
Illustrations and charts by John K. Tan

Watch out, law school dreamers! The cloud cover of recessionary cares has meant that even the big firms are having a bumpy flight these days. In the economic boom of the '80s, law firms expanded at a staggering rate. The 25 fastest growing firms in New York City increased in size an average of 143 percent. But the end of the decade signalled the bitter end of the boom. As "junk" becomes a four-letter word again, mergers and acquisitions diminish and premium deals are almost extinct. Real estate transactions are at an all-time low. Small firms are crashing. Big ones are chopping like crazy. Some new practices look bright, but none are as lucrative as the big layoffs—like major takeovers—were when the good times were rolling.

The figures point to a downturn. The American Lawyer's latest study of the Top 100 grossing firms in the country shows the average revenue per lawyer increased by 6.3 percent in 1989, barely more than the rate of inflation. In 1988, the gain was 13 percent. Hardest hit are New York firms, which in the past accelerated at a faster rate than those in other cities. No more. The average revenue per lawyer in the Big Apple moved up a scant 8.1 percent.

Nonetheless, nine of the 10 most profitable firms in 1989 were in New York, as well as six of the Top 10 in gross revenues. Skadden, Arps, Meagher & Flom ranked Number One with gross revenues of $517.5 million for 1989. Other top firms in New York included Shearman & Sterling, at Number Four with $281 million, Davis Polk & Wardwell at Number Six with $240.5 million, and Sullivan & Cromwell right behind them with $230 million.

LEGAL DECLINE PARALLELS ECONOMY

Even these giants are beginning to feel the heat, however. In the '80s, New York firms soared, thanks mostly to the updraft in the junk bond market. That market began its tumble in September 1989 when it was hit by a double whammy. Campeau Corporation went into Chapter 11, and UAL, the parent of United Air Lines, failed to get backing for a leveraged buyout. Since then, an erratic stock market and uncertain financing have greatly reduced the number of lucrative big deals. “Too many firms were in M&A—it had gotten too fat and now it’s all dried up,” says Seth Lipner, attorney and business law professor at Baruch College.

Big firms are feeling the impact of the significant slowdown on Wall Street. “There are still deals going on,” claims William P. Frank, a partner at Skadden, Arps, Meagher & Flom, “The difference is that there is no substantial junk bond

MAY 1991
market which is used to fuel takeovers,” he adds. There were only 94 hostile takeovers launched in 1989, compared to 197 in the previous year, according to Dennis J. Block, a partner at Weil, Gotshal & Manges.

Law firms were also hit hard when real estate went south. “The real estate market is at an all-time low,” notes Jeanne M. Annarumma, a Manhattan real estate broker. Wall Street played its part, of course. She explains, “People had money to spend.” But things were out of control, as available floor space—particularly in the commercial sector—outstripped demand. A number of mid-size firms specializing in real estate dissolved completely in 1989 and 1990.

Does size matter? There is evidence that the smaller firms pay the price. A survey by Price Waterhouse shows that while profits at large firms increased by just 4 percent in 1989 compared to a 20 percent rise in 1988, mid-size firms with 101 to 200 attorneys experienced a 9 percent drop in profits in 1989 as compared to a 23 percent hike in 1988. Many mid-size and smaller firms are expected to be among the casualties if the recession deepens.

Those still hanging on find that the gap between them and their larger competitors has continued to widen. In 1988, the profits-per-partner at large firms were 53 percent greater than those at mid-size firms. In 1989, profits were a startling 73 percent higher. Jonathan P. Bellis, head of Price Waterhouse’s law-firm consulting franchise in New York, says that at mid-size firms, where large numbers of branch offices and diversification of practice is less common, the general malaise in the local economy has a greater impact.

ALL FIRMS FEEL THE BIG CHILL

Survival often turns on market share. Put simply, big, full-service firms are more likely to succeed in a slow market by squeezing their smaller competitors out. Mid-size firms, although reputable locally, lack the ability to attract clients
nationwide. Many are forced to merge or dissolve. Some mid-size firms are swallowed whole. Cole & Deitz of New York was devoured by Chicago's Winston & Strawn.

Even the untouchables—senior partners at prestigious white-shoe firms—are feeling the pinch. Firms such as Fried, Frank, Harris, Shriver & Jacobson and Cahill, Gordon & Reindell, are laying off associates. There have been no official cutbacks at Skadden, Arps, but Frank says they are keeping a careful eye on attorneys who are not producing. Those who do not measure up are commonly given six months to find employment elsewhere. Morale has been trampled by the downward trend. The ruthless slashing of partners who fail to generate their own book of business has caused many to question whether the competition to make partner is worth it.

The tighter observation by management makes many lawyers want to get out of the business altogether.

Firms are no longer recruiting as easily as they used to. The 1991 crop of new associates promises to be more modest in size. "This summer, we will probably have fewer associates and with that fewer offers," says Frank. By comparison, in the '80s, Skadden, Arps increased their number of associates from 142 to 855, the largest expansion of any firm.

Those first-year associates who do make it will find their starting salary the same as their predecessors of the late '80s. In 1989, the average starting salary for associates at large New York firms was $83,000, in another orbit from the $30,000 level of 1979. The salary for partners, however, continues to climb. "There will be a larger gulf in the salaries," predicts Lipner. In 1989, the average annual salary for associates at large firms was $114,000 while partners earned $810,000, including bonuses.

Even salary freezes and fat trimming may not be enough to keep firms competitive. Many firms are now more flexible in their pricing and are willing to enter into agreements that were unthinkable a few years ago. Firms are even agreeing to fixed rates for all the client's corporate and banking work, though usually with escape clauses exempting unexpected work such as acquisitions.

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**THE WAY OF THE '90S: BANKRUPTCIES**

Everybody's looking for new business, often in some unexpected directions. "Diversification is essential, since everything is cyclical," Frank observes. Several areas are emerging as possible replacements for M&A as the prime legal practice of the '90s. Firms banking on bankruptcy and restructuring fared better in 1990 than others relying on transaction work. "Bankruptcy will be very big in the '90s," Lipner declares.

For decades, bankruptcy was a dirty word in the legal profession. As New York bankruptcy attorney Robert Miller told Fortune, "It's perpetual Christmas for us. Bankruptcy used to be a dirty-shirt business. You went into it if you couldn't go into anything else." Large, established firms considered it lower than divorce law. However, that attitude is changing. Many firms are strengthening their restructuring departments, and even merging with others that specialize in bankruptcy. Kaye, Scholer, Fierman, Hayes & Handler, one of the most prominent firms in New York, recently merged with the 14-attorney bankruptcy firm of Levin & Weintraub, Crames & Edelman, regarded as one of the best in the country. It played a pivotal role in many high-profile cases, including Texaco, Revco and Eastern Airlines. "They are trading money for clients," says Lipner.

The future in bankruptcies is promising. Fortune magazine reports that in 1989, 18,000 U.S. companies filed for Chapter 11, followed by another 20,500 in 1990. In 1991, this figure will soar to 21,500, among them Pan Am. Some billings run to $1 million a month. Also on the road to riches has been the S&L debacle. The U.S. Government is spending hundreds of millions of dollars retaining private law firms to do its legal dirty work. A number of firms are making hefty profits representing collapsing S&Ls and their creditors.

All these prospects offer some hope of offsetting the damage already done. Before that happens, performance in 1991 will reveal the extent of the bruises. Like other businesses, law firms are not immune to a sluggish economy. The dizzying climb of the legal eagles of the '80s was bound to end. Now it is time for the return to earth.
DAMAGE CONTROL
An Ethical Beacon Rises From the Ashes of Wall Street
By Percival Ariola
Illustrations by Alfred Assin
Some see Wall Street as the financial capital of the world, a place where fortunes are won and lost. Others perceive it as the belly of corporate America where greed and excess reign. For those in the industry, the image is not as simple. They separate the good from the bad. “I think the average person on Wall Street is honest and ethically sound,” says Kevin J. Dowd, an assistant vice president of administration at Paine Webber. “It’s just that there are a few individuals out there who kind of ruin it for us all.”

TARNISHED REPUTATIONS
The ’80s will go down in history as a troubled period in American business, and Wall Street has contributed significantly to the mess. Serious doubts arose concerning ethical conduct on the Street when securities fraud and insider trading charges were leveled against Ivan Boesky, Dennis Levine, Michael Milken and other offenders. The scandals not only rocked the Street—firms like Drexel, Burnham, Lambert filed for Chapter 11—but also decreased the credibility of the investment industry.

“When you deal with the public, they only base their opinions on stuff that they read in the papers and they take a lot of stuff out of context,” explains Dowd. “For instance, an error on an account and people right away assume that something is happening that’s dishonest. Some people call and say, ‘Hey, what’s going on over there? I read about Ivan Boesky. What’s happening with my account?’ They’re assuming what they read in the paper is what is happening to them.”

Wall Streeters have little sympathy for the convicted. “They just got too greedy and they’re responsible,” says Henry Schwarz, a vice president of investments at Paine Webber. “Their main problem was they got too hungry too fast and that caused them to do illegal things.” Securities professionals don’t wish to be linked to one of the most corrupt decades in business history.

Some say it is just a question of publicity. “I don’t believe that the ’80s represent a more corrupt period in American business than any other time. But there was a heightened awareness of activities brought about by a few sensational cases,” says Jon Mann, executive director of the Business Ethics Study Team. Mann believes the public’s view is too narrowly focused. “I find it very unfortunate that business ethics has only come into most people’s minds when it’s product misrepresentation or insider trading on Wall Street,” he says.

Katherine A. Nelson, vice president of corporate human resources at Citibank, agrees. She believes insider trading, personal phone calls on a business phone or theft from a petty-cash fund all rank on the same plane of dishonesty. “It’s all the same and it’s very interesting how some people think that some of that behavior is okay when in fact none of it is.”

A SERIOUS ISSUE
The desire for improved ethics in the corporate world has prompted non-profit organizations to get involved. “We don’t want people getting the impression that all businesses are unethical. A few people have given a bad name to the whole community and that’s not fair,” says Sally Carman, assistant director of the American Management Association’s Operation Enterprise Program. Offered during the summer and in January in Hamilton, N.Y., Operation Enterprise is a 10-day seminar during which high school and college students learn from business leaders about the real business world. Introduced as a specific topic a few years ago, business ethics nevertheless has always been a part of the AMA’s seminars.

On college and business school campuses, ethics is assuming greater and greater importance in the curriculum. “It has always been a part of our courses,” says Carman. “It is an important and current topic that needs to be addressed today. In the past, I think people just assumed that there was a higher level of ethical behavior. But these days there has been so much in the news about important people not being ethical that we want to specifically include the topic.”

BEST is also doing its part. Formed in 1987, it is a non-profit research center affiliated with New York University’s Stern School of Business. The group provides resources and consulting services to enhance business ethics programs in both the corporate and academic communities. “Business ethics is of growing concern to today’s decision makers. They must realize that they are going to end up being responsible for the decisions that they’re making today for down the road somewhere,” points out Mann.

“It’s all the same and it’s very interesting how some people think that some of that behavior is okay when in fact none of it is.”

One of BEST’s efforts is a PBS series featuring Walter Cronkite, to be aired in fall 1991. BEST also introduced a “Speakers Bureau” which is similar to the “Scared Straight” prison programs. “We do this program with convicted white-collar criminals and they talk to people about how they lapsed in judgment or had been suckered into following the plans of a supervisor and eventually had their professional lives ruined. It’s an effective program and we are really pleased with it,” says Mann.

THE WORK ETHIC
Many corporations have implemented plans to promote ethical awareness. Citicorp is one such pioneer. “As part of
designing tools for orientation, what we try to do is create seminars that communicate to new staff how important integrity is," says Nelson. "There is probably no industry where reputation is more important than in banking, because we take care of people’s money."

In the “Work Ethic” program, participants are confronted with ethical dilemmas and are challenged to come up with a course of action. “It is very exciting and people get involved, which is exactly what we want,” comments Nelson. “We want people to pay attention to the issues and learn about our policy and walk away with a real strong idea that this is vitally important.”

Students at Columbia, Northwestern and New York Universities have benefited from “The Work Ethic.” “It’s been very well received. The students have reacted much the way Citibank staff have reacted. They get very engaged in participating. The discussions are very animated and I think they learn a lot.”

AN ETHICAL EDUCATION
It is not surprising that ethics programs have come to the campus. Across the country, schools are integrating ethics courses into the curriculum. The response so far has been mixed. One Daily News article points out that while many schools have taken the initiative in implementing these courses, the question remains whether the study of ethical behavior will have a positive impact.

Mann believes success is dependent upon teaching. "I think the courses are important—if they are handled properly. If these are general survey courses that don’t focus on contemporary issues or real situations in the corporate environment, then I don’t see much point to it. I’ve seen courses that are very philosophical and very scholarly and don’t have any real value.”

Dowd, though, has a different opinion. “When people come out of college, they’re not real sure what goes on in the business world. Actually, I feel sometimes it’s two different worlds—when you actually get here and what you learn in school—and the more that they can teach about ethics and having interns work directly in corporations, the better it is for the students.”

SIGNS OF THE ’90s
The academic and corporate communities have been sobered by the events of the ’80s. In the ’90s, the challenge will be for corporate America to clean up its image. “Proper ethical conduct has become a real, down-to-earth, bottom line and pragmatic need,” stresses Mann. “Ethical values in the corporate world will have a direct impact on bottom line performance as deviation from appropriate behavior can cost a company money,” he adds.

Wall Street is already arising from the detritus. With the sentencing of Boesky, Levine and Milken a new public attitude is evolving. “The deals have been going on all the time and people are now saying it’s good that these people are getting caught instead of getting away with it,” says Schwarz.

“Wall Street has to be self-regulated,” agrees Dowd. “After the big ethics problems with Boesky, the Street is definitely trying to be more compliance-oriented. They’re making sure those things aren’t happening again.”

Nelson has high hopes for “The Work Ethic.” But does non-participation in these programs condemn future business leaders to careers in securities fraud? Nelson disagrees. “There are plenty of very reputable people in this district and in the investment banking industry,” she claims. Nelson sees the fraud and insider trading cases as a necessity. “It’s painful to see our industry tarred and feathered. But everyone wanted to see justice.”

The verdict has come on Boesky, Milken and Levine. But for the rest of the business community, it’s still out. The evidence will be sifted over the coming decade, and many hope a more profound guilty verdict will be presented: “We, the jury, find the defendant, Wall Street, guilty of promoting a more ethical corporate America.”

18 DOLLARS AND SENSE
New Yorkers woke up on New Year's Day 1991 to a shocking tale of the trafficking of slaves into America. The story had all the elements of an investigative journalist's dream, including kidnapping, torture, mysterious disappearances, narrow escapes, forged identities, a Mafia-style network involved in drugs and prostitution—and, of course, big money.

When the New York Police Department's Major Cases Squad swooped down on a Bronx apartment to free a 30-year-old restaurant worker from a gang of 13 enforcers from an illegal ring, many upscale New Yorkers and network reporters were clearly disturbed, and excited, about the revelation. Slavery in the shadow of the Statue of Liberty? It couldn't be.

A COMMUNITY SECRET
For insiders within New York's Chinese community, however, the details were sadly familiar. "Most of my students were smuggled into this country," notes Ke Ming Liu, a teacher in one of the biggest and most lucrative Amnesty Program instructional centers in New York. She teaches an average 400 Chinese migrants—restaurant workers, factory hands and taxi drivers as well as other blue-collar men and women—in her classroom each year. In casual conversations, as well as in classroom dialogue, she is familiar with stories that are distressingly redundant. Liu is an eyewitness to this century's special type of slavery: indentured servitude.

"To pay for the privilege of just being here, they work 20 hours a day as dishwashers or cooks, and many are in construction doing the dangerous, back-breaking jobs that Americans look down their noses at," reports Liu.

If they are lucky, the illegals gross around $1,500 a month.
Most earn less than $1,000. The first cut goes to the smuggling ring that brought them in. In the case of the young restaurant worker rescued in the Bronx, the gang demanded a ransom of $30,000 from his family. The figure corresponds to the going price for transportation and forged immigration documents used to bring illegal aliens from China’s Fujian province to the United States.

According to Department of Justice sources, the Chinese pay the highest price for their freedom, compared with the $2,000 commonly charged to Mexican, Caribbean or Latin American immigrants for virtually the same services. By the time the Chinese arrive, they have amassed debts to the Hong Kong and New York smuggling networks that are virtually insurmountable. It is not uncommon for debts to be passed on to daughters and sons, and so indentured servitude is passed from generation to generation. It is the price paid for a chance at freedom and prosperity denied in the home country.

Most illegals are political refugees whose stories are not dramatic enough to earn them asylum. Nonetheless, they are part of a giant political problem. “If people are that desperate to leave their country, you know there must be something wrong with the government there,” reasons Liu. “The American government has developed the Amnesty Program to allow these immigrants a green card because they probably suspect there’s something wrong,” she adds.

The portrait of American life is far from dream-like, however. “They are very lonely and mostly uneducated, possessing little or no vocational skills. They suppress all feelings of pain. They are often silent and appear to be interested only in money,” says Liu. Although they live day to day, their dreams often center on returning to their homeland, with pockets lined with wealth from “The Golden Mountain,” to find a hometown wife or husband. Until then, however, they have to live with a perpetual monkey on their backs. “Their lives are tied to their homeland racketeers,” explains Liu.

WORLD WIDE BUSINESS
England’s esteemed business weekly The Economist estimates the number of slaves created by this form of illegal trafficking worldwide is over two million. Thousands arrive in America every year. Some sneak across borders, some offer bribes for an illegal marriage, but more and more are entering into contracts that make them indentured servants.

Most come from countries where the per capita gross national product is often just about equivalent to what Americans make in a day. For example, in South Africa a factory worker receives $5 a day, the equivalent of an American high school student working at McDonald’s for one hour. In Canton—now Guangzhou—China, monthly pay is approximately $30, a paltry sum for someone with a masters degree. In India, even a qualified worker often only earns $84 a year, and in Vietnam that figure barely climbs to a meager $200.

The rewards of higher pay outweigh the risks and obligations of the underground slave trade, in the eyes of many. “My students and their families don’t complain about conditions here,” says Liu. “They don’t mind the hard labor—they are just relieved to be in America.” Most illegal immigrants coming from China are what is known there as “peasants”—farmers and peddlers in our terms. In New York City, they live eight to 10 people in an apartment, chipping in $20 to $40 apiece every month, sleeping in bunk beds, hoping that the landlord does nothing.

The majority are Fujianese, emigrants from Fujian, a province in the south of China just outside Hong Kong. Though the Chinese government does not grant passports, a bribe of 10,000 yuan—$2,000 U.S.—can get one, according to Liu.

Experts estimate that millions of dollars are made from illegal immigration annually, while the risk seems to be fairly low. Only 26 arrests for kidnapping were made by the Major Cases Squad in 1990 but the ordeal suffered by the young restaurant worker, Kin Wah Fong, in the Bronx is said to be common. Even to Joseph Kennan, a hardened Major Cases detective with 29 years on the force, the plight of indentured servants is moving. “The tragic part is that this guy struggles to come over here and he is the kidnap victim but he’s afraid to talk to the police, to say ‘I’m the guy you’re looking for,’ because it means he could be sent back,” Keenan notes. One of the major obstacles to solving a case is the need for translators who speak Fujianese. Keenan credits his undergraduate training at John Jay College/CUNY with helping him sort out many of the sociological problems posed when, for example, women police officers have to interview reluctant Chinese men.
SUCCESS IS POSSIBLE

Some workers, however, manage to find lives that are not filled with fear. They have established residence for many years, and their main problem is getting a green card and climbing out from under a mountain of contracted debt. For other Chinese immigrants, their plight is viewed with a mixture of pity and anger. "I feel insulted because we're all Chinese, but they're being exploited. It's sad, and it's a shame," says Liu. "I hate my government," she concludes.

Liu arrived in America by a legitimate route. She currently teaches English at Hunter College, having emigrated from mainland China nearly three years ago on a student visa. She earned a masters degree in English in 1989 and is working on a PhD in Applied Linguistics at Columbia University. Her prospects for a full-time teaching job at the university level are bright, particularly as the nation steers toward a more multicultural curriculum in education.

The Amnesty Program that she participates in is run by New York State Department of Immigration and Naturalization. During the course of study, immigrants spend 40 hours a week—eight each day—learning English, American history and civics. They graduate with a certificate and a chance to get a green card. "It's a bureaucratic money-making business," says Liu.

Outside the quiet confines of the classroom, the intimidation and violence of the immigrant underworld continues. Before the arrest of the 13 enforcers on New Year's Day, isolated stories of abuse were reported. In April of 1990, a retarded Long Island boy of Oriental descent was kidnapped and threats were made against the family's home and restaurant business.

Authorities suspected that the family came to America as indentured servants and still hadn't paid their debt to the racketeers who helped them. A month later, seven farmers were kidnapped from Kennedy Airport bound for an agricultural exchange program in Massachusetts. The police and media guess that the men were kidnapped to be used for cheap labor in New York City's Chinatown.

Cheap labor, indentured servitude, or slavery—by whatever name it is called—the illegal contract seems to be the latest way of coming into this "land of opportunity." The practice is predominant among ethnic minorities coming from Haiti, Cambodia, Thailand, Mexico, Korea, India, Vietnam, Burma or Myanmar, China and the Philippines. Despite the media spotlight, there seems to be no end in sight to the train of new arrivals whose chains, though never seen, are heavy indeed.
TAMING THE WEST BRONX

One Group’s Determined Plan to Resettle Part of a Blighted Borough

By Ronnie Lewis

Bits of glass sparkle on the sidewalk of a dimly lit street. The Aqueduct Homeowners Association, about 50 strong, gathers for its first meeting in the auditorium of P.S. 91, in one of the more notorious neighborhoods of the West Bronx. There is concern in their faces. They are partway to reclaiming a modest chunk of the urban jungle, but it’s going to be an uphill climb.

Nobody ever said it was going to be easy. Michael Reed, sales agent for the homes and liaison officer for the developer, is deluged with complaints. Reed would prefer to talk about community affairs and new plans. Aqueduct Homes, 56 brand-new modular units that promise a new look to part of a troubled borough, is having start-up problems.

NOTHING’S PERFECT
Most of the houses have problems in their heating systems. The expense for installing security doors and window guards has been prohibitive. The homeowners’ pockets have been fleeced for up to $2,800 by a company called Medallion for equipment that costs $900. Then there is the disappointing news that the area will probably not be wired for cable television until 1995. For these urban pioneers, Aqueduct
Homes is fast becoming an American nightmare.

Back in 1985, when Aqueduct Homes was proposed by the New York City Partnership, the idea looked like a dream. "The Aqueduct Homes project is the first private housing development in the University Heights section of the Bronx in 20 years. When completed, it will represent a $14 million private investment in new housing and brings home ownership opportunities to the University Heights community," Kathryn Wynde, executive vice president of the Partnership, states in a news release. "By encouraging private developers to invest in affordable housing, we can help to bridge the gap between the high cost of new housing and what most first-time homeowners can afford to pay."

This is an ambitious scheme, with 56 two-family houses to be built by 1990, and another 54 scheduled for completion this year. The townhouses are factory-built in Philadelphia and put up by modular construction. The completed homes are on Aqueduct, Grand and Harrison Avenues in the University Heights section of the Bronx. This area in the West Bronx was chosen by the Partnership in an attempt to evade the stigma of the infamous South Bronx. Unfortunately, not everybody gets the distinction. Colonial Penn Insurance Company, which insures the owners' cars, did not buy into this legendariness. Owners have been slapped with South Bronx-style auto insurance premiums of $600.

The area is not a complete wasteland. Jerome Avenue is served by the Lexington Avenue subway line and the community area bristles with activity during the day. Mom and pop stores, the post office and supermarkets do a brisk trade. At night, other types of businesses move in. Prostitutes are plentiful along the Avenue, one of the issues that Reed would like to have an N.Y.P.D. representative discuss with the group on a future date.

PROVIDING A BOOST

Projects like the Aqueduct Homes development have an obvious bright side. They inspire middle-class white and blue collar workers to stay in the City and help shape its future. For the New York City Housing Partnership, founded in 1979 by David Rockefeller and several business leaders, it is an opportunity to give something extra to a financially-scarred city. Under their housing program, the City provides sites and low cost land. In addition, state and city subsidies are granted to further reduce the cost of each unit. Finally, builders are asked to limit their profit margins to an acceptable amount.

Of importance also, is the fact that the Partnership works with local development teams in the planning, constructing and selling of these houses. One firm which is benefitting is the minority-owned, R.W.Hall General Contractors Inc. "To build this kind of project, you need more backing and financing," says R.W.Hall. "A small company just can't get the continuous flow of cash to carry all the materials and crew." Hall's comments were addressed to a joint brochure launched by the New York Chamber of Commerce and Industry, Inc. and the Partnership. Aqueduct Homes is being built by the Kaplan Organization.

And there are other home-building sponsors like the Nehemiah program, primarily known for its work in Brooklyn. This is a non-profit organization of more than 40 South Bronx churches. Nehemiah has been vying with the Partnership for months over a 4.2-acre plot at West 159th Street and St. Ann's Avenue. Another group, the Mid-Bronx Desperation, runs a development called Salters Square that consists of 75 three- and four-bedroom townhouses sold in the $92,000-$98,000 range to families with annual combined incomes under $50,000. In the Aqueduct program, households with combined incomes between $37,000 and $53,000 are eligible.

Some terms of the Aqueduct Homes sales contracts favor the developer. Many are meant to discourage real estate speculators. The developer can legally take up to two years to build a home and isn't required to pay interest on the downpayments in escrow. Included in the contract are clauses that allow for easy cancellation by the developer. It is not risk-free. The Partnership obtains its financing through Norstar Mortgage Corporation. Norstar issues 30-year fixed-rate mortgage packages at 10 percent.

PEACE AND PROSPERITY

West 181st Street between Grand and Aqueduct Avenues is a quiet block of 12 new townhouses. The silence is broken only by young men driving through blasting their car stereos and the noise of construction work going on in the area. When the Partnership moved into the neighborhood, they had to do a lot of basic things for themselves. Reed found volunteers to walk through the area to write down where crosswalks should appear, stop signs should be placed and lampposts installed. What Reed can't do is change the public's perception of the Bronx. Many of the new homeowners still, after several months, do not shop in the area stores, preferring the stores in their home boroughs.

Living in the new neighborhood has its comforts. The Aqueduct Homes provide two on-site parking spaces for each house. As you stroll down the block, there appears to be at least one car for every home. Has the good life returned to the West Bronx? For these new homeowners, the dream has arrived, in part, but there is still some distance to travel.
From RUSSIA with a Degree and Difficulties
Language Barriers Force Professionals to Become Manicurists
By Marina Krivyakina

Every year an average of 12,000 Soviet immigrants come to the United States. Many, including a number of professionals, settle in New York City. Here they confront a language barrier that has prevented most from following their chosen careers. But family responsibilities inevitably lead them to choose jobs of less eminence. Quite a few have had to become manicurists.

It is often an agonizing choice. Maya Yominsky, 38, an elementary school teacher in Moscow, became a manicurist because her broken English language left her unable to continue teaching.
“It had been a very difficult emigrating process for my family and myself six years ago,” Yominsky says. “I have a husband and two children, and I continue to work as a manicurist today because English is still a problem for me.”

BACK TO SCHOOL
Although there are English as a Second Language courses for newly-arriving immigrants between the ages of 18 and 60, these 12-week classes are not always as effective as they should be. A number of women find that more courses at higher levels are necessary in order to once again work in their original professions. Medicine is a prime example. Sveta Kogan, 40, a medical practitioner in Kiev’s Student Hospital, points out the limitations of the three-month ESL course. “I had worked as a doctor in Russia for three years, prior to emigrating to the United States. After I arrived in America and realized how hard it would actually be for me to learn English, I took manicure courses, and worked as a manicurist for five years. During this time, I attended English courses at night, and after five-and-a-half years of worry, I became a doctor again.”

English is a difficult language, and immigrants need assistance. The usual choice is a three-month ESL course. On the other hand, there is an eight-level course—each level taking two-and-a-half months to complete—offered by schools such as Kingsborough Community College in Brooklyn. Despite a willingness to learn the English language, immigrants find that this course takes time. “It takes about a year for them to speak English well enough so that they can go out into the workforce,” says Thomas Prezioso of Kingsborough’s Office of Continuing Education. But the length of the course does not diminish enthusiasm. Most immigrants are just overwhelmed to be free.

PROCESS OF IMMIGRATION
Leaving Russia is not an easy task, and Soviet Jews must follow a lengthy procedure before exit permission is granted. Vyzovs—letters of invitation—from a relative abroad, must be submitted to OVIR—the Soviet emigration authorities—before acceptance of applications can take place. In order for this to be admissible, each family member must have an individual vyzov.

In the United States, vyzovs are completed in both English and Russian and must be certified by several state and federal agencies. They then go to the Soviet Embassy in Washington, D.C., before being forwarded to the Soviet Union. Once the vyzovs are accepted, exit permission becomes the most important element of a person’s life.

Ella Korsunsky, 21, who emigrated from Charkov eight years ago, says that it took 10 months before her family was given permission to leave the U.S.S.R. “When my family was told that we could leave Russia, my parents were in disbelief,” Korsunsky comments. “Believe me, we were very fortunate to have waited for such a short time.”

After exit permission is granted, emigration procedures continue. Vienna has been, until recently, the first destination on the journey of freedom for Soviet Jews, where they are met by the Jewish Agency for Israel. From there, they either depart directly to Israel, or are referred to the Hebrew Immigrant Aid Society for migration processing to other countries. To resettle in America, they must travel to Rome where they undergo more processing of papers.

Once the paperwork is completed by the Migration Department, it is a matter of time before immigrants are allowed to enter the American gates of freedom. Nina Sovelova, 28, who emigrated from Moscow two years ago, remembers that waiting in Rome was the hardest part of her journey. “It had been a frightening experience for me,” she recalls. “I was glad that I was in Rome and away from Russia, but the four-month wait had made me feel as though I would never reach America.” The entire process has been changed in recent months, so that now the processing is done between Moscow and Washington, and the Vienna and Rome steps can be left out.

The long procedure, the pain of leaving loved ones behind, and the impending culture shock, does not daunt the freedom seekers. Most of these immigrants flee the Soviet Union because of anti-Semitism. “In all the time that I have lived in the Soviet Union, I never experienced the kind of fear that felt in the past few years,” says Lora Roitman, an immigrant from Leningrad. “There is no freedom of religion for the Jews, and mainly no choice in professions. Trust me when I tell you that I would rather work as a manicurist here than live in Russia.”

BECOMING A MANICURIST
To some, a career as a manicurist may seem degrading. For Manya Roostovich, 33, a former nurse at Kharkov’s City Hospital number 40, being a manicurist has a lot of benefits. “Although being a manicurist is not as fulfilling as being a nurse, I can honestly say that I enjoy my job,” she says. “It is very hard at first, but you learn to deal with it. Now, several years later, I have a good salary and I am comfortable with the customers and somewhat with the language.”

Manicurism, like any other career, requires training and experience. According to a source at Christine Valmy Beauty School in Manhattan, there is a 35-hour course on nail artistry which is taken, and final exams to be passed, before a nail certificate is awarded.

The pay varies from one employer to
another, but the average starting salary is $10,000 a year. Musa Glaz, 55, who emigrated from Leningrad 15 years ago, says that the financial situation becomes very difficult. "If you are married and have a family, it is a hard struggle. I have two children and a husband, and it has not been easy to live on this kind of an income. I am just so glad that I was able to learn English well enough to once again work as a lawyer." But $10,000 is better than nothing.

The prestige and job security of the old country often disappear. Bella Naiman, 44, who worked at Kiev's Clinic Number 24, attended the 12-week ESL courses when she first arrived nine years ago. But having three children, it was impossible for her to devote all of her time to learning the English language. A former dentist, she tried to be certified by the American Dental Association without success.

"When I did not pass my dental exams, I went to beauty school in order to become a manicurist, and have been working in a nail salon for the past seven years," she says. "It has been very hard for me to make such a change in my life, but it is something which I had to do to support my family. I enjoy working as a manicurist now because I like my customers and am used to the job, but the prestige and prominence which I had as a dentist I will probably never have again." It's a difficult task, but many do return to a profession.

**TRAIL OF THE RED TAPE**

Emigres holding Soviet exit permits dated before October 1, 1989—and there are still 30,000 awaiting their departure from the Soviet Union—are required to follow this route:

1. Invitations go to the Immigration and Nationalization Service, and Soviet Embassy in Washington for approvals. Visas are then sent to the Immigration Authorities, in Moscow.

2. If the answer is yes, immigrants travel to Vienna, Austria for processing.

3. The next stop is Rome, Italy. Immigrants must decide whether Israel or the United States will be their country of residence.

4. In America the Hebrew Immigrant Aid Society helps with resettlement and the final processing of papers.

**SALVATION**

Lena Rabinovich, 45, an engineer from Kharkov in the Soviet Union, was a manicurist for four years. Today, she works as a computer programmer. She came with a family of five, none of whom spoke English, but she persevered. "I worked during the day in a nail salon, and took English courses at night," Rabinovich remembers with a sigh. "No matter how tired I was after a hard day at work, and how difficult my life had been, this did not stop me. Every waking moment I devoted to learning English. I was determined and very confident that I would once again become a professional," the former engineer adds.

Rabinovich admits that it was not easy. "I told myself that I will make it, and that is exactly what happened," she says, beaming. "At times, it was embarrassing, such as when I could not use proper English and had to be corrected by others, but that did not stop me," she pensively recalls.

She regained her confidence after she learned how to speak English properly. She took computer programming courses, a profession with which she is now more comfortable. "I am grateful to be working in a profession that I love," she adds, with a smile.

For those women who are looking forward to that brighter day, Rabinovich has every bit of encouragement to offer. "It is very difficult once you are in a foreign country and are unable to speak the language. That is the biggest problem. But, it can be done!" Rabinovich says, proudly.
New Age educational programs seem to be popping up all over the nation, especially in New Mexico, Virginia, Oregon and California. Parents are up in arms about courses they claim are filled with occultic themes.

Two programs, Impressions Reading Series and Developing Understanding of Self & Others, have stirred controversy in public school systems nationwide. Parents claim that many of the principles utilized in these programs are influenced by Eastern philosophies and mysticism. Opposition has taken the issue from local schools all the way up to the United States Supreme Court.

BREATHING LESSONS

Back in 1986 in Albuquerque, New Mexico, Susan Gurule, noticed that her son was frightened by strange stories that he was hearing at his school. Gurule learned that the boy was sent to the counselor’s office every other week and instructed to lie on the floor, breathe deeply and meditate while listening to a series of guided fantasy tapes. Gurule also discovered that her older daughter had been learning similar meditation techniques for over two years without her consent or knowledge. She was outraged to learn that both children were told to keep the sessions a secret.

The program used in the school was DUSO, published by the American Guidance Service, in St. Paul, Minnesota. It uses meditation techniques as well as 42 guided imagery lessons in which children listen to tapes with closed eyes and imagine themselves traveling to strange planets and meeting friendly creatures. In one lesson, the children are told to pretend they are taking a trip to the land Aquatron. “Pretend you are using your body to show a stranger how you feel...picture yourself acting out your strong feelings. Imagine that the other person understands how you feel,” it reads in part. The counselor also uses a number of puppets, including “DUSO the Dolphin,” to initiate the meditation sessions.

Parents like Gurule, as well as many family-rights organizations, feel the tapes promote transcendental meditation-visualization, a Westernized form of Hinduism, as well as astral projection, a common occultic practice. However, DUSO has its proponents. Carol Jones, a counselor at Santa Fe High School
Art has always played a vital role in New York’s cultural development. The love of great painting and sculpture is one way New Yorkers share in the thoughts, feelings and fantasies of genius. Aside from this high-minded communion with the Muses, though, art is also a business, much like any other. Experts estimate that it chips in a healthy $5 billion a year to New York’s economy, when the market is strong. While art was hot all through the ’80s, it has cooled off in the past year. This pleases some avid art enthusiasts who viewed big money and increased corporate domination as the culprits guilty of turning van Gogh’s *Portrait of Dr. Gachet*—the world’s most expensive painting at $82.5 million—and countless other priceless works into mere commodities.

Media coverage of art increased as prices soared. More and more business magazines like the *Wall Street Journal* devoted space to the battle of the bidders in the auction rooms and the mega-prices paid for important works, as well as for less impressive works by the big names, such as Renoir, van Gogh, Picasso and Monet. For some in the trade, this was a bad sign. “It is discouraging to see such enormous prices being paid for what I thought were second or third rate works by people who had very little feeling or understanding of what they were buying,” says David Nash, a senior vice president at Sotheby’s.

**DEMISE OF THE MARKET**

Those days are over, though. As the economy suffers an economic recession with all the trimmings, one of the first big ticket categories to go on hold is art. Many observers feel that the present political and economic climate could serve to humble an inflated market, possibly returning art to its more innocent state for those who earnestly appreciate it. Robert Kenner, senior editor of *Art & Antiques* magazine, says, “Art isn’t a safe investment vehicle. It doesn’t appreciate if you don’t appreciate it.” Works of superior quality will still command top dollar prices but experts feel the price plunge will reduce the hype and bring auction house estimates down to earth. According to a recent, highly critical *Time* article by perennial market-basher Robert Hughes, “The art market is inherently volatile because, unlike other markets it is tied to no intrinsic value. The price of art is determined purely and solely by desire.”

But if the art world runs independently, and outside events have little to no effect on it, then what’s the reason behind this tanking market? Michael Findlay, the chief expert on Impressionist and modern paintings at Christie’s, says, “Generally speaking, our cycles are autonomous of world events. But the prospect of a Mideast war is on people’s minds, and it makes an odd time for our people who may not have my 26-year perspective. For those on our staff who have come aboard in
the last four or five years and have only seen an ascending market, it looks like the sky is falling. The older ones among us have a better perspective.”

In the ’80s, prices rose to such heights that a plunge was inevitable. In the five-month gap between the major auctions in the fall and spring, it was not unusual for prices to appreciate between 30 and 100 percent. The two categories that surged the most, contemporary as well as Impressionist and modern, were set up for a correction. It wasn’t that things were good, they were too good. “I don’t think anyone who stood in the sale room and watched a painting sell for $80 million can truthfully say they weren’t wondering somewhere in the back of their minds when the bubble would burst,” says Kenner.

It was in November that the writing on the wall became apparent. At the major contemporary auctions at Christie’s and Sotheby’s, works by big names like Roy Lichtenstein and Andy Warhol failed to sell, and unquestionably great pieces by Robert Rauschenberg and Cy Twombly just met their estimates. A work by one of the stars of the ’80s, Julian Schnabel’s Anh in a Spanish Landscape received little response and went unsold at the conservative estimate of $350,000 to $450,000. In total, 56 percent of the art at the November sale at Sotheby’s failed to sell. Christie’s fall sale proved somewhat more successful, but still 48 percent of the works to be auctioned went unsold. There were some bright spots in the fall auctions. A van Gogh pen and ink sketch set an all time record for a drawing at $8.4 million. Willem de Kooning’s July exceeded its high estimate by $1.8 million selling at $8.8 million.

A few weeks after, when the Impressionist and modern auctions rolled around, it was evident that no new records would be set. A van Gogh still life, expected to sell for $16 to $22 million, couldn’t find a buyer, and the same fate befell a major portrait by Renoir offered for sale by the Ford family. One measure of the downturn in the auction house’s prosperity was the freefall in the price of Sotheby’s stock on the New York Stock Exchange. In November 1989 it was a solid $37 and seemed headed for $50. A year later, after the auction results hit the Street, it was struggling around $10.

To some auction veterans, the correction was rational. “The press implies that we’ve gone from the greatest success to complete disaster. What we’ve gone from is a very, very inflated market to more sensible levels,” says Christopher Burge, president of Christie’s auction house. Burge adds, “This is not the picture of a collapsing market. It is the picture of a correcting market.”

**PLAN OF ATTACK**

Now New York’s two big auction houses, Christie’s and Sotheby’s, are left to ride the white water. They plan to get back on track by auctioning solid, impressive works at conservative estimates. “The market of late has not been particularly strong, and our policy is to keep the number of lots down and the quality high,” says Michael Bing, director of Continental pictures at Sotheby’s, London. They hope to bring back the golden age of sales.

Beginning in 1985, art prices rose at an annual rate of over
100 percent, culminating in an overall increase of 500 percent in 1989. That year’s revenues for autumn sales exceeded 1988 revenues by 63 percent. Winter and spring sales for 1990 only showed a 31 percent increase over that period in 1989. With nowhere else to go but down, the market has taken a fall but not a crash. The recent downward dip in the market gives new hope to those who wish to reenter, but don’t expect a garage sale. Great works will always bring in top dollars.

The ’80s saw big business and speculators dominate the market, forcing many individual collectors out of it. The corporate world has exhibited the artistic signs of the power of money. Japanese corporate collecting has been a particularly strong force. What Japan has done is to take art and mainstream it into everyday life. The Japanese have accomplished this by placing art in the heart of the land, the department store. Japan has turned art into a consumer product. Department stores in Japan are home to nearly a quarter of the country’s museums and galleries. Japan is marketing art in much the same way they would market a new line of designer dinner wear. Department stores target their younger audiences by featuring “hip” contemporary artists, housed on the top floor of the store, in order to create a “shower effect,” spreading customers below and throughout the rest of the store. As corporate Japan continues to engulf chunks of New York real estate, are we looking at a day when the top floors of Sak’s Fifth Avenue and Bloomingdale’s become marketing displays for Christie’s, Sotheby’s and the Metropolitan Museum of Art?

What will tomorrow bring? Even in difficult times, the corporate world is still in the best position to dabble in art investment and exhibition. As Lawrence Rubin, president of M. Knoedler & Company says, “Prices went up so high, even after they come down 50 percent, they’ll still be high by historic standards.” For the individual who loves art and wants to enjoy it at home, this is sobering news. “Collectors are fed up with the distortion of prices and they’re gradually returning to the primary source,” says Kathryn Wilmerding, the director of the Jamison/Thomas gallery, a Soho showcase for work by young contemporary artists. Maybe collectors will leave their mark on the 1991 spring auctions at Christie’s and Sotheby’s. Auction house officials have noted that more American collectors are returning, at least to look. The word is that the speculators are out of the market, but the Spring auctions, particularly May’s major contemporary and Impressionist and modern sales, will reveal who is capable of buying. If the speculators return, collectors will have no choice but to retreat to more reasonably priced markets, such as contemporary art. Whatever happens, art for money’s sake is today’s reality.
Moods of the City

As the city changes, so does its residents. Hard times tend to make us more aware, more resourceful. Today's headlines would have us believe that our City is foundering in anger, fear and economic woe. Such pervasive pessimism clouds what we really feel about our City and ultimately, our neighborhoods. The photoessay on the following pages—Double Takes—witnesses the pessimism which haunts four neighborhoods. But it does something more—it shows that this feeling is not pervasive, that the neighborhoods and its people thrive on hope.

Most city residents do not feel helpless. As the articles following Double Takes attest, there are dreamers and thinkers out there, people who react to what they see and experience not by withdrawing, but by writing boldly and honestly. Through the eyes and words of two writers, the aftermath of murders in different areas are glimpsed. We view the great emptiness left in the neighborhoods and experience a sadness in our hearts. Another writer magnifies a little explored residue of the Upper West Side's robust development. Still another sees profound value in respecting our City's ethnic diversity.

Memories also tell us something about how the City used to be. Two articles that look back cause us to reflect on how much New York has changed. From such hindsight, we are better able to think forward. We also journey with a young woman from the City who goes to the country and sees a cow for the first time. From her reactions we see that New York, the "center" of our world, is really not the universe.

—Christopher Hallowell
Betty Mallory, Springfield Gardens, Queens
People here like to stay to themselves. They don't want to do anything. As long as they have a house, they don't care about anything else. It has to get better. We've gotten most of the drugs off the street. A while back they were on every corner.
Anton van Dalen, Lower East Side, Manhattan

Drugs and crime took over this area. So the artistic community felt it should do whatever it could to take it back—create murals to give it life, plant gardens in abandoned lots, make museums out of garbage.
Yvonne Graham, East Flatbush, Brooklyn
People in this area have come off the boat with no skills, no higher education, so they are constantly looking for work. But this is a community that is culturally thriving. It has an identity all its own.
Courtney Brown, Harlem, Manhattan

The drug thing has subsided. It's not at those historic peaks anymore. This is the only place for real estate development to expand. Harlem will evolve into a community of mixed classes.
mira, sexy,” the young man calls out, as he and his friend watch two young women walk along a tree-lined walkway in Brooklyn’s Sunset Park. “What do I have to do to get your attention, beautiful?” he pleads. But he gets no response from the women.

While the two sit atop a park bench eyeing women, about 50 other young men are shooting hoops on the four basketball courts. Young couples lounge on the park benches whispering and stroking each other while mothers try to tear their toddlers from the swings in the playground.

Sunset Park, a predominantly Hispanic neighborhood, is alive with young people. They have changed the park’s atmosphere. “To tell you the truth, I haven’t been up in the park in a long time,” says Mamie Scarpati, who has been living in the neighborhood for 48 years. “Just last week, my friend’s chain was snatched in broad daylight when she went to the restroom.” Nostalgically she adds, “It used to be beautiful.”

Offering a hilltop panoramic view of the Manhattan skyline, the Statue of Liberty and New York Harbor, Sunset Park is still a beautiful place. This 18-acre urban refuge of grassy fields and tall oaks was once the site of farms settled by the Dutch from about 1645 to 1834. Other European immigrants inhabited this area, with its laid-out street grid. But they left untouched the space now occupied by Sunset Park.

The federal government gave the neighborhood its name in the ’60s, and at the same time declared it a poverty-stricken area. Nestled between Park Slope and Bay Ridge, the neighborhood encompasses the area from New York Harbor to Eighth Avenue, between 17th
Street and 65th Street.

Less than five years ago, the park's grounds were overgrown with weeds and garbage-ridden with barbecue leftovers and used pampers. The benches were once covered with the graffiti "tags" of gang members.

They are now uniformly painted maroon with lawns kept clean by the New York City Parks Department. A refurbished public pool relieves kids of the summer heat. A rejuvenated playground with shiny swings and permanent "skelly" boards painted on the tar is again enjoyed by younger residents.

Yet, fear of those who hang out in the park taints its physical beauty. Most often, when Sunset Park appears in the news it's not because of its popularity. Instead, the focus is on the drug dealing and use that has darkened the image of this park.

MARGARET PIECZYKOWSKI

A DEATH ON ARTHUR AVENUE

Darkness swallowed the entire street.

Only last night the white light from the street lamp had spilled shadows across the run-down neighborhood. But once again, the home boys from the block had blown out the lamp's bulb by plugging in their mega-sound boom box to the base of the lamp. Typically, they ripped off everyone, and Con Ed was not going to be an exception.

Tonight, though, was different. The eerie darkness on Arthur Avenue had to do with the death of Kenny Robinson 23 hours ago. "How could this happen to him?" everyone asked over and over again. "How could this happen to us?" we grieved.

I wonder how fate decides who is the one chosen for tragedy. Whatever the criterion is, I now know that it is merciless. It would have to be, if it can violently snuff the life out of a 16-year-old boy. Granting no mercy. No second chance. No life.

Mothers and fathers shook their heads in disbelief. Children sat around in a quiet daze. Tough home boys wept. Though Kenny wasn't related to me or any of the people on the block, he was family. We didn't realize how much we cared for him until he was gone. Forever.

Death on Arthur Avenue. We never thought such a tragedy could happen on our block. We lived in our own carefree world, one strip of cracked concrete that belonged to what outsiders would call "the slum." We, however, never thought of our block as a slum. On the contrary, we distinguished ourselves as being privileged. After all, we had a fire hydrant on our block that could be opened during the long steamy hot days of summer.

We couldn't wait for Mr. Davilada to bring down the wrench and twist the hydrant open. Kenny was one of the boys who was our informal water hydrant attendant. He would spray us until we were soaked.

That was one of many fun games of summer. When we grew tired of playing "kick the can" or "steal the bacon," we would buy "icy" from Ms. Rivera's house. Then we'd sit on a parked car and talk and dance to the boom box all night long. We were never afraid to be outside until the late hours on weekends. There was always somebody's parent watching us from a window. There were about 15 kids on the block. Our ages ranged from six to 17.

Everyone was wrapped-up doing his or her own thing but we were never alone. Cricket would braid hair on the stone steps of our building, Teresa would teach us the new dance steps, Lucille would bring out the rope to play double dutch. Tommy and the guys would play stick ball. And when Hunt hit the number, we all got free ice cream. We always looked out for each other.

There were times when we were faced with life-threatening situations. Like that time when a strange man grabbed Vanessa as we were playing in the park one evening. Tommy, Kenny and the rest of the boys picked up their sticks and ran to rescue her. The girls and I ran, too. When the man saw a mob of 15 screaming, stick-wielding kids running toward him, he hurriedly shoved Vanessa away and drove off. Vanessa was crying uncontrollably and we all comforted her.

That was only one incident of many which confirmed our solidarity and the care we had for each other. We never told one another how much we loved each other. But deep down inside we all knew how we felt about one another, though we had a tough way of showing it.

We knew no sensitive way of showing how much we loved Kenny Robinson, except for the night when tragedy struck.

If being a wimp meant crying into each other's arms for a whole night, then we allowed ourselves to be wimps.

There was no one outside that night. No one was looking out the window to see what was going on in the street. All of us were in Kenny's house, reminiscing. And in our retrospection there was Kenny with his silly laugh and his funny walk. We remembered the many times he was chucked out of the stickball games. The boys tried to be kind to Kenny, but he was an awful stickball player. We also laughed at the time we went to the carnival and Kenny got sick on one of the rides. He threw up all over a lady next to him.

We wanted to remember everything about Kenny that would put smiles on our tear-streaked faces. But we chose to forget about the warnings we gave him. We had cautioned him about hanging around the drug dealers who lived in the next neighborhood. We didn't want to remember the times he was arrested for selling drugs, nor the endless broken promises he gave us about going
straight. We didn’t want to remember 23-and-a-half hours ago, when Kenny went to get a slice of pizza down the block. That was when a bullet crashed through his chest, shattering his heart into fragments.

Now there is no more sunshine on Arthur Avenue. Only a stilled darkness continues to cover our block ever since the earth covered Kenny Robinson.

BARBARA JENKINS

HOME NO MORE

When many New Yorkers think of the Upper West Side, certain images flash into their minds: luxury high rises, affluent professionals, and swanky restaurants.

But most people rarely consider another aspect of this part of Manhattan, which is located south to north from 66th Street to 96th Street and east to west from Central Park West to the Hudson River. Next to high-rise condominiums, high-salaried yuppies and trendy bars, people have been left behind by New York’s economic boom of the ’80s. These are the people forgotten in their own backyards as pockets of prosperity stare them in the face, seemingly mocking their lack of progress. In this group are old-time Irish, Italian and Jewish working families, recently arrived immigrants from the Caribbean, mainly the Dominican Republic, struggling artists, writers, actors and musicians.

I know something of their pain and frustration. I have lived on the Upper West Side for 15 years and have observed the change from a downscale residential neighborhood, somewhat dangerous yet lively, to an over-priced, glitzy one, safer than before, but devoid of the heart and soul it once possessed.

You don’t have to travel the length and breadth of the area to recognize the change. On my street alone, the difference is obvious: old, crumbling five-story tenements on one side of the street face renovated, newly painted ones. Diagonally across, on the southeast corner of 80th Street, old winos stumble slowly down the street across the paths of young, fast walking professionals who avert their eyes, perhaps out of pity, perhaps out of disdain.

I look across the street, and where there was once a small neighborhood grocery store, a bodega, a record shop and a corner bar, there is now a Korean green grocer, gourmet restaurant, and a Japanese sushi bar. Names like Cozy, Sarabeth’s Kitchen, and West Side Hero have replaced Mack’s Record Shop, Gonzalez’s Superette, Pioneer Grocery. Only the Irish pub, McAleen’s, remains, although it has had to change its appearance to attract a younger clientele.

On my side of the street, not one store from the old neighborhood remains. Change is the only constant here. An endless flood of boutiques, clothing stores, dry cleaners, flower shops and restaurants rise and recede and rise again as soaring commercial rents batter merchants. Only those whose businesses are 100 percent successful are spared.

Despite the vast changes and upscale lifestyle, some things change little, if at all. Central Park on the eastern border and Riverside Park on the west never change. There is the Museum of Natural History and the Hayden Planetarium, located between 77th and 81st Streets on Central Park West and Columbus Avenue. There are still reasonably priced restaurants amid the expensive ones. The Upper West Side is still rich with diversity, and offers many things to its residents. Despite these advantages though, one cannot enjoy living there unless one is affluent enough or fortunate enough to have a rent-controlled or rent-stabilized apartment.

It’s been said you can’t go home again. But what does one do when home leaves you, slowly melting away like patches of snow at the onset of spring? This is the predicament of the forgotten resident of the Upper West Side.

IVAN CINTRON

GOODBYE TO CHILDHOOD

Even at the ripe age of five or so, I didn’t mind being referred to as “the baby” in my family. Being the youngest child with three older brothers and a sister was fun. My next older brother tried to disparage my family position. But I thought he was just jealous. “Who would want to be a baby...
anyway?” he would ask. Say what he would, he couldn’t convince me that there was a better position in the family.

One of the best things about having four older siblings was that I had access to their combined games, conversation and knowledge. As each came home from wherever, the house filled with stories about where they had been, who they were with, what they and their friends had done. I learned to enjoy a wide variety of experiences that would have been simply impossible to come by otherwise. An enjoyable, informal education was in progress.

Sunday was a special day at home. All the children had the day off from school. My father, who worked nights, would arrive home with a large pound cake with heavy chocolate icing and the Sunday newspapers. A prized section of the Sunday paper to us children was the comic strips. While the older ones were at church, I would grab the “funnies” and be “reading” when they got home. Of course, I didn’t know how to read. But I always watched the others reading. I thought the trick was to look a long time at each picture and that somehow a story would emerge. When their collective patience was at an end, one, usually Edmund, the nearest to me in age, would yell “Mama, make her give up the comics, she can’t even read.” Thomas, the most patient of my brothers, who could always be prevailed upon to read “Prince Valiant” to me, was my favorite. He finally hit on the idea of teaching me to read for myself. Whether this was through kindness or the need to be able to get out to play with the boys, I never knew. It didn’t matter; he did teach me to read.

From one or another of them I learned, among other things, to tell time, tie my shoes, play cards, solve riddles, do simple magic and play checkers—all in an unthreatening atmosphere. After all, one had to take special care of a little sister. Thanks to this atmosphere, I felt very smart by the time I got to school.

Without realizing it, I learned poetry—the bits that I have never forgotten—from listening to my brothers recite aloud what they were learning. My sister, eleven years older than I and very sophisticated, took me to the home of her friends, on shopping expeditions and to the movies. I had no idea why they didn’t object to a kid hanging around. Maybe they did, but if so I didn’t know it. My brothers, however, never took me around. Instead they supplied me with some of their taste in books, if I threatened to follow them around, which they claimed would be embarrassing. Leaving the house running, one of them would hand me a book and say, “You love reading so much, read this.” Soon, I could read books such as King Solomon’s Mines or Two Years Before The Mast.

All of us were having the best time of our lives. Then World War II came, and life was never the same again. Our house became a place of “goodbyes” and forced cheerfulness. Almost unaware, I said “goodbye” to the simple yet extraordinary time—childhood.

HELEN GILMARTIN

hey were holding up traffic. Horns honked everywhere, angry motorists shouted obscenities. The police made a concerted effort to direct traffic and control the demonstrators as they made their way off Church Avenue and onto Flatbush. The afternoon sun reflected off the huge black and white laminated posters above the heads of the protesters. Photographs of Marcus Garvey and Malcolm X looked down on them. The words beneath these leaders’ thoughtful faces read: “The Boycott Lives.”

The demonstrators chanted, “Keep the boycott alive!” This bitter dispute between the Haitian community and a Korean grocery store owner seems to have no amicable end. Mayor Dinkin’s plea for a truce has gone unheeded.

Yet, lately there are these fleeting calls for racial repose and unity.

Not so long ago, there was a rally on Fifth Avenue and Union Square, where everyone wore blue buttons with white ribbons and the word “Unity” written in white across the buttons. Following this event, blue buttons on lapels, bags, and
caps were noticeable everywhere. Recently, I accidently stepped on one in the subway. Feeling the crunch, I raised my heel and looked down. I had put a scratch through the word “Unity.” I realized then that I had not seen the buttons around in a while. They have disappeared, not unlike the bravado of those who had encouraged this unity.

This is of course, expected, for to be united as a community, to be united as a city, we must change our attitudes and our perceptions of our fellow human beings. We must delve into our heritage and reconstruct the tenets of our beliefs. A parade in the name of racial unity can no more do this than a call from the Mayor to end the long-running caustic dispute between the Haitian community and the Korean green grocer.

In my apartment building in a Flatbush neighborhood in Brooklyn, we are distrustful of each other. The tenants are an ethnic mix of immigrants from the Caribbean and China, as well as black and white Americans, mostly students who attend the Downstate Medical College. Our distrust of one another is apparent in the nonverbal way in which we inadvertently communicate with each other.

In the elevator we are silent, all heads are tilted upwards, eyes watching the floor numbers blink on and off. We are careful not to invade each other’s personal space. Our doors are our insulation. Once inside, we shut out the rest of the world. When communication becomes necessary, we slip unsigned notes under each other’s doors, notes about playing music too loud or leaving garbage on the floor that is too large for the garbage chute.

One evening, a man I had never met before followed me down the steps leading towards the main entrance of the building. After opening the door for myself, I let it close behind me, forcing him to use his own keys and prove his residency. Once inside, I apologized and explained that it was nothing personal. I only did it for my own safety. He smiled and said he understood in an accent I knew too well. I relaxed a bit, reassured by the familiarity but quickly realized that a shared heritage was no reason to trust him.

Recently, to improve the security in the building, a tenants’ association has been established. The diverse population in the apartment building is obvious at these meetings. There is dialogue. Suggestions are made, objectives discussed, but we never really connect. Usually, the Chinese are silent. Conversely, the West Indians are verbal, and the Americans make their voices heard when there is need for definition and clarity. Our cultural unfamiliarity renders us incapable of achieving a common goal as a unit.

The more superficial the integration we attempt, the more divisive we become. The population is encouraged to see the similarities, but we only succeed in defining the differences. So after all is said and done, we cannot mix the colors of the “gorgeous mosaic.” They cannot help but stand on their own. Unfortunately, the individual pieces are already tarnished. They are stained with the green of envy and the red of anger. And the tiles are cracking beneath the weight of prejudice. We must be careful not to touch the mosaic too much or press it too hard, for the cement which holds it together is already weak. Let us simply stand back and admire it.

HILARY COULTON

MICHELLE IN THE COUNTRY

Michelle’s never seen a cow. “At least not close up,” my friend from Astoria says.
So on first sighting, I pull the car over to the grass curb and stop. The cows on the other side of the road are staring at us. Michele tells me to be careful crossing. There is no sound but a car zooms around the curve out of nowhere. Michele doesn’t even see it; she is too intrigued to care and strolls across the road like she is crossing Broadway with the “walk” signal.

“So this is what a cow smells like,” Michele says, all fascinated. The scent of bovine wafts through the air. She points to her favorite, a black and white animal amid the others of dull tan. The cow lies on the grass and gazes at Michele perhaps hoping that all this excitement will mean some food. Nearby one of the standing tan cows looks at us dully. She opens up her rear pipes and, as if someone emptied a huge bucket of brown water, she does a “number two.”

“Andy, look! Look at this!”

“Yes, I know,” I tell her, my eyes glancing skyward, “I’ve seen this happen before.”

Michele wants to have a picture taken of her surrounded by changing colors of the season, the farmland, the hills, the pastures and the cows. She poses with the animals. They look on with slothful interest. I take a photograph of my friend, her long, tangerine-dyed hair whipping in the wind, the sunshine gleaming off her nose ring and heavy makeup, the fiery colors of the autumn field behind her contrasting with her black sweater and jeans.

I don’t have the heart to tell her she doesn’t belong here.

Michele lets this rich experience sink in. She watches her favorite cow flick the flies from its pink wet nose with its long grey tongue. The flies immediately begin to regroup.

“Are there any pigs here?” she says, hoping that her desire will be fulfilled.

But alas, this is dairy country and when I tell Michele that our chances are slim that we will come across those muddy little beasts she is, for the moment, crushed.

We bid farewell to the cows and drive on. Our mind is set on buying the perfect pumpkin.

At the orchard, a cool autumn breeze trips by, bringing the smell of apple cider. A dog barks down the road. Hundreds and hundreds of pumpkins of all shapes and sizes, from perfectly round small ones to the deformed hulks the size of a child lie on the grass. Michele sees a pumpkin that she likes, a medium sized one that, at first glance, seems beautiful. But her eyes aren’t trained to catch the flaws.

“Don’t get that one, Michele,” I tell her.

“Why not?”

I turn the pumpkin upside-down and show her the huge wet and grimy hole on the bottom. Insects crawl in and out. She cannot imagine all the wild life that may have burrowed inside to eat and lay their eggs.

Eventually we find the perfect pumpkin, the minute-old apple cider and a jar of honey with honeycomb still in it which Michele has never seen.

Michele loves the country. It’s so new and so different.

Later, I watch from the car window as Michele goes into a Dunkin’ Donuts somewhere in New Jersey. There are two people inside, a cashier and an old fogey. The fogey is chatting with the girl when Michele walks in with her hair and her nose ring.

The old man and the cashier look at each other while remaining normal and composed. Michele gets herself some sugary donuts and walks out with a mischievous grin.

“Wow,” she says, happy as a lark, opening the car door, “You should’ve seen the looks I got in there!”

The two inside are wide-eyed, now with something new to talk about. I should be shocked at their reaction but I realize they’ve never seen anyone like Michele before.

Michele is back where she belongs, Manhattan’s East Village. The scent of urine wafts through the air. We stumble across the five or so pumpkins outside the oriental grocery on East 9th Street.

Michele is eager to compare prices to see what a great buy she got.

Just like a New Yorker.

ANDREW GREEN

INSIDE THE WEBBYLAND

The Friday guard on the graveyard shift knew all of our names. He would sleepishly mumble a greeting as he unlocked the only entrance to our building. Often we were giggling over our Village adventures, our Westside dancing partners, or our Upper Eastside highballs. Fumbling in our purses and handbags, we searched for our mailbox keys, the only keys we carried into the outside world.

Up the marble-floored, spiral staircase, past the noises in the television room and down the red and green corridors I would find my way. Passing each numbered door until I reached mine, this was my home on 34th Street in Manhattan. I lived in The Webster, a woman’s residence funded by Roland H. Macy, the original owner of the world’s once largest department store. In the ’30s he endowed his brother-in-law, Charles Webster, a sum of money in order to establish a residence for young, single women, assumed to be waiting to be wed. Most worked down the street at his establishment, Macy’s.

The ’30s turned into the ’40s then the ’50s and finally today. Mr. Webster’s rules haven’t been altered much, nor the 60-year-old building decor, but inside the 300 rooms dwell a changed breed of women.

The main floor parlors originally were intended for young misses to have a
minute of flirtatious privacy with male visitors. They had glass chandeliers that could be devilishly dimmed but never turned off. Now we used these rooms to talk about sex discrimination at our offices, racism and the coldness of the violence swallowing us. Like victims struggling in the city's quicksand we threw ropes to one another.

It never occurred to me that in years past, other women, dressed in long skirts or dresses had been here serving silver platters of wafers and tea. We wanted coffee to stay alert to learn, to explore and to be all that we dreamed to be. They had wanted to dazzle a man into marriage to be what they were taught a woman must be.

It was a Wednesday night, after frustrating weeks of searching for a reasonable place to stay in New York that I discovered The Webster. Miss D., stiff and stout, sat behind a large oak desk and peered down her nose at my signed application. She lifted her eyes, adjusted her glasses that balanced on the brink of her nose and asked about my purpose in Manhattan. Without a warm smile to put me at ease, she instructed me to pay my first week's rent at the front desk.

Keeping with old traditions, new residents were given a 3x5 green book of rules, copyright 1932, a stack of stiff white linens and two keys: one for the mailbox and one for a room and closet. The rooms had a large storage closet, a window hidden by heavy floral drapes and a bed covered by a dark-ribbed bedspread with a pillow at one end, but no pillowcase. All the furniture was painted off-white, which appeared yellow if you had been there too long, with the exception of the sink basin. The hard, also off-white, cement walls remained bare. Nails, tacks, screws, tape or anything else you tried to put on them was forbidden. When a room became vacant, everything was simply repainted.

There were hours for laundry, best times to take showers and fines for lockouts. All guests were registered, no men allowed past the first floor, and television shows were democratically voted on during prime-time. Out of jest we referred to our home as Webbyland for it seemed a sticky land of regulations and rules. But luckily it was no longer a rule to work at Macy's, although a few women did.

Carrie did. She was a college graduate from Toronto who had been recruited for the buyer's training program. Professional and very assertive, she worked long hours on the top floor of the department store.

Ruth, a New Zealander, was my next door neighbor for almost a year. She worked at the British Consulate and she worked at knowing everyone. During Sunday brunches in the dining room her voice made the rounds from table to table. She knew who moved in, who moved up, and who moved out. Larue, originally from Florida and manager of New York University's Food Services department, would roll her eyes back as Ruth practically skipped to our table with new gossip.

As floor hostess, I met women from Germany, France and Australia doing internships in New York. I met Amy, from California, studying dance with Tanya from Minnesota. I watched Dori’s excitement spread throughout the lounge as she spoke of her promotion at the Daily News. Carmen, from Puerto Rico, out of the blue surprised all of us with her decision to go to night school for her masters while working for Time/Life. I was inspired and enlightened by Sandra’s acting in her off-Broadway performance. Whether in the spotlight or in a library corner, we all had a passion.

We were all connected, confined to our small off-white spaces in the web, so we accepted most terms. This was a stepping stone where we wrote in our diaries before clicking off the lamp and falling safely to sleep in the city of opportunity. I could recite hundreds of women's names that I met in my four year stay between Ninth and Tenth Avenues. Of all ages and races, each with a nation of origin, each with a unique story and each a woman of the '90s. I wonder if Mr. Webster would be turning over in his grave at the likes of us. After all, we protested against wearing dresses for Sunday brunch, and won. When I moved out they were considering allowing us to wear shorts and the rule book was being amended.

ROBIN F. BRUNNER

HERITAGE REGAINED

Ever since I was a little girl, I wondered what the words “home away from home” really meant. Now, at the age of 22, maybe I finally understand.

My family immigrated from the Soviet Union to the United States over a decade ago, an extremely difficult task at the best of times. Here we were in a foreign land, with a strange tongue and without close family or friends to lean on for emotional support. My grandparents who were always nearby in Kharkov, in the Ukraine, had separated from us in Rome choose to go to Netanya, Israel, while we travelled to New Orleans.

We had planned to immigrate for over seven years, often wondering what America could offer us and what we could offer it. Despite all my family’s plans, we knew there was would always be the unexpected. So on arriving here what we gave, like any other immigrant family, was a lot of hard work, determination and sacrifice, which ultimately paid off. The dreams and aspirations my parents had for a better future came true. We could even splurge on those things which seemed so unimaginable at one time. To an American, $10 may seem inconsequential, but to my mother,
who worked for $40 a week in Russia as an elementary school teacher, this was the bank.

Life here was easier for my brother and me than for my parents. I learned English in four months. This helped me fit into American ways quickly, but the memories were always there. Like when I began elementary school, thoughts of kindergarten and first grade in Kharkov immediately came back. It was the differences in the systems which prompted this. Back there, I had to wear a school uniform and in our classes you could not speak unless spoken to. Here you could question your teacher and you didn't seem to have to hand in your homework all the time. School here was more relaxed. Strangely enough, I realized I was missing the strict old ways.

After a year, we moved to New York. Brighton Beach, Brooklyn became my “home away from home.” In the Big Apple, every ethnic group has a place where its beliefs and customs are acted out. Our 12-block area, called “Little Odessa,” is a lively neighborhood filled with Soviet Jews who have been living in Brooklyn for years. Now I once again hear my old tongue spoken on the streets. There are Cyrillic newspapers and shish kebab stands, and the continuous stream of new arrivals from Russia, coming to build a home and a new life here, adds to the vitality and the memories, among them my longed-for grandparents. Family ties are so very important in Russia, and here in Brighton Beach, it really makes all the difference in the world.

In this little corner of the world, one thing that the family and community treasures is the very American boardwalk overlooking the ocean. Usually crowded in the evenings and weekends, it is a resting place and a place to listen to Russian music while enjoying shish kebabs. Everytime I go to the boardwalk, I feel as though I am visiting an old, dear friend. And maybe that’s what it is. Friendliness and togetherness are a big part of my community.

Another treasure is our combination Russian restaurants and nightclubs, like the National and the Odessa, with their tables filled with vodka, cold cuts, caviar and mouth-watering desserts allow you to remember the old country’s great taste. The atmosphere is a blend of Russian hospitality and friendliness. The dance floors and bands are electric. When I go to one of these restaurants, I feel a strong sense of nostalgia.

Brighton Beach—it is “Little Odessa.” Somehow this different world is the same one I left behind. I can never forget Kharkov. So Brighton Beach is now my “home away from home.”

MARINA KRIVYAKINA

MISTAKEN INSPIRATION

Vali rolls out a scroll of paper on the floor by the windows of the loft. She wants to take advantage of the winter afternoon’s soft light. She anchors the paper down with bottles of different colored inks and walks away to a corner of the loft. From a little wooden box, she takes a carved bone pipe and a tiny lump of opium. She deposits the lump into the bowl of the pipe and lights it with the incense stick that is burning perpetually in a brass bowl next to a mattress. She takes a couple of deep draws on the pipe before returning both to their box.

Slowly she rises and takes the half empty bottle of gin that is beside her. Downing a gulp, she patters softly across the floor back to the scroll, tossing her waist-length flaming red hair as she pulls closer to her body the various layers of scarves and shawls that are draped over her shoulders. A chill runs through the
Valli studies herself in a polished piece of brass that is her mirror. Her milk white face and icy blue eyes rimmed with black kohl become a warm reflection in the brass. Then she dips the pen nib into a bottle of black ink. She is working on a self-portrait. As she meticulously pens the intricate details, a phantasmic creature gnarled in blood vessels and bones emerges on the scroll. This bloodless and fleshless creature looks horrific, yet beautiful.

I was 16 when I first met Valli. Never in my wildest imagination had I thought such a person existed. She was an eerie sight, tattoos etched her face, hands and feet, much like intricate curlicues found on pages of illuminated manuscripts from the Middle Ages. Her narrow nose, pointing to a narrow chin, gave her the face of a fox. She always greeted everyone with hugs and kisses, a habit she acquired from her years of living in Paris and Postiano for most of her life. But when she spoke, her voice was delicate and soft, laced with an Australian accent.

For the next four or five years, I became a regular in her circle of friends who were painters, sculptors, writers, poets, and performance artists. I was a child in awe of all those highly creative people. But I noticed that they needed drugs to enhance their creativity. I didn’t know why and I knew that many artists worked without drugs, but I put this realization in the back of my mind. I used to listen to them converse about the ways of the world while passing a marijuana cigarette around. Each of them would have their favorite drug to take before working on their projects. There was an unspoken rule that these drugs were not meant to be shared while one was using them to work.

Meanwhile, my peers in high school experimented with a lot of drugs and alcohol. Hallucinogens, such as LSD or mescaline, were a big thing in the late ‘60s. Some kids were “tripping” so much that they actually killed themselves. Others experimented with a panoply of different drugs and combinations of drugs—hashish, marijuana laced with angel dust, heavy drugs like heroin and cocaine. Some popped pills: qualudes, percodan, codeine, and valium, all often washed down with alcohol.

The combination of drugs and alcohol taken at the same time was likely to cause respiratory arrest. Some jumped out of windows under the influence of that combination or fell down a flight of stairs hitting their head. It seemed like the thing to do—to get totally “wasted” on drugs.

So, what was this all about? The original intention was lost in achieving the high. Did we really believe that we could achieve a state of nirvana if we got that high? Those were the turbulent years of the Vietnam War. Most young men were confronted with the prospect of being drafted right after high school. Drugs and protesting the war were acts of defiance against the “establishment,” whose sole intention was to defoliate our “youth culture.”

It is a couple of decades later now, as I reflect upon all this. Today I become self-righteous when I hear of someone taking drugs. It was not a legacy from my youth that was intended to be handed down to the youths of today. I had witnessed too many highths that gave way to addiction or to death, too many talented people who lost themselves and wasted too much time coming back.  

FAYE ENG

A COLD, INDIFFERENT PLACE

The clock was approaching noon as I walked along my block on Linden Street, one block off Broadway. The bright sun was blinding. I saw the crowd gathering. Someone said, “There is a body down there on Broadway”. I thought another person had become a victim of a hit and run accident. Three weeks before, a lady had been hit by a car. The driver sped away—indifferent to human life. Such acts occur everyday on our cold and brutal streets. On this
day, I stood at the corner watching the expressions on the faces of passersby. Only a few out of the many who passed manifested a modicum of concern.

I started to ask what happened. But I was too late. No one wanted to talk. This was a murder. The dead body was stretched out on the ground and covered with a white sheet. There were two police cars on the scene. But some people in the crowd were grumbling that the cops took a long time to come. They were complaining that the body had been lying on the ground for more than two hours.

I lingered for a few minutes. Then a man told me it was Therese. “Which Therese?” I asked. But he kept insisting that I must know this dead woman on the ground. “You must know Therese,” he said again.

Then he described the drug addicted young woman, who used to go around the neighborhood collecting bottles out of garbage cans. I said, “Yeah, I remember her.” I had even taken a few pictures of her for a basic photography course. But I never knew her name was Therese. At that point, I walked away—disgusted with my corner of Bushwick, Brooklyn. I was going to escape—if only for the afternoon—to be away from the tragedy of my environment.

When I returned from Manhattan in the evening, the evidence of the day’s violence was still there. Now, a police photographer was taking pictures of the spot where the murdered woman lay. A few curious souls were gathered on both sides of Broadway. The restaurant in front of which this daylight murder occurred was closed. One of Channel 4’s TV news vehicles had just pulled up. Its long microwave antenna was inching toward the sky. Soon it was beyond the height of the elevated subway station of Gates Avenue. Within another few minutes, the news of this tragedy would sound byte its way home—into the annals of TV’s “live coverage.”

I walked up and looked into the Television van. Channel 4 reporter Chuck Olmstead was inside, his head buried in an Associated Press copy. With a clipboard on his knees, he was frantically rewording the wire service’s story. When he stepped outside, the cameraman flicked on the lights, lined up Olmstead in front of the camera, and said, “It’s almost time to go on the air, do you want to test your voice level.” Then Olmstead began a dramatic, recitation: “It happened right here, in front of this restaurant. The crime was murder, and it was over a car radio...”

People who knew the murdered victim were trying to get in a good word for her. Her husband was there, dirty and sobbing quietly like a child. More people were crying than I thought were related to the dead woman. The TV journalist and his one-man crew paid no attention.

What a cold and uncaring gaze from the eyes of the TV media, I thought, as I continued to observe the empty re-staging of the event.

The microwave antenna had started to come down, and the only people who got in the news were the willing spectators—those who pushed their faces in the way of the camera’s lens. But they had no voice in the media’s orchestration and regurgitation of the day’s tragic event. And as they hugged and embraced each other in sorrow, I saw the expressions of solidarity in these poor and ragged people, whose grief went unnoticed by a TV journalist.

I never thought so many tears would have been spilled in one place for that homeless woman, whose name I learned only after she was stretched out dead under the elevated tracks on Broadway—and who asked me one day after she caught me taking her picture. “Mister, why do you keep taking pictures?” I don’t remember what answer I gave her. In fact, I don’t remember if I answered at all. Maybe as far as I was concerned, she was already among the walking dead.

LAMINELASANA PARKS

LITTLE WOMEN

l little women. That’s what adults called them—the five, six, seven teenage girls from the block who pushed strollers in the park, giving their babies a daily dose of sunshine.

They embraced the label with pride. It made all of them feel special, like they were really grown-ups.

Gina Jackson (this is not her real name) wanted to feel grown-up, too. She would push her stroller in the park, too. But unlike the other teen moms,
her baby wasn't real—her baby was a Cabbage Patch doll—the only type of doll that a 12-year-old could show off without being ridiculed for being too old to own one.

Each day, Gina cunningly inched her way over to the park bench where the little women sat. They were usually absorbed in the intrinsic doings of motherhood—shaking and testing milk bottles, burping and changing diapers, cooing at and cradling their babies. This was Gina’s dream.

She loved babies. Real babies. She would abandon her adopted doll in a split second for the moment of bliss she felt when she held a real baby. She loved the way they smelled.

“They smell like flowers!” she exclaimed after taking a gentle whiff of the light bundle in her arms.

“Not all of the time!” joked one of the little women as Trish held her child.

Gina adored the soft skin of babies, with their sweet breath and their tiny hands and feet. She liked their gummy smiles, their expressive eyes and their babbling talk. Gina knew that not even a Cabbage Patch could never substitute for a real baby. Never.

When the younger kids from the park asked Gina to play jump rope or other games, she'd dismiss the idea with disgust. She wanted no part of their silly childish games.

“Why don't you run along and play with the other kids?” one of the little women would annoyedly say. “You hang around older people too much!” Gina scowled and walked out of the park with her stroller and doll. She was just a year younger than this mother and could never take orders from a 13-year-old girl. Besides, Gina looked just as old as some of the little women, even older. Their bodies were angular and boyish. Gina showed hers off with all its voluptuous curves.

Gina didn’t have to take orders from anyone. She was practically living on her own. Since the age of 10, she had been a latch-key kid. Her mother had to work two jobs to support them. And when she was not working, Gina’s mom was heavily involved in the activities of her church. So Gina learned how to live alone.

She learned to lock the door as soon as she came inside. She learned not to open the doors to strangers. She also learned how to cook TV dinners for lunch and dinner.

Gina had a lot of “toys” to play with once she arrived home. She had her own computer and stereo set. She could watch her TV. She used the phone a lot but her mom took that toy away from her when she received a bill of $300 from 550-LOVE.

Though she had more freedom than most girls her age would die for, she didn’t always like being alone. So she would sometimes invite her new friend over at night to keep her company. He made her feel special, like she was a grown-up, she’d brag.

Gina felt so grown up that she already knew what her purpose in life would be. She wanted to a doctor, a pediatrician. She had decided to make a career out of what she loved to do most—taking care of babies.

She learned a great deal of how to do all of that from the little women on the block. They taught her how to check babies for fevers, how to lay them down when they had colds. She even learned from them how to give CPR to infants if they were choking.

Everyday she was learning new things about herself. Her biggest discovery was how to keep from being lonely by wearing clothes that drew young men near her. She knew how to walk a certain way and smile a certain way to get their attention.

It did not matter to Gina that the kind of man she was seeing was the same type that the little women had warned her about. She craved his attention. She craved the feeling of being loved, even if only for a little while. Or maybe the cravings were for that which she desired most—the baby that six months later began to swell her belly.

BARBARA JENKINS

DOLLARS AND SENSE
A Day in the Life of New York City

December 13, 1990 was like any other day in New York City. The forecast was for temperatures in the low 40s and light rain. Seventeen homicides were reported to the NYPD. The Lincoln Tunnel was used by 9,416 buses, 17,686 trucks and 93,467 cars.

The Dow Jones Industrial Average opened at 8:30 at 2602.5 and closed at 4:00 at 2590.35. Throughout the day, 36 Dollars and Sense reporters fanned out across the five boroughs to file bulletins on A Day in the Life of New York.

6:45 a.m. It’s a cloudy morning and just before dawn, 40 commuters in business attire rush to the Hempstead Gardens Long Island Rail Road station in West Hempstead, Long Island. Ten minutes later, the gates lower with a “ding-ding” warning. Cars pull up and latecomers run to catch the train. On the platform, riders calmly peruse the paper, drink coffee or talk with friends. The empty train pulls in and passengers board it. Six stops later, they arrive in Penn Station.

—a quote from Steven Scheer

7:01 a.m. On the border between the Italian and Hispanic communities in Williamsburg, the landlord is Albanian, the deli across the street is Korean, the tenant West Indian. It is the season of peace, but somehow peace is again proving elusive. America and Iraq square off in the Middle East. Grand Street is spanned by unlit Christmas lights in the shape of stars and trees.

—a quote from David Angeron

7:20 a.m. At 245 West 74th Street, the temperature is 41 degrees and it looks like rain. Along Broadway, 10 people are on their way to the 72nd Street subway station. A man in his 50s is having a bagel and coffee while walking his dog. A superintenden from the Ansonia Building is carrying away a red armchair, left by the homeless. The Christmas tree vendor on 73rd Street is closed.

—a quote from Malin Rogland

7:45 a.m. At H&H Bagels on the corner of 80th Street and Broadway, the ovens are on high and the sweet smell of freshly-baked bagels fills the air. Bags of them are piled high along the wall to be trucked around the City. Plain bagels are pulled from the oven. Most stores are closed, but H&H is in full swing.

—a quote from Benjamin G. Sawyer

8:15 a.m. Although it is cold, the sun has broken through. At the back of Aristotle’s Coffee Shop on Park Avenue South, young media planners celebrate breakfast for the last day of their internship class; their professor is treating.

—a quote from Diane L. Leppke

8:30 a.m. The A train between Hoyt and Jay Streets in Brooklyn rolls along at a snail’s pace. The passengers stand as if frozen, sneaking nervous glances at their watches. A homeless man selling the Daily News gets the only smile of the morning when he asks a female rider, “Could I have your phone number because you are so beautiful?”

—a quote from Shamala Karrim

9:00 a.m. At the corner of East Tremont and La Salle Avenues in the Bronx, a flatbed tow truck places what remains of a car in front of the 45th precinct house in the Bronx. A blood-soaked sweater lies on the dashboard. A driver waiting for the light to change watches. He reaches across his chest, grabs his safety belt and buckles it.

—a quote from James Reuther

9:20 a.m. On the Lower East Side of Manhattan, at the corner of Rutgers and Madison Streets, two joggers go by on their daily run, while some high school kids late for school make fun of them. A police car is parked and the officer inside is waiting for his partner, who just went into a bodega to buy some coffee. A bus stops and drops off some people who rush right for the subway entrance. A Pepsi truck stops and delivers a few cases of soda to the stores.

—a quote from Domingo Gonzalez

9:30 a.m. At the corner of Broadway and Rector Street, as the traffic speeds by, a man tries to sell copies of the Daily News.

—a quote from Percival Ariola

10:15 a.m. On the Boardwalk in Brooklyn, a member of the Polar Bear Club in red and green trunks is about to dive into the 23-degree water, while a crowd of joggers and bicyclists go through their morning routines. A man arrives with a homemade fishing pole. “How’s the catch today?” yells a park worker, picking up litter off the sand. The fisherman’s answer is obliterated by the screech of a racing fire engine.

—a quote from Rita Fradin

10:30 a.m. “Step in and stand clear of the closing doors,” the conductor at the Roosevelt Avenue stop of the IND in Queens commands. Riders are hustling to get a standing space. The station atmosphere is a mixture of stench and expensive perfumes wafting in the morning air as homeless people and business executives jostle in and out of trains.

—a quote from Margaret Ichull

11:30 a.m. The New York Supreme Court, downtown Manhattan, is flooded with plaintiffs, defendants, and attorneys. An apartment sale begins as the auctioneer reads the terms aloud. Attention swiftly shifts to three men racing to the open elevator. As the tallest one presses the desired floor, he proclaims, “I will personally see to it that he gets hung, high!” The elevator doors cut off their response.

—a quote from Georgia Lombardo

MAY 1991
11:45 a.m. Approaching the sculpture “Vessel with Wind God Effigy,” at the Metropolitan Museum of Art, a lady remarks to her friend Marilyn, “How can anyone be happy with a face like that?” Marilyn laughed and said, “Don’t be stupid, Betsy. Can’t you see it’s a mask?” Embarrassed, she holds her head down and walks away, laughing.

- Judith D. Francis

12:00 noon. A delivery boy in dirty white clothes looks toward the back of the office at Walker Thomas Associates Ltd. He’s searching for the guy who orders lunch from his diner, hoping for a decent tip. Meanwhile, Walter’s ready to get nuts if he doesn’t get a cigarette. Kerry’s yelling up the stairs, “Where the f... is Ruben?, I’ve been waiting down here for 10 minutes.”

- Michelle A. Clarke

12:30 p.m. The bank window at 280 Graham Avenue in Brooklyn opens and the grumbling of the local merchants ceases. A younger man, carrying a white plastic bag, darts to the window. A younger man already at the window asks, “Aren’t you going to wait on line?” Without turning, the older man belligerently replies, “I have been waiting on line 20 minutes.” He defiantly empties his bag of wrapped coins and pushes it towards the teller.

- Farida Mohammed

1:45 p.m. A police car at the corner of 42nd Street and Fifth Avenue blows its sirens and flashes its lights. As it speeds by, the taxi cabs blow their horns and fight to get into the clear path that the police car leaves behind, causing gridlock as the light changes.

- Michele Lariviere

1:55 p.m. In the second floor lounge of the private Princeton Club at 15 West 43rd Street, a lawyer in blue pinstripes smokes a Macanudo by the fire. Near him a banker sitting up right snores loudly with a copy of the Wall Street Journal on his lap. The tail case clock by the window overlooking 43rd Street creaks toward the hour.

- Charissa Kwan

2 p.m. The Body Shop on Madison Avenue is packed with shoppers looking for Peppermint Foot Lotion, Raspberry Ripple Bathing Bubbles, and Pineapple Facial Wash. A customer drops a glass bottle of perfume. A Body Shop employee is there in a wink with a mop to clean up the mess. The scent of jasmine fills the shop.

- Ronke A. Idoowu

2:15 p.m. In front of Macy’s flagship store Santa Claus isn’t fat, doesn’t have rosy cheeks or a bag full of toys. His beard falls down as he rings his bell. He was homeless before working for Volunteers of America for a Greater New York. The job gives him money, living quarters and carfare. He asks kids, “What do you want for Christmas?” Most respond, “Peace on earth!”

- Kim Yvette Weber

3:45 p.m. In the somber equities trading room of Bear Stearns at 245 Park Avenue, a stone-faced trader waits for the phone to flash. An occasional sell order breaks the silence as the market tumbles. The meek close is measured by the digital clock rather than the roar of last-minute orders. The Dow Jones Industrial Average slips 15.34 to 2590.35. The bear is still growing.

- Joseph Buttacavoli

4:15 p.m. Shoppers flock to the department stores on Main Street and Roosevelt Avenue in Flushing, Queens. “Most of the stores are open until about nine tonight,” says Mike Anzalone, 19, holding two large and bulky stuffed shopping bags “I think I’m going to be out here for awhile.”

- Allen Blaskovic

4:30 p.m. On the “F” train a deaf woman hands out sign language cards to raise money. A passenger becomes frustrated when the deaf woman lays a card on her purse. She flings the card away. The deaf woman collects what money she can. She picks up the remaining cards off the seats, leaving the one on the floor.

- Boris Loach

5:00 p.m. At 32 West 40th Street, 20 year-old David Lindsey stands on his $135 trap set carrier. Meanwhile 37-year-old Ken Nutter is running color copies of slides. On the slides are images of an old naked white female. Lindsey says “You could bust your ass if this were a skateboard.”

- Neal Mitchell

5:15 p.m. At Kings Plaza in Brooklyn a man of about 70 eats an ice cream cone in front of Herman’s Sporting Goods. Two teenagers are laughing at a crying child because his mother just slapped his wrists for being a pain in the neck. A four-man brass band plays “Joy to the World.”

- Joseph Sepcario

5:45 p.m. It is closing time at the main branch of the New York Public Library. The Main Reading Room darkens as Kevin Moten, library page ($5.50 per hour) picks up discarded books. The supervisor won’t let him go yet. In the massive marble lobby, a new exhibit opens. Waiters align 4,500 glasses on purple table cloths. It is champagne and Perrier night. Caterer Tim Crouse sets a glass in place and says, “Never know til they show up.”

- Andrew Green

6:45 p.m. Bag-laden shoppers stroll along the cobblestoned streets of the South Street Seaport. A choir sings carols, its members are spotlighted on a pyramid-shaped platform at the intersection of Front and South Streets. People quickly walk into the Seaport, their hurried pace slows as they approach the choir singing “Sleep in Heavenly Peace.” Some stop and listen.

- Ana Maria Miranda

7:45 p.m. At B&H Bagels on the corner of 80th and Broadway, the ovens are on and high and the sweet smell of fresh baked bagels fills the air. Bags of bagels are piled high along wall ready to be shipped around the city. Meanwhile straight out of the oven some

- Andrew Green
8:00 p.m. The cool winter wind blows as couples walk hand-in-hand through Washington Square Park in Greenwich Village. What seems to be a romantic evening scene is disturbed by a group of men asking people if they wanted mescaline or pot. — Andrei Hargobind

8:15 p.m. Couples walk into the lobby of Kneers Golden Pheasant in Astoria, Queens and wait for the maître d’ to seat them. A few couples dance to Tina Turner’s “Private Dancer.” “Vodka and tonic, heavy on the vodka,” says a man with a moustache. “Christmas is the time for us to make money,” says Joseph Celestino, who owns the catering hall.

— Fivos Kontomeniotis

8:45 p.m. The loudspeakers at the Queens Borough Public Library in Jamaica crackle to life: “Ladies and gentlemen. The library is closing in 15 minutes. Please bring all books and materials to be checked out.” Four part-time clerks hurriedly stamp books and yell, “Next!” Guards sit with eyes glued to television monitors at the front desk. A bag lady gathers her belongings, pulls her hat lower on her head, and slowly limps into the cold night. — Parday Tej Singh

9:00 p.m. At Rockefeller Center in Manhattan, bright lights, golden angels and the 70-foot Christmas tree are all lit. The tree’s lights reflect on the skating rink below. — Angela Mikulicic

9:15 p.m. His coworkers cannot believe this Richard Rodriguez is that quiet nine-to-fiver. At the Old Homestead Restaurant on West 14th Street at Ninth Avenue during the Axelrod Company’s annual Christmas party, he is “Don Rickles.” Ida, Harvey and Michael Axelrod are dumbfound as their uninvited speaker paces back and forth behind the podium, a drink in his hand, roasting everyone with scathing jokes. Most of the crowd is too light-headed to care. — Bevolyn C. Williams

9:45 p.m. The street lamps are out at the intersection of 166th Street and Walton Avenue in the South Bronx. A teenager, about 12 years old, walks down the street leaving a crumpled paper bag on a car. Soon, a black Jaguar with gold hubcaps, blasting rap music pulls over and takes the bag. It is a smooth transaction. In an alley, a bearded man huddles against the wall. Next to him is a shopping cart with empty beer cans amongst his other belongings.

— Edward Asante

10:00 p.m. There is chaos at the corner of East 27th Street and Avenue U in Brooklyn. Two young men have stopped their cars opposite each other. They speak as traffic backs up, horns beep, and people yell and curse. A middle-aged bus driver gets out of his bus and asks these boys to move. After a few minutes, the troublemakers finish their conversation, blast their radios and screech off.

— Rosalia Stagnaro

10:15 p.m. On Riverside Drive in Manhattan, 19-year-old Sonia Scott sits on a bed while talking to her ex-boyfriend and current lover, Clinton. Tequila Sunrise is on HBO. In the background are the sounds of cars passing by the two black framed open windows of a bedroom. — N.M.

11:15 p.m. On the boardwalk at St. George, Staten Island, below ground level, blue collar workers, business people and college students begin their night with a drink. The blues band from Louisiana begins their first set with “How are you doing tonight, Staten Island?” and receives moans and groans from the audience.

— M.L.

12:15 a.m. At Club More on 11th Avenue at 26th Street, the room is packed with 500 of New York City’s trendiest. As a go-go dancer dressed in black gyrates in a cage above the bar, guys and girls groove to the beat of hip hop and house music on the crowded dance floor. Young men and women surround the bar drinking and flirting, searching for a safe, cheap thrill.

— Thomas Skrobe

12:45 a.m. At the Brasserie Restaurant in Forest Hills, Queens, a waiter has just brought drinks to a couple sitting at the corner table. They pick up their glasses, toast, and smile. At the other end of the room, laughter is heard as a girl accidentally spills her drink all over the table, and waiters and friends come to her rescue.

— Marina Krivyakina

1:15 a.m. The sidewalks in front of 466 Lexington Avenue, sandwiched between 45th and 46th Streets are nearly deserted. A few late night workers hurriedly leave their offices, diving into the waiting burgundy or white car service sedans, while a solitary homeless person stumbles drunkenly down the street. Dozens of yellow cabs, their “on-duty” signs blazing, fly past like a swarm of angry metal bees, vainly searching for some nocturnal passengers.

— Ivan Cintron

1:30 a.m. In the second floor window of Kim’s Video on St. Mark’s Place in Greenwich Village are enormous black and white posters of Gable, Monroe, Dean. Jean Harlow’s deep black eyes stare skyward into the cloudy burnt umber night. A spitting drizzle falls briefly from above, among the clipping of heels and the bop-de-bop-bop of bongos heard down the street. — A.G.

3:00 a.m. As the ball rolls down the lane at the Whitestone Lanes in Queens, the bowler mimics its winding path with his right hand. The hook shot either makes or breaks him. With a strike, his score will be a perfect 300. A resounding roar of approval goes up as the ball crashes into the pins. “He’s done it! Our team has to be first in this match now!” scream his teammates.

— C.K.
FOR PUERTO RICO, STATUS IS EVERYTHING

As a Referendum Nears, Questions Abound Concerning the Cost to the Island and the United States

By Ivan Cintron

Since 1898, Puerto Rico's destiny has been controlled by the United States. But that may change. Legislation introduced in Congress—which has yet to pass—will allow Puerto Ricans to vote for statehood, independence or enhanced commonwealth status. The debate on how a change of status will affect Puerto Rico focuses on economics and whether mainland Puerto Ricans will be able to vote.

There is uncertainty about who will decide. A major concern that has not been addressed yet is whether mainland Puerto Ricans can vote in the referendum. As it stands now, the decision is in the hands of the legislature of Puerto Rico and the island's three chief political parties: the Popular Democratic Party, which favors enhanced commonwealth, the New Progressive Party, which backs statehood, and the Puerto Rican Independence Party, whose objective is implied by its name.

The demographics are complex. Currently, there are 3.6 million Puerto Ricans on the island; 2.5 million live in the U.S., with 900,000 in New York City alone. Their impact on the outcome, with its potential repercussions on the
City’s economy, could be significant. Frank Bonilla, professor of sociology and director of the Center for Puerto Rican Studies at Hunter College, says, “The fact is that two-thirds of the Puerto Ricans in the U.S. are island-born. These people have roots; part of their family’s here, part there.” He adds that a schism has grown between mainland and island Puerto Ricans. “There’s a class and a racist undercurrent,” Bonilla says. “None of the three parties anticipated that Puerto Ricans here would be so insistent on voting.”

**DUELING BILLS**

There are even two competing bills, officially named the Puerto Rico Status Referendum Act—H.R. 4765, the House of Representatives version—and S. 712, the Senate’s rendition. Both bills propose that Puerto Ricans choose among statehood, independence, enhanced commonwealth or no change. The House bill, passed last year, calls for a referendum by September 16, 1991, followed by a second vote to implement the results of the first one.

The Senate bill provides for a single, self-executing plebiscite, with no further action by Congress or the Puerto Rican people. Critics of the House version say that the definitions of the change in status are vague, and contend that the Senate bill explains in greater detail the consequences of all three choices which will be on the ballot.

Many are confident that Puerto Rico is ready for a change of status. Representative Jose E. Serrano, Democrat of the Bronx and the first native-born Puerto Rican elected to the House of Representatives, initially sponsored legislation that would have restricted the vote to Puerto Ricans born on the island. Serrano argues that Puerto Ricans fully understand the ramifications of all three changes in status. “Puerto Ricans are ready to become a state, ready to become a commonwealth, and are ready to govern themselves,” Serrano says. The problem, according to him, is stateside. “I don’t think the U.S. has the interest or the attention span necessary for this issue,” he suggests.

**THREE CHOICES**

Statehood, at present, appears to be the most popular option. Proponents say the advantages for Puerto Rico would be the right to vote in U.S. elections, representation in Congress by at least six congressmen and two senators, and an increase in funding for welfare, unemployment, and health care programs. The disadvantages, according to statehood opponents, would be that Puerto Ricans would have to pay state and federal taxes. American corporations, currently tax-exempt, would also be subject to these taxes, possibly prompting their departure from the island. They currently have about $15 billion untaxed in the island’s banks. Also, English would probably replace Spanish as the official language.

Experts familiar with both sides of the issue are quick to point out that the fundamental question is power, and who holds it. “I think the principal advantage would be representation in the Congress, a chance to enter directly into political life,” Bonilla points out. The drawbacks, according to Bonilla, would include loss of control over the economic and social policies in Puerto Rico itself and the cultural and social implications that such a loss would entail.

Some are leery of statehood. It is always tough to cut the umbilical cord. The change in Federal support worries many, but the general concern is whether Puerto Ricans can pull together and go it on their own. Nobody denies that Puerto Rico has problems, including a lack of consensus. Bonilla says, “I think they’re really being naive. No new territory has been admitted as a state that’s been that divided.”
Enhanced commonwealth supporters contend that Puerto Rico needs expanded autonomy. The government would have more control over internal commerce, such as banning imports that compete with local crops, and controlling airport landing rights. However, the island would still lack voting rights and the ability to tax U.S. corporations.

What's in it for Puerto Rico if the island gains independence? Advocates maintain that Puerto Rico could have its own currency, and with it control over its economic and foreign affairs. The island could develop new agricultural systems, and compete in the world market by exporting its products without being hampered by United States restrictions. "With independence, there would be total freedom for Puerto Rico to have its own foreign policy, and economic policy, and to link up with economic forces, markets and investors on their own," says Bonilla.

Yet independence is fraught with peril. No one can predict how well or how poorly Puerto Rico will perform as an independent nation. There are those who predict that the island will descend into economic and political chaos. Others point out that Puerto Rico is overly dependent on manufacturing for its economy. If a substantial number of U.S. companies pull out it would spell disaster for the island.

Another problem with independence is its impact on the pattern of circular migration from the island to the mainland and vice versa. Although there are other countries that have similar migration patterns, Puerto Ricans, as American citizens, can travel with greater ease. If Puerto Rico were a separate nation, those traveling to and from the island would need passports for the first time. In addition, mainland Puerto Ricans would have to decide whether to have dual citizenship.

ECONOMIC WOES
Whatever the island's eventual status, it is unquestionably hurting economically. For example, according to an August 1, 1989 report prepared by the Library of Congress for Senator Daniel Patrick Moynihan, Democrat of New York, 43.4 percent of Puerto Rican families made $5,000 or less annually in 1980, compared to 7.3 percent in the U.S., and 13.5 percent in Mississippi, the poorest state of the 50 states. The numbers become nearly reversed in higher income brackets. Only 4.6 percent of families in Puerto Rico made $25,000 or more annually, compared to 21.3 percent in Mississippi, and 35.4 percent in the U.S.

According to New York Newsday, there have only been 626 manufacturing jobs generated in the last 10 years. Strangely, Puerto Rico enjoys the highest standard of living in Latin America.

The agenda would be long if statehood is granted. The Library of Congress reports several social welfare programs would have to be expanded dramatically if Puerto Rico becomes a state. Most programs on the island, like the nutrition assistance block grant, receive less funds than their counterparts such as the food stamp program. Under independence there would be a number of possible glitches with social security. Nobody is sure at this point how much or little Puerto Ricans would receive if they have been paying into the system.

Puerto Rico has been called the world's oldest colony. It was discovered November 19, 1493 by Christopher Columbus, shortly after he discovered North America. In the initial stages of colonization, the Spaniards killed most of the Taino Indians, the original inhabitants of the island they called Borinquen. After exhausting Puerto Rico's meager gold resources, Spain turned it into a fortress because of its position as the easternmost of the Antilles Islands.

In 1898, Puerto Rico was seized by the U.S. after the Spanish-American War and made a territory. In 1952, Puerto Rico became a commonwealth, or free associated state, giving it more control than it had as an unincorporated territory. The U.S. used Puerto Rico as a strategic base, much as Spain had, and, with the exception of Operation Boot-
strap, paid little attention to the economic problems of the island.

The current plebiscite is not the first time Puerto Ricans have had the opportunity to vote on their form of government. In a 1967 vote, continued commonwealth status won, partly because of a massive U.S. advertising campaign linking independence with Communism, and partly because independence supporters boycotted the referendum.

As in 1967, mainland indifference remains a problem. Serrano says, "There is a pervasive attitude which says that the colonial power looks at the colony differently than it looks at all her children." He points to the U.S. readiness to interpret the turmoil in the Baltic States while misreading events at home. He concludes, "We believe our colonies are happy and the Soviet's colonies aren't."

MORE OBSTACLES
There are other hurdles for the plebiscite to clear. Last November, Governor Rafael Hernandez Colon threatened that if Congress did not swiftly pass legislation allowing the referendum, that he and his party, the PPD, would have no choice but to delay the vote until 1993.

Statehood and independence supporters were reportedly outraged. Carlos Romero Barcelo, president of the PNP, accused the PPD of stalling out of fear that statehood would prevail in an election.

Indeed, the momentum for the plebiscite has slowed. In February, members of the Senate's Energy and Natural Resources Committee defeated the measure. The Republicans are drafting an alternative bill that would allow Puerto Ricans to petition for statehood only. Following this action, the Puerto Rican legislature approved a bill mandating Spanish as the official language. This is seen as a blow to statehood supporters.

Several members of Congress, echoing the PPD's position, have said that the vote may well take place in 1993. Senator J. Bennett Johnston, Democrat of Louisiana and chairman of the Senate's Energy Committee, is attempting to craft legislation before July 1991 authorizing the referendum. Until this happens, the House has decided to wait for the Senate to pass a bill before it will reconsider any action.

No matter what status is chosen, Puerto Rico will be at the mercy of international economic forces, especially the influence of the United States. "If we look at it in the longer term, a lot of what has divided the Caribbean has been the problems of uneven development under U.S. leadership and domination," says Bonilla.

Nobody seems to know what might happen. A widely held belief is that politics makes strange bedfellows. Compare Patrick Buchanan, conservative columnist and former Reagan adviser, and Filiberto Ojeda Rios, a member of the radical pro-independence group Los Macheteros (the Machete Wielders). Both agree that if Puerto Rico becomes a state, it is likely to become the world's next Northern Ireland. On the other hand, there are those who still prefer to call it America's showpiece of democracy.
By Edward Asante

All eyes on Wall Street were on the courtroom of U.S. District Judge Kimba Wood last fall for the sentencing of Michael Milken. “You committed crimes that are hard to detect and such crimes warrant greater punishment in order to be effective in deterring others from committing them,” pronounced Wood as she handed down the stiff 10-year prison sentence to the toppled junk bond king.

The action sends an important message to the business community. High-profile crime will not be tolerated. The decisions of the past few years point to a trend toward harsher sentences for white-collar criminals.

Wall Street’s fast lane has been hit hardest. Some of the most highly publicized cases involve jail terms. Dennis Levine, a Drexel Burnham Lambert investment banker and Baruch College graduate, got two years. Arbitrager Ivan Boesky, was sentenced to three years in prison in December 1987. Corporate raider Paul Bilzerian was given four years in prison in September 1989. Takeover specialist John Mulheren, Jr. was hit with a year in prison in November 1990. The list goes on and on.

All the numbers add up to a definite pattern of stiffer sentences. A recent study shows that employees at 62 percent of Fortune 500 companies have been involved in some form of corrupt behavior, and almost every one of these companies has been served with a subpoena...
by the Securities and Exchange Commission. *Time* magazine estimates that businesses lose $40 billion each year to white-collar crime. Some have blamed a competitive corporate culture as encouraging the apathy in the workplace. “I was consumed in this high-pressure environment, which began to lower my values and distort my judgment,” says Levine, when he addressed Baruch students last fall. “The danger is to allow drive and ambition, pressure to produce and profit goals subvert basic values and common sense,” he warns.

NEW GUIDELINES

The U.S. Sentencing Commission, a regulatory body set up by Congress in 1984, proposed sentencing guidelines for judges that went into effect for crimes committed after November 1, 1987. The guidelines abolish parole and provide specific jail terms for some crimes. The commission also expanded the use of prison terms and increased the size of criminal fines. However, some provision is made for firms that voluntarily cooperate with investigators or show evidence of self-policing.

But critics believe the Commission’s recommendations will be difficult to implement. “I don’t like the guidelines,” says Ira Sorkin, partner at New York’s Squadron, Elenoff, Pleasant & Lehrer. “They are not effective because they take away the discretion of the judges and restrict the consideration of other variables,” he adds.

Judges have recently crafted creative sentences that consider these variables in favor of the defendant. They involve probationary terms, temporary prohibitions from the industry and community service. Advocates of tougher penalties, like former U.S. Attorney Rudolph Giuliani, have sharply criticized the measures, maintaining that creative punishment tends to favor those on the upper end of the socio-economic order. Supporters argue that these sentences aim at salvaging an inner virtue that might be corrupted in prison. Critics also point to prison overcrowding and the costs to society, such as community service, that will be lost with jail terms.

Most of these criminals see themselves as victims who just made a few mistakes in the pursuit of prosperity. The upper-class suspects are actually seen as pioneers who simply went too far. They are viewed as having contributed positively to the quality of life in their communities, while their moral and social conduct reflects mainstream expectations. Milken, for instance, is portrayed as an innovative financier who merely responded to market conditions and whose immense contributions to charity truly reveal his character. But Sorkin, formerly an attorney at the Securities and Exchange Commission, disagrees. “They knew their conduct was improper. I can’t think of one particular case where the defendant was unaware of wrongdoing,” he says.

OFF THE STREET

Nor does Wall Street have a monopoly on white-collar crime. In another area, defense contractor John Borowski disposed toxic waste by ordering his employees to pour highly toxic compounds, such as nitric acid and nickel wastes, down the drain. This method helped Borowski get rid of thousands of gallons of waste that would have otherwise cost a fortune to dispose of legally. But this
soon backfired. His employees developed symptoms caused by exposure to toxic material and soon he was reported to officials. Borowski was convicted on charges of knowing endangerment under the Federal Clean Water Act.

The Borowski case illustrates the increasingly harsh treatment of environmental crimes. This may be due in part to a new public awareness generated by environmental activism. Even though executives are usually aware of the illegality of such crimes, they consider it as one that has no victims. "The notion that you have to do it to be successful is wrong," says Harry First, a professor at New York University School of Law, who specializes in business crimes. "There are very few cases where the defendants did not think they were doing something illegal. You can tell by their behavior: Most of them wear badges of fraud."

The notion that white-collar criminals get off easy is changing. "The judges and the public are coming to the point where this type of criminal is no more viewed as deserving of leniency," says Clinton Calhoun, chief of the Frauds Bureau of the Manhattan District Attorney's Office. "They have found that these are people who have the ability to make an honest living and who made a deliberate decision to cross the line," he adds.

Researchers have shown that class-based differences in the criminal sentencing of white-collar crime have declined substantially. "Judges see high status offenders as particularly blame-worthy because of the privileges and advantages that accompany their social and economic positions," says Michael Bensen and Esteban Walker, researchers at the University of Tennessee. Their study concludes that the judicial system is tightening up. "Frequent exposure of white-collar crimes threatens the stability of the economic order and the legitimacy of the legal order," it reads in part.

There might be a tradeoff between good business and strict adherence to the law. But Calhoun disagrees. "Every case we prosecute involves a clear crossing of the line from right to wrong," he says. "There is almost always evidence of conscious intent to commit a crime in the pursuit of financial gains."

**IT'S NOT EASY ANYMORE**

Tougher new laws and sophisticated investigative tools have enabled prosecutors in their efforts to bring offenders to justice. Such law enforcement techniques include electronic surveillance, forfeiture proceedings, bail hearings, frozen bank accounts, document seizures, search warrants and arrests. New York legislators have upgraded criminal laws to give judges much greater legitimacy in sentencing, according to Calhoun. For instance, some offenses that were formerly class D felonies have been upgraded to the

Crimes Against Revenue Unit that specializes in the investigation and prosecution of tax crimes.

Long jail terms are the norm in instances where there is proof of blatant fraud. Perhaps one of the heaviest in New York City was handed down by Judge Harold Rothwax, who sentenced Louis Rosen to 16-to-48 years for his part in a securities fraud case. The 64-year-old Rosen, together with several others, defrauded 2,200 investors of a total of $150 million in complicated real estate schemes. The deals included the sale of fake real estate tax shelters to unsuspecting investors. In Virginia, financial planner Jukka P. Vihko was sentenced in September 1987 to serve 222 years in prison for defrauding 40 investors in eight states of $1.3 million.

The use of electronic eavesdropping devices, especially in bribery and fraud-related cases by federal investigators, has given the authorities immense flexibility. Prosecutors now have the discretion to subpoena documents and issue orders for search warrants. This gives U.S. marshalls the authority to seize pertinent documents of a business in the course of the investigations. Such methods of investigation have attracted considerable controversy. Some judges have thrown out relevant evidence, because the method used to acquire such evidence was interpreted as an invasion of privacy of the defendants. Blanket document seizures, for instance, involve appropriating certain personal property that are immune from subpoena and can be contested under the Fifth Amendment.

White-collar crime is still not treated like all other felonies. Some maintain that the move toward stiffer penalties is a temporary shift. "Such responses are cyclical," says former federal prosecutor Peter Fleming, currently a partner at the Manhattan law firm of Curtis, Mallet-Provost, Colt & Mosle. He says, "If you were to take a poll on this issue, there is no doubt in my mind that most people will consider rape a much more serious crime than insider trading."

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**Ivan Boesky**

(1987 New York Newsday Photo/Bruce Gilbert)

more serious class B. The Manhattan District Attorney even has a special
Bottom of the Ninth for the Bombers: Will the Yankees Hit the Road?

By Steven Scheer

Sunday July 1, 1990, 3:50 p.m., Comiskey Park, Chicago—Yankees pitcher Andy Hawkins stares down at catcher Bob Geren. It is the bottom of the eighth, bases loaded, two outs for the White Sox and so far, Hawkins has pitched no-hit ball. He gets the sign from Geren and here's the pitch to Ventura. It's a high fly ball to deep left field. Leyritz is under it, and... holy cow! He loses it in the sun. The ball drops. Sosa scores. Guillen scores. Johnson scores. Ventura winds up on third base. The White Sox lead 3-0.

The next batter is Ivan Calderon. The shaky Hawkins checks the sign. The pitch: A high fly ball to right. This should end the inning, but no, Barfield drops it too. Another error. Ventura scores and Chicago goes up 4-0. A stunned Hawkins enters the record books as the eighth Yankee to throw a no-hitter, but the first Yankee and second pitcher in major league history ever to toss a complete game no-hitter, and lose.

The luck of the Yankees since 1973, the year George M. Steinbrenner III bought the team from CBS, has been decidedly mixed. The Yankees were the most successful and controversial sports team of the '80s. Fans from all over the country wanted to see them play. Even in 1990, with a .67-95 season—the Bronx Bombers' worst since 1912—attendance at Yankee Stadium topped two million. On the road they drew 2.4 million, second only to the world champion Oakland Athletics.

Like Broadway and the Empire State Building, New York is unthinkable without the boys in pinstripes. But there are hints that the team may move on, although the Yankees signed a 30-year lease starting in 1972 to play in the stadium. New Jersey, which lured the Jets and Giants, has expressed interest. "The House That Ruth Built could be the House That Florio Builds," jokes Harry Rabb, chief comptroller of the Yankees. Rabb explains that the biggest problem with Yankee Stadium is parking. There is only space for about 35,000 fans, 35 percent short of capacity.

At a time when New York City's economy is at a low point, the migration of the Yankees would be painful. "The
Yankees are an institution that is rooted in New York City,” says Mayor David Dinkins. “The team is near and dear to the hearts of many New Yorkers and we have no intention of having them leave the city.” The feeling is especially strong in the pin-stripers’ home borough. “They are the soul of the Bronx,” adds Fernando Ferrer, Bronx Borough President. One Yankee source estimates the City stands to lose about $300 million a year if the Yankees walk.

A move anywhere further than Northern New Jersey could sting Yankee management. It has a 12-year cable television contract with Madison Square Garden Network worth $500 million, the most lucrative pact in baseball. They also receive $10 million annually from WABC radio. The Yankees aren’t just considering a fresh location. Their main concern for the present is fielding a competitive team... It’s a far cry from the days of Yankee invincibility.

CREATING THE MYTH
The Yankee saga began in 1901 with an American League team in Baltimore. In 1903, the franchise moved north to New York, as the Highlanders, when Frank Ferrell and Bill Devery bought the club for $18,000. The mediocre Highlanders became the Yankees in 1913, and departed from Hilltop Park for the Polo Grounds, which they shared with the New York Giants. Two years later Colonel Jacob Ruppert and Colonel Tillinghast L’Hommedieu Huston purchased the Yankees for $460,000.

In 1922, Ruppert bought out Huston for $1.5 million, and a year later moved the team into the newly-built Yankee Stadium. Under Ruppert’s ownership the Bronx Bombers, led by Babe Ruth and Lou Gehrig, dominated the major leagues, winning eight of 11 World Series in the ’20s and ’30s.

In 1945, Dan Topping, Del Webb, and Larry McPhail acquired the Yankees for $2.8 million. Meanwhile, the team continued to win, copping 12 more championships in the ‘40s, ’50s, and early ’60s. In 1964, CBS purchased the squad for $14 million. Within two years the team dipped to 10th place. They didn’t come in higher than second until the coming of Steinbrenner.

THE BOSS
Steinbrenner arrived as fan interest was declining. In 1961 attendance was 1.75 million. By 1972 it was 966,000, the first time in 38 years it fell below seven figures. The following year when Steinbrenner took over, attendance began to rise, peaking at 2.5 million in 1988.

Steinbrenner created his championship teams in the late ’70s by buying blue-chip—many said overpriced—talent, including Jim “Catfish” Hunter, Don Gullet, Rich “Goose” Gossage, and Reggie Jackson. The biggest catch came in 1980, when free agent Dave Winfield signed a record 10-year, $23 million contract. Winfield is placed within the top five in eight major league categories among active players, including homers, hits, and runs batted in.

Record player salaries, rising attendance, star players, and world championships weren’t the entire story under Steinbrenner. There were notorious feuds with players and staff. For instance, Winfield, despite playing in 12 consecutive All-Star games, was traded to California in 1990 after a long running feud with Steinbrenner.

Working for Steinbrenner was no picnic. In 18 seasons, The Boss utilized 19 managers, with the late Billy Martin leading the way with five stints. Some sports experts also believe the owner wrecked the farm system. Ironically,
the Yankees were the most successful team of the ’80s, posting a record of 854-708 for a winning percentage of .547.

Ultimately, Steinbrenner overdid himself. Having paid known gambler Howard Spira, $40,000 to find “dirt” on Dave Winfield, the unpopular general managing partner was removed from day-to-day operations with the club.

POST STEINBRENNER

The Boss is gone, but problems remain. In the short term, the team must return to its winning traditions or lose out to their crosstown rivals. “The entertainment dollar is between the Mets and Yankees,” says Bob Raissman, sports columnist for the New York Daily News. “With the economy gone south, how many people will take their families to the park to see a losing team?” Raissman notes that in the pre-Steinbrenner days fans were more tolerant. But the Boss’s impatience has strained Yankee loyalty. “From a baseball standpoint, George was not good at his job, which was to build a team,” observes Barry Meisel, sportswriter for the Daily News. “In the ’70s he bought a team. Now, players don’t want to play for the Yankees.”

The Yankees are currently rebuilding. In 1990 the Bombers were busy calling up and sending down promising rookies from the diluted minor league system. Kevin Maas, 25, came out of nowhere in midseason and belted 21 home runs, eight shy of Joe DiMaggio’s club rookie record of 29. Other rookies, such as Hensley “Bam-Bam” Meulens, Mike Blowers, and Jim Leyritz also received a look. They, along with veteran pitcher Scott Sanderson, signed during the winter, and perennial All-Star Don Mattingly will be asked by management to provide more wins in 1991.

Success is measured in fans, as well as victories. This will help keep the Yankees rooted in New York as sports franchises move for more money. If the Yankees get a better offer from another city they may move. “Baseball is too much a business to be a sport and too much a sport to be a business,” remarks Rabb. The Yankee chief comptroller is aware that teams that moved have prospered. The Jets and Giants have enjoyed good years in luxurious Giants Stadium. Early baseball migrants, Los Angeles Dodgers and San Francisco Giants, have enjoyed success away from the East Coast.

The effect of closing Ebbets Field is still felt a generation later. “The Dodgers were Brooklyn’s character. Now the borough is a virtual wasteland. The move wounded the morale of the City,” laments Stan Fischler, noted sportscaster and sportswriter.

But with Steinbrenner out of the picture, who can tell how Yankee fans will react? Ominously, when tickets went on sale for the 1991 season in mid-December, there was a short line at Yankee Stadium despite it being a warm, sunny day. A few days later, thousands of faithful Met fans braved the rain and stood on line for hours at Shea Stadium.

It is still too early to forecast the 1991 season, but some believe the atmosphere will be different. “For the first time the focus will be on the players and not George,” predicts Raissman. Without The Boss’s mercurial behavior, new General Partner, Robert E. Nederlander, General Manager Gene Michael, and Manager Stump Merrill, will probably introduce needed changes. A rejuvenated Yankee team will bring that old feeling back to the City—the days of pennants and World Series championships. As Rabb says, “New York is a Yankees town. It always was and always will be.”

Does Kevin Maas, 21 homeruns in his debut 1990 season, signal a Yankee awakening? 61

MAY 1991
UNCORKING AN OFFICE SECRET

Alcoholics Anonymous Has a Quarter of a Million White-Collar Workers Among Its Members. Chances Are, You Know One of Them

By Jamie Gautreau

Bill G. laughs as he recalls his first day of sobriety, a year ago. "I asked the airline hostess for a double martini on the flight to the rehabilitation center. She said they didn't serve martinis. I knew it was a sign from above," he recalls. That day, he entered Le Pavillion, a Canadian-based rehabilitation center for addicts.

Bill G. is an alcoholic. He is one of 896,033 members of Alcoholics Anonymous in the United States. At 32, he is also a manager with New York Telephone earning about $50,000 a year, after 11 years with the company.

NOT ALONE

According to Yee Eng, staff assistant in the public information office of Alcoholics Anonymous, 66 percent of its members are men, and 22 percent work at managerial positions similar to Bill G.'s. Another 24 percent are professionals, 25 percent are blue collar workers, and 7 percent are unemployed. These are just the reported cases, too. Only a fraction of the actual number of alcoholics in America are members of Alcoholics Anonymous. According to a Gallup poll conducted in 1987, one in five adults reported seeking medical or other
professional help for alcoholism. Only three years earlier, the reported rate was 9 percent. Clearly, alcoholism is a growing factor in the American workforce.

Alcoholics come from all walks of life. They seek treatment as Bill G. did when life becomes unmanageable. When he feared that his job was imperiled, he took action. It was a wise move. “Many people lose their jobs because of drinking,” says John Cotter, spokesperson for the Communications Workers of America, Local 1101, which represents New York Telephone employees. These workers usually are not caught drunk on the job, he says, but their drinking problem contributes to chronic lateness, absenteeism or stealing. Disciplinary action is never far behind.

General Motors recently released a study that reflects the growing significance of alcoholism in the workplace. The major part of its 20 percent absentee rate is attributed to alcohol or drug use. With the crack epidemic sweeping the nation, the figures are expected to grow.

ANSWERS, NOT ESCAPISM
The main task is finding solutions. One answer is the corporate or union sponsored rehabilitation program. “Our success rate is 32 percent,” affirms Cotter, speaking of the CWA outreach program for abusers. He is quick to point out that the program applies only to alcohol abusers. Cocaine abusers have a 5 percent success rate, while crack users have a less than 1 percent chance of detoxification.

Cotter points out that there is no quick fix for the abuser, who must undergo a live-in therapy program lasting several weeks. New York Telephone keeps the individual on the payroll and allows him to return to work upon completion of the program. Many agree to participate only after their jobs are threatened. Surveys show that 80 percent of participants who willingly volunteer to undergo treatment succeed in staying sober.

Bill G. says that the $12,000 he and his wife spent for their mutual treatments was worth it. “I was in total denial,” he says. “My psychiatrist referred me to the clinic. There I found out that alcohol was only 14 percent of my problem. I came from a dysfunctional family. My parents had no relationship with each other. I became my mother’s surrogate husband.”

“This group had all different types of addicts in it. Not just alcoholics but sex addicts and cocaine addicts, too,” says Bill G. The sessions were rigorous, stretching from nine in the morning to nine at night. The group was confined to one room. The therapeutic techniques included role-playing and Gestalt. The strain showed on some of the patients. “One 60-year-old woman turned white when we discussed our sexual problems. We were very open about everything,” he recalls.

HOW MUCH WILL CHANGE
Not all employees are as fortunate as Bill G. Many companies do not have a policy to help out alcohol abusers. Even if they do, they lack supervisory training to help identify the problem. “Most supervisors are not trained to recognize job performance problems,” says Bob MacDonald, executive director of the Rhode Island Employee Assistance Program. He notes that most people will feel uncomfortable if they have to confront a fellow worker about a perceived drinking problem. “Supervisors are not consciously tolerating alcohol or drug abuse, but they are tolerating poor job performance,” notes MacDonald.

Despite all the support available, alcoholism remains a major national problem, according to Yee Eng. More young people are drinking to excess today, suggesting that the problem will continue to plague the workplace. Despite the number of people seeking help, there is little reason to expect a change in the percentage of Americans who drink or to think that the sticky question of alcoholism on the job is just going to fade away.

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here are alternate ways to get treatment other than that offered by the employer. Bill G. found help in Val David, Quebec. Le Pavillon is a group for Americans and Canadians run by a husband-and-wife team. Meetings are monthly and the results thus far have been impressive. An AA member who is familiar with Le Pavillon is chosen as a sponsor for new registrants. Bill G. has a sponsor in Detroit, Michigan. The sponsor guides the patient through the recovery process, and is available in times of crisis or backsliding. Le Pavillon filled Bill G.’s needs by addressing his most pressing problems and showing him the positive aspects of recovery. For Bill G., this was a change from the time-honored method of AA. “At AA meetings, you don’t hear much of the positive,” Bill G. says. “At Le Pavillon the emphasis is on how to improve your life,” he adds.

Bill G’s name has been changed to protect his identity
CLEANING UP THE WORKFORCE
Is Corporate Drug Testing Attacking the Employee’s Right to Privacy as Well as the Problem?
By Ralph Garcia

The world was stunned in 1988 when Canadian sprinter Ben Johnson was stripped of his gold medal at the Seoul Olympics for failing a random drug test. The drama was played out before a world-wide audience. Much less well-known, but every bit as dramatic, is the issue of corporate drug testing. An estimated 55 percent of the nation’s employers now do it. That means a minimum of 10 million people are being tested annually, a figure larger than New York City’s population.
The driving force behind the rise in testing is the destructive role of drugs in our society, and widespread fear. “The public is terrified of drugs right now and people are willing to go along,” says Lewis Maltby, director of the National Task Force on Civil Liberties in the Workplace. Recent studies have found that at least one-quarter of the work force is affected by substance abuse, and often the employees most likely to be abusers are those who hold down stressful positions. Many feel that drug use reduces productivity, increases accidents, and compromises the image of the employer. So it is no surprise that drug testing has become a major issue. As part of the government’s crackdown on drugs, the Bush administration is urging all companies, as well as government agencies on the local, state and federal level, to institute testing.

The policy is controversial. The argument for testing is based on the belief that the process can be accurate and reliable if done properly, and will result in less problems on the job as well as having the bottom-line benefit of lowering off company medical costs. Proponents contend that the employer has the right to a drug-free environment, especially when the health and safety of others are at stake. Some even go so far as to relate corporate testing to the reduction of organized crime.

That’s not the whole story, though. Drug testing’s opponents are legion. They contend that the tests are unreliable and an invasion of privacy for innocent individuals. “If you have a reason to think someone has done something wrong, then there is sufficient reason for a search,” says Maltby. “But, if there are no signs of wrongdoing, then a random test is against a person’s civil liberties. The cops need a reason and a warrant to search my house, much less my person.”

Even in large private corporations, the legal and moral forces that fight back against the idea of any testing at all have generally prevailed. Two years ago, an in-house suggestion memo from a staff reporter at Fortune magazine to the chairman of Time/Warner, the publishing giant, suggesting a testing program was met head-on with a firm response from the legal department outlining the main reasons why testing would not be viable. Similar attempts at other publishing firms, including The New York Times, have been fought by the Newspaper Guild, the main union representing publishing personnel nationwide.

**BATTLE ON THE JOB**

Even among those who are not ready for testing, many assert that employers must ban drugs from the workforce to begin winning the war against drugs. Mark A. de Bernardo, executive director of the Institute for a Drug Free Workplace, says, “The most effective weapon in the war on drugs is the paycheck.” He explains that for chronic drug users, the job is the last thing to go. Abusers may lose their credit rating, car, house or marriage, but the job is tenaciously maintained because they need the paychecks to support the habit. Some say that the question of rights should go both ways. Just as an employee chooses to use illegal drugs, an employer can choose to require a drug-free workplace.

One milestone in the course of the debate was marked by Congress. In 1988, the Drug-Free Workplace Act was passed requiring employees receiving grants from or entering into contracts with the federal government to combat drug abuse in the workplace. Employers covered by the act are required to report to appropriate government officials any employee convicted of a work-related drug abuse crime.

The recommendations are part of the administration’s $7.9 billion anti-drug campaign, which also includes additional funds for law enforcement, prisons, education, drug treatment and assistance to help Latin American governments combat drug producers and distributors.

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“If you have a reason to think someone has done something wrong, then there is sufficient reason for a search.”

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Compliance by state and city governments varies across the country. Berkeley, California banned employers from ordering tests unless there is clear evidence that drug abuse by an employee is endangering others. The Suffolk County legislature on Long Island approved a bill which would bar localities from conducting mandatory tests of all job applicants. It would, however, permit drug testing for policemen, firemen, and bus drivers, but only if reasonable cause exists. In the event of plane or train crashes, one of the crucial moments in the aftermath of the disaster is the report of drug test results from the cockpit or engineer’s cabin.

A number of cases around the country have been brought by employees who have failed tests, demanding that their names be cleared. In one celebrated West Coast case a school teacher was erroneously tested positive. “He was forced into a long-term in-patient program for several months away from his family,” points out Maltby. When a positive result shows up on a person’s record, his or her chances of finding another job are hurt. Opponents to testing are concerned about this overkill, as at best a test says someone has used drugs, but no test can differentiate between a one-time user and habitual abuser. Human error cannot be ignored, either. When it comes to the accuracy of a urine test or just someone
mislabelling a sample, an individual who reads negative may be falsely labelled. Such infractions are far more common than is believed.

The tests show what drugs have been in the system for up to two weeks prior. The issue, many maintain, is that if an employee is suspected of being “high” on the job, then testing is appropriate action. However, there are those who feel that if an employee is a recreational user, it is absolutely no business of the employer.

**CONSTITUTIONAL ISSUES**

Drug testing litigation has focused on Constitutional principles. Federal and State laws forbid the government from conducting unreasonable search and seizure. In order to be acceptable, any action must be based on justifiable reason such as “the probable cause” requirement for criminal arrests. Probable cause or a court order is required to obtain breath or blood samples for arrest in a drunk driving case. The courts have considered urinalysis similarly.

These search and seizure restrictions do not apply directly to the private sector, since the Constitution regulates only the conduct of the government. However, similar legal restrictions may arise in the private sector under laws designed to protect employee rights in the workplace. In addition, private-sector employers can expect legal challenges to drug testing policies based on another expanding area of law dealing with issues of privacy.

Much of the current litigation has focused on the procedures used in conducting the test, specifically collection of specimens for testing, the disposition of the samples, sufficiency of the tests themselves, and the translation of the test results into evidence understandable by non-experts.

Workers in the private sector must seek other ways to fight for their rights. They can check local ordinances, such as state and city laws, to see if legislation has been passed protecting their rights. When negotiating their union contracts, workers can ask for clauses prohibiting drug testing entirely, or compromising by only allowing testing in cases of probable cause.

Testing is not always successful because it can be unreliable. Procedures need to withstand court challenges to their accuracy and reliability. Some firms see drug testing programs as providing an economic deterrent to drug abuse, but drug testing alone will not make the problem go away. In all likelihood, over the coming years a system that is foolproof will be developed. Clearer guidelines, and legal applications, will inevitably be defined by the Federal government and possibly the Supreme Court.

**COMMUNICATION A SOLUTION**

Both employers and employees have reasonable arguments. It is a sort of balancing act between the rights of the corporation to ensure employee performance is not impaired by drug use and the right of the individual to privacy. If an employee is performing tasks like flying a plane or doing brain surgery, many think it is the employer’s right to ensure that he or she is drug free.

The facts, for now, tend to favor the employee’s right to privacy, as the case of impaired performance on the job has not been proven. In the last two years, the Post Office conducted their own study. They hired two groups, one comprising people who had passed the drug test, and another for those who had failed. One year later, 91 percent of those who had passed the drug test proved to be good workers. Of those who failed, 87 percent also proved to be productive.

However, until the situation is clarified, and proper steps initiated, channels of communication between management and the worker must be kept open. In many ways, it is a matter of trust. Since many companies use a urinalysis screening test that has a margin of error of about 5 percent, employees probably have the right to a second, more accurate test if they show positive, even though mathematically that’s no guarantee. Finally, employees should expect that the employer will take the test in a reasonable manner, one that will respect the right to privacy.

For now the issue, like abortion and flag-burning, is up in the air.
UNDER THE SIGN OF THE RISING SUN

Americans Working for Japanese Banks are Learning About Business Tokyo-style, Sometimes the Hard Way

By Lucille Bonaventure

Over 300,000 Americans collect their paychecks from Japanese employers. According to Fortune magazine, that number is expected to double by the end of the decade. Ambitious MBAs are flocking to Japanese firms with high hopes of moving up to senior management positions.
They are likely to get frustrated in their quest. According to a survey conducted by Japan's Ministry of International Trade and Industry, only 31 percent of senior managers at Japanese subsidiaries in the U.S. are American.

Take the case of Martin Rust, an assistant vice president and assistant manager at Fuji Bank's New York branch. He left a senior analyst position at Chemical Bank in 1987 to join Fuji's officer-in-training program. As with others going to Japanese banks, the lure that brought him over included the year-end bonus totalling four weeks pay, job security and a chance to become part of what many consider to be the top economic force in the world today. By comparison, the troubled American banking industry can look like a vast sinking ship. "As luck would have it or wouldn't have it," Rust says, "The stock market crashed and Chemical started making huge loan provisions for Latin debt." A major reorganization followed. As Rust says, "I interpreted this as severely limiting my opportunities there." In his view, Japanese banks—with their strength and focus on expansion—meant opportunity. Others are less sure.

A MATTER OF TRUST

Steven Feinberg was hired by the Industrial Bank of Japan in 1973. After 17 years with the bank, he is assistant vice president and assistant manager. "There are no Americans in charge of sections at the bank," he says. Feinberg says the frustration experienced by some Americans who work for Japanese banks is evident in IBJ's turnover rate which he guessed to be about 30-to-33 percent. "It does bother me a little bit," he says. "As years go on, it's very hard for me to see a promotion, and that's very frustrating and has an effect on moral."

Feinberg joined IBJ when there were 25 employees—"from branch manager to chauffeur." Today he is able to suggest new ideas and the Japanese manager will heed his advice, but that rapport did not come easily. As he points out, "The Japanese have a certain amount of trust that takes many years to develop." Feinberg recalls a situation in which he threatened to resign if he was not permitted to go to Tokyo to work out the details of a deal. He was finally permitted to go. "The most frustrating thing is that you get young junior officers who probably don't have the knowledge and experience that you have on a given subject. A lot of times, they'll treat you like a clerk," Feinberg says.

Even Rust confirms that the discontent felt by non-Japanese employees in Japanese institutions is a legitimate issue. When Rust left Chemical, some people told him he would never rise to a senior position. "My response was that I have as much chance of being chairman of Fuji Bank as I do Chemical," he says. Instead, Rust says he sees himself at Fuji

ING OF DISTRUST, FEINBERG SAYS, "THE JAPANESE ARE TO SOME DEGREE INSENSITIVE TO THAT."

Rust says that he hoped the situation was headed for positive change. He pointed out that in November 1990, Sumitomo Corporation agreed to change the way it treats its non-Japanese employees after a lawsuit was filed by some U.S. employees.

Although IBJ recently hired 13 Americans as associates, Feinberg says the only way he sees real change occurring is if the Japanese are willing to discuss what is really at issue. Hiring Americans who will have no real decision-making power, he argues, does not even begin to deal with the problem.

CLASHING VIEWS

Many Japanese managers and even staffers are reluctant and uncomfortable speaking about this subject. Mum's the word. Even those who do talk later attempt to recant. Others demand anonymity. But one manager insists, "I think there is a misunderstanding between the Japanese and the Americans. We do not discriminate. We simply hire the best people for the job." He added that his bank is currently making an effort to hire and train staff that they hope will stay on to fill senior management positions. "It is very expensive," he says, "to send someone from the home office to the U.S." The source, who himself was unwillingly sent to his bank's New York branch, says the bank had to find and pay for housing for his family. On his bank's hiring practices, he says they are not at all discriminatory. He points out that two of the bank's board of directors are American. "I want you to leave this interview with one clear impression: This bank in no way discriminates against anyone," he says.

Masatoshi Tomaru has been with IBJ for 18 years and was transferred to the New York branch two years ago. Tamura says Japanese promotion practices are focused on hiring and keeping the best people for the job, not on preferential treatment. "You have to under-
stand that people in Tokyo go through a tough training program," Tamaru insists. "We know that the person can do a good job."

By contrast, the traditional American way of preparing for a career seems deeply flawed. Tomaru says, "Americans work from nine to five and then they go to school at night." He adds, "Why so much school? There is nothing more important than training. Training, training, training. That is the most important thing."

**TALKING'S THE PROBLEM**

For Rust, the lack of professional opportunity for non-Japanese employees in Japanese institutions is not the only problem. "There are times that I clearly feel that I'm the outsider," he says. It may simply be the fact that junior employees don't interact socially with senior Japanese management or the fact that he doesn't speak Japanese. "I don't always know what they're talking about," Rust says. "The Japanese trend to be extremely subtle and very indirect. But, that's part of their culture." Rust says he misses the everyday interaction that is typically found at American banks. "For instance," Rust says, "at the end of the day you go out with your friends and drink. That isn't done here really, between an American and a Japanese worker, on a friendly, buddy-buddy basis. You know, where you commiserate about your job and who you hate and things like that," Rust laments.

For Rust and others, the lack of communication between Japanese and non-Japanese employees is frustrating. He does not feel that miscommunication is that much of a problem. "When they want me to know something, they do it without telling me. They can do it subtly, but I can understand it." Rust says at times a Japanese senior officer "simply doesn't bother to tell me and because I'm the one responsible for the account I'm the one who looks kind of silly and whose credibility is at stake as a result because I did not have that information." He says he finds that situation particularly frustrating because it makes it difficult to communicate a clear story to his customers.

Rust says he wouldn't necessarily discourage anyone from working for a Japanese institution. However he does have some words of wisdom for potential applicants. "Each Japanese bank has its own corporate culture. Sumitomo is as different from Fuji Bank as Citibank is from Morgan. If a person is thinking about working for a Japanese bank, they should not base that decision solely on what they've heard from people at Japanese banks," he suggests. Any last words of advice? "They should go to that particular institution and get a feel for what kind of corporate culture they're dealing with."
Tigers on the Pacific Rim
Four Asian Nations Challenge Japan’s Position as King of the Economic Jungle
By Gil Mazon
Charts and Illustrations by Alfred Assisn

Although Japan has been the focus of attention in the Pacific Rim, the Four Tigers—South Korea, Taiwan, Hong Kong and Singapore—have emerged as economic powers to be reckoned with. These four countries have been expanding economically at unprecedented rates, and many analysts predict that they will dominate Asia within the next 10 years. The Tigers will eventually be the heart of Asia’s $3 trillion market, which is growing by $3 billion a week.

But how can a country like South Korea, a nation of poor farmers ravaged by war nearly 30 years ago, have become a preeminent economic power and the top Tiger? Products like Hyundai cars, Daewoo computers and Samsung video recorders have opened up the doors to the global marketplace. Approximately 40 percent of these exports are shipped to American shores, making the U.S. one of the single largest contributors to South Korea’s GNP, currently rising at an annual rate of 8 percent. Between 1984 and 1989, South Korea had an annual growth rate of 8.64 percent, earning it the nickname of the hardest-working country on earth.

This work ethic has earned the wary attention and respect of its competitors, especially that of Japanese auto manufacturers. “The Japanese are deathly afraid of the Koreans,” reports Tokyo Business Today. “While the Republic of Korea usually gets lumped in with Taiwan, Hong Kong and Singapore, Korea is developing the strongest and most diverse economy of the four.” South Korea will be staking its future on automobiles, as Japan did in the 70s. Korea’s five automakers plan to double production by 1993, making them one of the Top Five auto-producing countries by the end of this century.

But automobiles are only one claw on this Tiger’s paw. South Korea is also home to the world’s largest steel plant and biggest dry dock. They have succeeded in stripping Japan of a sizable chunk of market shares in industrial products and are now charging ahead in the information era as Korean companies increasingly invest billions into the research and development of electronics. In 1987 South Korea’s electronics production reached $17.4 billion, up 44 percent from 1986, and at this rate it could become the largest part of their total manufacturing sector, even surpassing automotive industry.

South Korea, however, is not the sole Tiger in this economic jungle, as Taiwan
lurks close-by. This second Tiger, often called the Little Giant, ranks as the world's 12th largest trader. With exports of $110.3 billion in 1988, Taiwan's surplus grew from $1.8 billion to $10.9 billion during the previous eight years. Taiwan experienced an annual growth of 88.77 percent between the years of 1984 and 1989, keeping pace with South Korea. It would appear that the industrialized countries in the Pacific Rim cannot avoid looking over their shoulders. There is always another country behind them constantly providing a threat as they try to claw their way to the top. Unlike its conglomerate-dominated neighbors Japan and Korea, the key to Taiwan's emerging economy is its small business sector. In a country where eight out of 10 jobs depend on exports, the number of factories is over 316,700, a 1,000 percent increase since 1968. These small industries, which are capable of shifting gears rapidly in response to changes in market conditions, give Taiwan a distinct competitive edge in the fast-paced Pacific Rim where economic advantage belongs to the swift. While South Korea, Taiwan, and Singapore are still emerging as economic powers, Hong Kong is the only Tiger that already possesses an established economy. This British colony holds the Number Nine spot in buying power among Fortune magazine's Top 25 countries and is one of the great financial centers of the world. Hong Kong is a leading exporter of toys and textiles and has the world's secondbusiest container port. Although its annual growth rate is not as explosive as that of the other Tigers, Hong Kong flexed its stock market muscle with 26.84 percent growth from 1984 to 1989. TIES TO CHINA Hong Kong stands guard at the economic gateway to China's elusive 1.1 billion potential customers, accounting for 75 percent of its foreign projects and its biggest trading partner. "We are perfectly placed to provide the interface between China and the West," says Stephen Cheong, a Hong Kong politician. "We have the educated people, the technicians and the managers to tap China's resources and markets. This is our future role." China plays a crucial role in Hong Kong's developed economy as well and the two are mutually dependent on each other. Hong Kong needs to maintain its privileged access to China if it is to stay ahead of the other charging Tigers while China needs Hong Kong to keep pulling in foreign investments, 30 to 40 percent of which currently come from or through Hong Kong. Modern Hong Kong has been described as an artful combination of Confucianism and laissez-faire. But with all of the conveniences of Manhattan only a cloudy political future can slow or halt its progress. In 1997 the country will change from British to Chinese control, casting a shadow of doubt over the nation's economic future. The Chinese have promised to make Hong Kong a special administrative region so that businesses may still thrive while keeping the flow of hard currency coming into the mainland. The events in Tiananmen Square in 1989 have raised doubts and thousands have already emigrated to Canada and the United States. But still others are more optimistic, calling Hong Kong "the jeweled gateway to a giant dragon." Industries are moving in and trying to tap into China's vast population. Singapore joins the other Tigers with one of the highest living standards in Asia. It is a wealthy and well-educated city-state, 240 square miles with a population of 2.6 million in an area smaller than New York City. Its landscape consists of multinational manufacturers like IBM, Johnson & Johnson, and a total of more than 600 U.S. companies which account for most of the industrial complex that has turned Singapore into a high-tech mecca. The main attractions

**EXPANDING EXPORTS (IN BILLIONS OF DOLLARS)**

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A picture of burgeoning exports in the '80s. (Source: U.S. Department of Commerce)
for foreign companies have been tax incentives, factory space and quick governmental action, but the inexpensive labor has been especially enticing. Apple Computers says that labor costs amount only to 3 percent of manufacturing costs. As a result, two-thirds of the disk drives used in the United States today are made in Singapore. The citizens of Singapore owe most of their wealth to the foreign investors which keep them in the running with the other Tigers.

But the government of Singapore aids its entrepreneurs with tax breaks, low-interest loans and venture capital funds. By this strategy it is hoped that the business will stop "piggy-backing" on the backs of the multinational corporations. "Multinationals have no loyalty, no commitment to us," says Eddie Foo, the managing director of Sinatronics, a local electronics manufacturer. "To survive, we must develop our own firms, our own technology, our own marketing." Some executives and government officials say that within the next 10 years, the heart of Singapore's economy will be advanced technology which would be developed in, and by, the city-state. This may very well be proven right as China's crackdown against the students of Beijing, two years ago, has attracted more investments into Malaysia and Thailand countries for which Singapore is the gateway. This gives the already powerful city-state a new economic boost.

**EDUCATION IS THE KEY**

One factor in making these four East Asian countries so potentially powerful in the global economy is education. There is little argument that education gives the Tigers their competitive edge and in the West, particularly in the U.S., people tend to take for granted the Pacific Rim's commitment to education. In the U.S., 44 percent of Asian-Americans hold college degrees, compared with about 25 percent of the rest of the adult population. As the world begins to conform to the new economic order with the Pacific Rim in the driver's seat, it will be the countries that invest the most in education which will have the competitive edge.

The Four Tigers, with their economies growing at an accelerated rate which surpasses that of the Western hemisphere, will have an extraordinary need for well-educated people. In South Korea alone, more students attended schools for higher education than in Britain, and their education does not stop there. Firms provide on-the-job training for white-collar workers. About 36 percent of high school graduates go on to higher education and the great demand for an educated work-force has prompted the private sector to step in. Companies like Hyundai, Daewoo and Korean Air now own 80 percent of Korea's 256 universities. Education is what this Tiger craves. As South Korea cannot provide enough academics to satisfy their hunger, students are sent to study abroad.

Taiwan faces the same educational challenge, and more than 7,000 Taiwanese students go abroad to study each year. The dilemma is that on the average only 22 percent of these students return. Taiwan has sent approximately 100,000 students to the U.S. for graduate degrees and of the 10,000 who earned PhDs, 85 percent have remained in America. Despite this brain drain, Korea's and Taiwan's commitment to education exceeds or matches that of every developed country, with the exception of North America and Japan.

As the Pacific Rim countries continue to attend to their vast educational needs, they will increasingly reach out to the West in search of schooling ventures. According to the U.S. State Department, 39 percent of all foreign students in the United States are from East Asia and this will provide the U.S. with an opportunity to extend their influence on the region. With the richest mix of ethnic...
and racial groups in the world, no other country is better positioned to capitalize on the Pacific Rim than the U.S. This advantage is further emphasized by the fact that English is widely accepted throughout the Asian countries as the language of business.

STAYING IN STEP
Still, education alone will not keep America in a competitive position with the East. The U.S., and other Western countries for that matter, will have to become much more aggressive exporters if they are to profit from the expansion of the Pacific Rim. “American businessmen are not aggressive in taking advantage of our natural favoritism toward American products,” says John Ni of Taiwan’s Industrial Development and Investment Center. While Americans are quick to lament the East’s growing economic power, they are slow to realize the silver lining. Opportunities are there, with the economic development of the Four Tigers creating new markets for Western products and services, but vendors have to be willing to learn how to deal with the East.

Efforts by the U.S. to increase business with the East are nevertheless under way. America’s West Coast states are an important part of the Pacific Rim’s network. California alone, when measured apart from the rest of the U.S., has the world’s sixth-largest economy and is America’s biggest player. It has averaged an astounding 10 percent growth for the past five years and about 35 percent of all trade between the U.S. and Asia passed through California ports. With over $18 billion in trade, 80 percent of which is with Pacific Rim countries, California has become America’s undisputed gateway to the East.

Washington state is also beginning to exploit the commercial opportunities of its location on the Pacific Rim. Seattle has a 36-hour advantage in shipping over Los Angeles which the city is using to become a fashion headquarters. “We are the closest port of call in the U.S. for Oriental imports, which helps tremendously,” says Carol Jones, vice president of merchandising at Code Bleu. The performance of both California and Washington could very well be indicators as to how well the United States manages the economic opportunities in the East.

Fortunately, the economic explosion in the East does not pessimistically imply the decline of the Western marketplace. While the Four Tigers are hungrily looking for a place to sharpen their claws, the American economy can provide the scratching post they need while at the same time gaining some powerful allies that can revitalize its economy. “There should be no doubt that the Bush Administration is committed to a long-term effort at enhancing Pacific economic cooperation,” says Richard H. Solomon, Assistant Secretary for East Asian and Pacific Affairs, testifying before the Senate Foreign Relations Committee. “America’s future lies in the Pacific.” The U.S. has already made investments in East Asia in excess of $33 billion, accounting for 23 percent of all overseas profits earned by American corporations, and these figures will continue to rise in the coming years.

The Tigers have demonstrated that poor countries can develop, even without abundant natural resources, so long as they invest substantially in its human resources. This is a lesson that should be well learned by the rest of the world. “Asia’s surge should hold no fear for the West,” reports The Economist. “Its exports will mean cheaper, better goods for consumers to buy. Its growing affluence will mean growing markets for other countries to sell to. Its escape from poverty and war-rubble should lift the spirits of man and serve as guide and inspiration to those left behind.”

MAY 1991
It was a sun-lit Friday morning last October 4th, when about 250 people gathered on the corner of 31st Street and Broadway in Astoria, Queens. Wearing an elegant flowing robe and holding a cross in his right hand, Archbishop Iacovos of the Greek Orthodox Church led the crowd. This was neither a wedding ceremony nor a christening, but the blessing of the ground, officially opening Interbank of New York.

The opening of Interbank, in an area where the competition among Citibank, Manufacturer’s Hanover Trust, Astoria Federal, Chase Manhattan, Apple Bank and two other banks is high, has many residents of Astoria doubting the new bank’s chances of success.

Oscar Salcedo, 24, a waiter, says that he sees no prosperous future for the new bank. Salcedo works at Oyster Bay Catering adjacent to the new building. He looks at the bank lobby while it is being decorated with flowers and tiny pine trees and comments, “At a time when the economy is going down the drain I wonder where people get the courage to open a business.” He concludes, “Personally I see them out of this block very soon.”

Sitting behind her large desk, Julie Papas, the bank’s
director of community affairs is not about to be daunted by all this pessimism. She says, “The bank is doing fantastic and we owe that to the community which has been very receptive.” According to Papas, the bank’s founders were aware that opening a business at a time of recession would not be an easy task, especially in an area filled with aggressive competitors. But as she points out, “The founders had faith in their expertise in business and made the big step.”

SERVING THE COMMUNITY
As a full-service commercial bank, Interbank offers longer hours than other banks in the area, a neat ploy to outmaneuver the competition as their hours are dictated by tradition. Open 7 a.m. to 7 p.m. Monday through Friday and 10 a.m. to 2 p.m. on Saturdays, Interbank is making a hurried dash for customers. Their main competitors have no Saturday hours. And some of the bank’s special services include business loans, savings accounts, special international accounts not subject to United States taxes and accounts designed for clients over 50. “Interbank is dedicated to offering clients a better kind of banking relationship,” says Papas.

Papas does not deny that the bank is sitting in the middle of the Greek community. She admits that being owned by Greeks makes Interbank appealing to the Greek population of Astoria. “We try to make people feel at home by being able to communicate with them,” she says. According to Papas, the aim of the bank is to reach all the ethnic groups that reside in the area. Advertising in local Greek and non-Greek newspapers has been management’s tool to enhance the bank’s image. “As a matter of fact, the first account was opened by a Jewish lawyer,” says Papas.

Papas believes that Interbank has already established itself as a community bank. But Joseph Celestino, owner of Kee’s Golden Pheasant, a neighborhood catering establishment, disagrees. “Listening to people, I don’t think they view Interbank as a community bank.” He says that the bank’s advertisement and promotion did not have a dramatic impact on the community, and for that reason Interbank is not viewed as a community bank.

“People are saying it is a Greek bank,” declares Celestino. “All the Greek vendors are going to put their millions in cash and send it back home. Greeks own it, Greeks work there, Greeks speak Greek. So everything about Interbank is Greek. That’s what they are saying.”

One block away from Interbank, Terry Scarlotos, a banquet manager and a respected member of the community, asserts that Interbank will succeed not only because it is located in Astoria, where most Greeks have their businesses, but also because the bank does a lot of European business. “That’s one of their biggest advantages. The other banks do not do as much European business,” Scarlotos remarks.

Scarlotos says there is always the possibility of doing business with Interbank if their interest rates are more favor-
Survival in a Saturated Market
The Story of a Corporate Makeover

By Christine Barber

For the folks at Knoll International, the prestigious New York furniture manufacturer with a design heritage spanning more than 50 years, these have been times of rapid change. In August 1990, Westinghouse Electric Corporation, the $15 billion electronics and media giant, acquired the privately held company for $200 million. The purchase, Westinghouse's third move into the office furniture industry in the last two years, catapulted the company to the Number Three spot in the industry, just behind Michigan-based leaders Steelcase and Herman Miller.

Westinghouse is not a new player in the dynamic but now mature market. Back in 1961, the firm acquired Architectural Systems, of Grand Rapids, Michigan, which manufactured movable floor-to-ceiling partitions. During the '80s, when the industry enjoyed double-digit annual gains, the company moved aggressively into office furniture systems, becoming Westinghouse Furniture Systems. It also acquired Shaw-Walker, of Muskegon, Michigan, and Reff, of Toronto, Canada, to become The Knoll Group. Today, this corporate melting pot of four unique furniture manufacturers, each with its long and distinctive history, sets the style for the environment in which we work and live.

"The Knoll Group was created to blend and remodel the component organizations into a single entity with greater strength and potential than the parts," says Maurice C. Sardi, CEO of the Group. Sardi intends to take advantage of the unique strengths of the member companies. The powerful design influence of Knoll International, the technological and organizational systems of WFS, the metalworking specialties of Shaw-Walker, and the woodworking skills of Reff will prove a formidable combination in an industry that is experiencing upheaval as a result of flat sales over the past few years. In fact, several players in the $8 billion-a-year industry have sought bankruptcy-court protection amid severe price competition.

"We're having the biggest shakeout the office furniture industry has seen in the last few decades," says Alan Zimmerman, president of Radley Resources, Inc., a Westfield, N.J. research and consulting firm. "The biggest companies will survive and there's room for the smaller, niche players. Being medium-sized is the worst thing you can be now," he warns.

Before the acquisition, that's precisely where Knoll was positioned. Despite a change in strategy intended to broaden its product lines, the company's high-style corner of the market kept it from entering the big leagues. Until 1990, the company had been content to rest somewhere in the middle of the Top 10. But that's history now. Westinghouse believes that office furniture has a big future. Combining an annual forecasted growth of 8 percent in the U.S., with Knoll's strong European presence, the
conglomerate now has a shot at challenging the top player, Steelcase. “I want us to be much bigger,” Sardi says, “There’s ample room for two Steelcases.”

GETTING ORGANIZED

“The Knoll Group will strive to be the premier global office furnishings company providing products of superior design and technology, with people dedicated to delivering the highest quality, value and customer service to clients seeking excellence in their work environments,” promises Sardi. This is going to take some strong leadership, and given the competitive nature of the market, the prescription for success demands excellence across the board.

To make certain that this vision isn’t just empty words, Sardi has surrounded himself with a team whose members bring solid credentials, real commitment and demonstrated accomplishment in their respective areas. The best senior executives from each of the four furniture companies and Westinghouse were selected to form a consolidated management squad.

Russ Nagel, who joined Westinghouse in 1961 as a junior industrial engineer, and became president of WFS in 1984, is one team member. Two years ago, under Nagel’s leadership, WFS was named a finalist in the prestigious Malcolm Baldrige National Quality Award competition, joining the ranks of firms like Ford Motor Company. Now president of operations, manufacturing and quality for The Knoll Group, Nagel is optimistic about the new venture. “This is probably the single most important opportunity in my career,” Nagel says. “The strength of Westinghouse’s technology and reputation for customer service are qualities I see helping us to expand.” As a result of the consolidation, Nagel now oversees the operations of 20 manufacturing locations worldwide.

STAYING IN STYLE

While quality and service are necessary for success, the industry still remains design-driven. Architects and designers influence the majority of buying decisions. With projections for growth being greater in Europe and the Far East than in North America, it makes sense to have a design-driven organization with a strong global presence enter into the equation. And Knoll International fits the bill. Besides North America, the new organization now has product design and development facilities in France, Italy and Taiwan. It intends to continue consulting with world class designers to address the needs in all areas of the global market.

“Design has been declared the business buzz-word of the ’90s,” says Donald M. Rorke, long-time Knoll design executive. Rorke has been appointed by Sardi to head the Group’s worldwide design and product development activities. “Heads of major corporations throughout the United States have finally recognized that design has been the missing link in American competitiveness,” Rorke adds.

Capitalizing on a track record of bringing new and innovative designs to the market with compressed lead-times, Rorke looks forward to continuing this tradition by taking advantage of new relationships brought about by the merger. Knoll now has access to resources made available to them through the parent corporation, such as the Pittsburgh-based, Westinghouse Science and Technology Center. WST employs over 1,200 scientists, engineers and support personnel with more than 200 PhD’s in a broad range of technical
areas. And with all the major competitors scrambling to be the first to introduce the “office of the future,” WST could prove to be a winning asset.

But the design community is expressing concern about the merger, fearing that Knoll’s superior tradition may give way to a generic image. “We’ve always liked Knoll for their high style and good quality, and Westinghouse is something I think of as low budget, and not a company I would suggest to a client,” said Jacqui Koffler, director of design for Eustis Design, Inc. in Massachusetts. “I want the product to remain Knoll, and look like Knoll.” While this is a salient point, in a saturated market aesthetics are not having much impact on the bottom line.

**GREATER IN THE FUTURE**

Throughout the ’70s and early ’80s, the office furniture market was expanding at a consistent growth rate of 15 percent per year. Corporate America had embraced the open plan office, and furniture design revolved around the personal computer. But Knoll International did not seriously compete for the open plan market until 1986, when it introduced the panel-based Morrison System, designed by Andrew Morrison. As the workplace evolved, moving from open plan to team environments, Knoll responded by introducing Morrison Network, a free-standing addition to Morrison System that was designed and engineered in only 14 months, as opposed to the traditional three years.

But even exceptional design and shortened lead-times weren't enough to overcome the competitive nature of the industry. “Unfortunately, most manufacturers compete on price and distribution, not style and function,” says George Wilmot, director of advanced research for Knoll. “Faced with this kind of competition, Knoll will have to be creative in meeting the needs of the marketplace.”

Given the broadened scope of the Group, Knoll is best situated to bring products of all kinds, in all price ranges and with different design orientations to the market. “We’re going to put it together, and we’re going to put it together right,” vows Nagel.

“Make no mistake,” says Sardi. “This is not an example of a large corporation gobbling up smaller companies for stockholder gain. This is the result of an exhaustive three-year effort to select—with great care—a group of companies with complimentary, yet clearly differentiated strengths in order to craft a new company—one that is significantly greater than the sum of its parts.”

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**Mies van der Rohe’s Barcelona Chair**

A still popular classic, combines leather and chrome for comfort and elegance.
Guardian Angels of the Environment
Greenpeace Action Cleaning Up the City’s Act as Well as the World
By Michele Lariviere

When people fly or sail into New York, the world’s greatest city, the first thing they see is the garbage—literally a mountain of it. Fresh Kills, Staten Island’s now notorious dump, is set to become the highest point of elevation on the East Coast and visible even from space. Greenpeace Action is working to keep it from happening.

Greenpeace Action is a non-profit but tax-paying, political-lobbying arm of its more famous international sister, Greenpeace. Like the legendary Atlas, these guardian angels of the environment carry the globe—many say a sick one these days—upon their shoulders. Their concerns embrace, in addition to Fresh Kills, nuclear disarmament, the destructive effects of tuna fishing, deforestation, global warming and the deterioration of the ozone layer. They are even on the lookout for the export of hazardous wastes to the Third World, a practice now known as “environmental racism.” If these advocates for the earth have their way, the entire continent of Antarctica will one day become a World Park.

SAVING THE APPLE

In the City, Greenpeace is working on issues concerning the storage and disposal of solid wastes. Incinerator projects at the Brooklyn Navy Yard and on Long Island’s Oyster Bay are currently being fought. The organization prefers the Action Garbage Prevention Plan, which will halt all burning, promote recycling and composting, and develop markets for recycled materials. The AGPP would reduce the size of disposal at landfills such as Fresh Kills, where up to six million tons of waste is piled up annually, and eliminate the dumping of oil, toxic chemicals, resins, pesticidal and industrial wastes, including material contaminated by low-level radioactivity. This would prevent the future inhabitability of landfills.

In an historic move, New York implemented mandatory recycling in July 1989. To date, 29 of the 59 community boards in the City are participating, with the remainder expected to join by 1993. “Implementation is based on population density within each board, going from the most densely populated to the sparsely populated,” says Deborah Rodriguez, community coordinator for the Recycling and Planning Division. But Robert Stagnita of New York City’s Sanitation Department thinks that all of the boroughs are already involved in some form of recycling of newspapers, magazines, flat and corrugated cardboard, metal, glass and bulk objects like refrigerators. Greenpeace is not impressed. By their estimates, only 40 percent of the City will be in the program by 1997. They have noted that $2.7 million budgeted for an intensive recycling program was recently cut-back, while $150 million was approved for retrofitting existing incinerators and building an ash landfill.

Another worry is nuclear waste. In June 1990, the Nuclear Regulatory Commission reclassified low-level radioactive wastes as “below regulatory concern.” The ruling allows some radioactive wastes to be used in consumer and industrial products and to be dumped into ordinary landfills like Fresh Kills and those in nearby New Jersey. Greenpeace is lobbying against this and similar types of legislation, seeking a return to increased levels of pollution “control.”

At the same time, Greenpeace Action is pushing the idea of waste “prevention,” so that the present levels of industrial hazardous wastes will be held, or even rolled back. The use of “clean” materials and “safe” technologies is on their agenda. A ban on Styrofoam and other plastic packaging, both toxic in its production and non-biodegradable and difficult to recycle in use, is being pushed. Roughly 60 billion pounds of plastics are produced in America annually, most of
which makes its way to the nation's dumps. Most will stay there well into the next century.

**SAVING THE APPLE BARREL**
The concern for the earth's future has taken Greenpeace to Argentina, Australia, Austria, Belgium, Canada, Costa Rica, Denmark, Germany, France, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Spain, Sweden, Switzerland, the United Kingdom and recently to Japan and the Soviet Union.

Greenpeace began in 1971, in British Columbia, Canada, when a small group gathered to oppose nuclear testing in Amchitka Island, Alaska. Thirteen people risked their lives to stop a proposed above-ground nuclear test. A few months later the United States did halt above-ground testing. While still done below ground in Nevada, for the past 20 years Greenpeace has been advocating a permanent ban on all nuclear testing.

But the '80s passed with the United States consistently ignoring the call for an end to testing when in fact American leadership is vital. The United Kingdom and France have indicated that they would halt testing if the United States stops. Hopes were again dashed in January 1990, when the Bush administration broke a long-standing promise to re-open negotiations for a Comprehensive Test Ban Treaty. But 41 nations have decided to circumvent Washington by convening a special meeting of signatories to the Limited Test Ban Treaty during which a ban will be sought and applied. The United States has elected to veto the move, placing the Bush administration squarely in the way of a permanent end to nuclear testing on earth.

Greenpeace is currently working with the United Nations on the treaty. In 1989, 250,000 signatures were collected in hopes of creating sufficient public and political pressure to support it. A major target is the 15,000 nuclear weapons and the 500 nuclear reactors deployed at sea. Another target is the Trident II missile program. A test flight was successfully delayed on one occasion in 1989 by Greenpeace. Also singled out for action are nuclear arms races — like that between the U.S. and the USSR, and India and Pakistan, which can be ended by discontinued production of plutonium, uranium, and tritium. Greenpeace supporters hope that money will be devoted to the environmental restoration of the polluted bomb factory areas, rather than new production.

**GREEN CONSUMING**
Public pressure is already beginning to have its impact. McDonald's dumped its use of styrofoam in 1990, and StarKist, Bumble Bee and Van Camp promised to can only “dolphin-safe” tuna. Japan, meanwhile pledged $6 million to Malaysia for replanting their forests from which 543.4 million cubic feet of logs were hauled in 1989. Japan imported 40 percent of this harvest. But a lot more has to be accomplished. More consumer pressure will decide the outcome.

The real key to progress is, according to most experts, developing markets for environmentally safe products. Unfortunately they cost more. New packaging on any broad scale must rely on the type of market which all but socially conscious and public-spirited corporations will avoid. The widely held perception of business is that as most of the environmental destruction is out of the sight of the average consumer, there is no need to worry. One study conducted by Amitai Etzioni of the Harvard Business School reveals that two-thirds of the Fortune 500 have been charged with serious crimes. The illegal dumping of hazardous wastes is a frequent violation. “And these are only the ones that have been caught,” Etzioni admits.

Ever the optimist, James Hansen, of Greenpeace's Educational Outreach Program, hopes that the consumer will eventually convince corporations of the desirability of “green” products. Hansen
predicts, "The '90s will be an era for 'Green Consuming.'" Debra Lynn Dadd, editor of The Earthwise Consumer, agrees, "But navigating the misleading claims of opportunistic advertisers will be one of the difficulties facing the buyer intent on 'ecologically correct' shopping."

A large number of buyers are already aware. A 1989 survey by the Michael Peters Group of New York City shows that 89 percent of consumers are concerned about the purchased product's impact upon the environment. And 78 percent of them are prepared to pay more for biodegradable or recyclable products, or goods with environmentally-conscious packaging. But as Hansen observes, the key is to reduce consumption and here the consumer wields power. If Americans were to become as energy-conscious as Europeans and Japanese, an estimated seven million barrels of oil could be saved daily. At today's market prices that is $55 billion annually. By application of a multiplier effect Greenpeace's estimate tops $200 billion.

**PEACEFUL OBJECTIONS**

The indifference of corporations and nations is undiminished. But Greenpeace's determined crusade shows signs of growth. Often invoking the legacy of Gandhi, they stress non-violent, non-destructive protest. "Other environmental activist groups may damage whaling vessels or destroy the drift nets which are killing the dolphins in order to stop it. We are not willing to do that. We feel it would be dropping to the level of the people who are killing and poisoning the earth," declares Hansen. "We will not do anything which is violent or destructive, because using methods which hurt the earth are not going to solve the problem," he adds.

Non-violent they may be, but compromising they are not. "We will not meet with the government or legislators half-way regarding earth and its problems, such as nuclear testing, toxic waste, and so forth," says Hansen, adding, "Earth has rights."

So strong is the faith that members will block a pipeline dumping wastes into water or bar the doors of an incinerator or even climb smoke stacks to prevent the burning of garbage. They put out to sea and dive to document the damage wreaked by drift nets—it is estimated that the 30,000 miles of nets deployed by Japan, Taiwan and South Korea nightly to catch tuna destroy 800,000 seabirds and 120,000 dolphins, whales and seals annually. One member was even martyred in New Zealand in 1985, when the ship, Rainbow Warrior was bombed by the French Secret Police.

Members are constantly arrested for civil disobedience, something which Hansen sees as harassment. Undaunted, Greenpeace continues to trudge through the sludge of the 20th century. "Big business feels comfortable dumping toxic chemicals which they know are harmful to the environment as long as their next earnings statement makes the shareholders happy," charges Hansen. "But no more." The change in thinking at the top of corporate America's pyramid is already beginning to be felt, judging by the amount of rhetoric being handed down by CEO's at Dupont, McDonald's, Sara Lee and other major firms. This has prompted an even more strident tone on the part of the environmentalists. "The entire environmental movement has finally admitted that business-as-usual cannot continue if we are serious about preserving the ecological integrity of the planet," adds Andrea Corothers, editor of Greenpeace Magazine.

The task often seems futile, and at times undervalued, as the organization has at times been called too cultish in temperament, and even Communist and fascist. But Greenpeace can find solace in the fact that it has been nominated to date for two Nobel Peace Prizes for work toward nuclear disarmament. Keeping its eyes on the prize of a better and ensured future for the world, Greenpeace hopes it's still dawn in the history of man's environmental consciousness.
CAPITALISM WITH A CLEAR CONSCIENCE

The Body Shop's Secret Formula for the Sweet Smell of Success

By Benjamin G. Sawyer

If you plan on taking a job with The Body Shop, be prepared to serve dinner to the homeless on a soup line, work in a senior citizens home or help out children with cancer. The Body Shop, a fast-growing chain of cosmetic stores, requires all of its employees to do community service.

The Body Shop is not your average employer. Started in England in 1976 by Anita Roddick, the store has received a great deal of attention because of its unorthodox practices. Today, the Body Shop spans the globe with over 560 stores in more than 37 countries.

The name Body Shop is probably more synonymous with words like environmentalism and recycling than with business and profit, which was $15.3 million for 1990. This is largely due to the way The Body Shop does business.

Since its inception, Roddick has made her business a part of the new world community. The Body Shop has successfully broken down many of the barriers that exist between business and society. For example, The Body Shop's trade program works out deals with Third World countries to manufacture certain items at Western wages.

The employee community service requirement is just another part of overall corporate policy. Each store adopts a project for the staff of that store to take part in. It concentrates on that project throughout the year and coordinates with employees all of the time they need to fulfill the task. Recent projects include day care for handicapped children and makeovers for pregnant and abused teens. Body Shop employees have also participated in environmental cleanups and some have been counselors at a camp for children suffering from cancer.

In addition, employees have participated in company-wide events such as last year's AIDS walk and this year's AIDS Dance-a-Thon. With more than 560 stores and a workforce of over 5,000, that adds up to a lot of helping hands.

The requirement is first presented to employees when they apply for a job. By stipulating this as a precondition for employment up front, it becomes legal grounds for not hiring or firing if the applicant exhibits little interest in participating. The whole process works as a screen against the less motivated applicants.

The community service program is also part of a multitude of projects that contribute to an estimated $3.5 million worth of free advertising. The Body Shop gets almost all of its exposure through the media from its high-profile community service and pro-environment campaigns. Roddick is usually asked more questions about her social-environmental views than her retailing expertise.

Workers are highly motivated when they are employed by a company that has a healthy social conscience. "I definitely feel The Body Shop is more in tune with my ideals than other stores," says one Body Shop employee, "which makes me enjoy working here." It is a philosophy of "thinking globally and acting locally," a Body Shop statute that many employees follow.
Body Shop employees view the community service requirement as an extra incentive. Erica Sawyer, a worker for over a year, says, "It is something that I always meant to do, but with school and work you never actually do it. The requirement makes sure you go out and do something."

Most workers are young and handling school and the job at the same time. There is time for scheduled community service by replacing some of their regular hours with community service, in effect, they are being paid for performing their community-oriented task.

The program is such a success that many Body Shop workers do not ask to get paid, and some increase their involvement on their own because of the introduction. As Sawyer notes, "Working on the soup line made me more aware of the problems out there. I knew about them, but it was still a shock."

However perfect the program seems there are some drawbacks. Several stores have difficulty finding suitable projects for their staffs. Choosing can be a problem because there is a certain amount of training needed in learning how to deal with some of the situations that may occur. One project which involved terminally ill patients was scrapped because of the emotional difficulties involved. Coordinating can also be a problem as the 20 percent attrition rate for employees means that turnover can hinder a project's progress.

Other companies with high social standings like Ben and Jerry's and Patagonia have taken notice as well and have shown interest in setting up their own programs. Many companies have seen the light on the ledger about being pro-environment, and the companies that were there from the beginning are moving on.

As multinationals expand globally and take on larger workforces in all parts of the world, they are increasingly becoming more than profit centers. Companies are learning that doing business not only involves earnings, but also community involvement.

Good workers are becoming harder to come by and motivating them is even harder. The Body Shop community service program solves this problem in a unique way that benefits all. If past history repeats itself, more companies will see the benefits of community service programs.

It is no secret that there is a lack of volunteer workers in the world. The Body Shop is doing its part to rectify the situation.
Cereals are an American breakfast tradition, and the Kellogg Company is the institution most readily identified with the morning rite. When the Michigan-based producer realized its market share was declining in the overflowing ready-to-eat cereal market in the mid-'80s, it aggressively countered its main competitors, General Mills and Quaker Oats, by pouring an unprecedented new range of products onto the display shelves. Sales that year increased 4 percent in the $5 billion cereal market.

While companies use product differentiation or lowered costs to compete, Kellogg integrated both methods to gain five market share points between 1982 and 1988. Their strategies included expanding product range, offering health cereals to adult consumers and increasing investments in advertising and point-of-sale displays. The key to Kellogg's climb out of a soggy market was Mueslix, an improved granola with a European heritage.

Although Kellogg was still market leader up to 1987, its product menu was limited. That same year, the cereal giant served up Mueslix, Nutriflic (a combination of barley, bran, almonds and raisins) and Pro Grain (a honey-coated multi-grain mix), among other product line extensions. The response was immediately positive.

"The competition in 1987 was more aggressive than ever before," says Mike Simpson, executive vice president of marketing and sales. "Yet it was one of the best years we've had in the past five." Sales shot up 14 percent, and earnings increased nearly 24 percent, almost double the performance in recent years.

CRISPIER PRODUCTS
Mueslix entered the lists against 100 other cereal brands. It faced stern competition in the adult cereal category. Kellogg's plug was that consumers needed a super-premium cereal, and they came up with a European "muesli" mix of fresh fruits, nuts, and whole grains. The producers even believed that a European heritage would help sell the product to upscale consumers, much the
same way yogurt and croissants have captured the American shopper.

The move was timely. In the late '80s there was an enormous surge in demand for cereals that could help reduce the risk of heart attack. Young adults are obsessed with getting rid of high-fat, cholesterol-ridden breakfasts, and think they need a tastier way to get more fiber, the prescribed cure-all.

Mueslix’s debut, however, was not accidental. This time Kellogg did their homework on consumer eating patterns, their competitors, demographics and research and development. In the five year period up to 1987, R&D was increased from $20 million annually to $40 million, just over 1 percent of sales.

The new approach contrasted with the company’s traditional way of producing flat out rather than determining the shift in buying patterns. As one former manager describes the old process of product introduction, “They’d line up 10 cereals and vote on which one to launch, as though they were voting for America at large.”

So Kellogg found themselves in a super bowl of cereal success. Even with competitors rushing 97 “health” brands to supermarket shelves, Mueslix immediately captured 1 percent of market share. This was a commendable performance considering the stalwart Frosted Flakes commands 6 percent. No doubt, the box’s appeal to the consumer did the trick. “Enjoy the natural abundance of good things, with a new improved taste, and crispier, lighter texture,” it urges the health-conscious but hungry breakfast eater.

KIDDING THE ADULT CONSUMER

Marketors of breakfast cereals have a history of promoting products having nutritional value. In fact, the milk often enhances the protein and calcium content of the meal. Mueslix, a mixture of oats and at least four other grains, tops its competitors with three grams of protein per serving. This gives it the clincher in terms of “health” food ratings.

In the past, Kellogg spent $15 to $20 million introducing new products. For Mueslix they hired J. Walter Thompson, Chicago’s advertising giant, to lead the charge with a $33 million television and coupon campaign. “That’s the secret—to be sure that we have the right kind of advertising and enough of it,” says Kellogg’s Simpson. The campaign was both an investment in Mueslix and the other closely related Kellogg’s products that consumers may buy at the same time.

On the supermarket shelf, visibility is important. Kellogg’s command of shelf-space and its widened range of products is crucial. Cereals can be displayed at adult eye level and children grabbing level.

Lower pricing and Kellogg’s 100-year reputation for product excellence are also vital. The box of Mueslix appearing on shelves is more than two ounces heavier and 34 cents cheaper than its rivals in the premium priced market.

WINNING THE COLD CEREAL WAR

Kellogg’s success has spurred the whole cereal market to scale new heights. By 1990, sales are expected to top the $7 billion mark, reflecting a steady growth in excess of 10 percent since the mid '80s. The 25-to-40-year-old group of health-conscious consumers are largely responsible for the market’s revival.

Kellogg’s increased market share is not only due to Mueslix’s crisp debut, but to the continued positive performance of traditional breakfast favorites like Frosted Flakes, Rice Krispies, Special K, Fruit Loops and Corn Flakes, none of which lost a share point up to 1988. In fact, Kellogg’s overall marketing strategy enhanced their reputation.

With its product range and a growing market, Kellogg’s future seems sugar-coated. Competitors keep pouring into the market, but with this American institution financially strong and stable, new brands will find the breakfast table pretty full. “We know more about ready-to-eat cereals than anybody else,” asserts Kellogg’s Mike Simpson.
Harley Davidson Tops the Bike Market Once Again

By Boris Loach

Remember those chrome-plated Harleys of the '60s? The ones with the coffin-shaped tanks, sissy bars, cow-horn handles, lengthened swing-arms, cafe-racer cowlings and all-into-one straight-pipe muffler systems whose thunder irritated conservative America long after the bike had roared over the horizon? Today's image of the Harley is one of spit and polish rather than defiance, and the manufacturer of the "King of the Big Bikes" is once again an industry leader.

Harley rebounded by revamping its heavyweight division, and expanded to produce recreational vehicles, specialized commercial vehicles, riding apparel, motorcycle accessories and replacement parts. The one-time symbol of revolution has become a defense contractor, manufacturing artillery shell casings and rocket engines.

Not only has the company's image been refurbished, they have captured over 60 percent of the motorcycle market. While retaining their traditional clientele, those Hell's Angels types, the bike now sports beaming CEOs and Hollywood celebrities. Indeed, Jay Leno and Mickey Rourke are part of the new Hog pen, which also included the late Malcolm Forbes, the ultimate capitalist.

SLAUGHTERHOUSE MARKETS
Production at Harley was steady through the last three decades, but by the early '80s the firm's reputation was hurt by leaky, unreliable bikes and sinking market share. Improving quality was a must if a new generation of riders was going to be added to the loyal, and mechanically inclined, blue-collar buyer. In 1983 Harley introduced the evolution engine, an improvement on the V-twin. Dependability was necessary to challenge the Japanese invasion.

The Japanese were not major producers of bikes at the end of World War II. Yet by the mid '70s, Honda, Yamaha, Suzuki and Kawasaki were mounting a stern challenge. Their bikes were lightweight, simple and fast, many powered by two-stroke engines rather than the complicated four-stroke.

The strategy was to grab this lightweight motorcycle market, a segment largely ignored by Harley. The Japanese stepped up their invasion by flooding the market with bikes that sold at less than fair market value. Finally, they went head-to-head. By 1982 the International Trade Commission ruled that a massive buildup of unsold Japanese heavyweight motorcycles in the U.S. posed a serious threat to Harley. The ITC recommended to President Reagan that temporary tar-
siffs be imposed on imported motorcycles that were 700cc’s or bigger. They believed this would allow Harley to recover from its decline and mount a counter strategy to the Japanese surge.

The tariffs were introduced in 1983 on all motorcycles 700cc’s or bigger effective for a five-year period, at annually declining rates of 45, 35, 20, 15 and 10 percent. Harley didn’t want to categorically prevent free market competition. According to Vaughn L. Beals, chairman and CEO of Harley, “We simply wanted the U.S. government to restore order to a motorcycle market under siege by Japanese manufacturers who increased production in the face of sharp market decline.”

The Japanese quickly countered by reducing their 750cc engines to 699cc’s, evading the tariff without weakening the power of their heavyweight models. The media dubbed these bikes “tariff busters.” The ploy was not wasted on Harley. Jeff Bleustein, Harley’s senior vice president, says, “The Japanese are just better managers than we are and they understood how to do manufacturing a hell of a lot better, with less inventory and much higher quality. It took us seven years to understand that.”

On a trip to Japan he discovered only 5 percent of Japanese machines coming off the assembly line failed to pass inspection, compared with 50 to 60 percent of Harleys. The amount of Japanese production needing additional work between the end of the assembly line and the beginning of the crating line was two to three hours, compared with two to four days at Harley. Finally, the Japanese productivity was 25 to 35 percent higher than Harley’s. The company had to make some serious changes.

GETTING OUT OF THE MUD

The turnaround was focused on long-term returns. Management began listening to employees and giving them responsibility for improved quality standards. “I think that change in attitude from the top down is what changes a lot of people’s attitudes on the job. It’s been made painfully clear to us we have to do this to make our products more reliable. More leakfree. More noise-free. Make our customers happy,” says Tom Romoser, Harley’s senior manufacturing engineer.

Another problem was that dealerships were catering exclusively to hard-core Harley loyalists. Stores were run down, and many were not located on Main Street, either. Riders of Japanese brands were treated with contempt and potential trade-ins were lost. Anthony Richards, a Hempstead, Long Island Harley dealer, even told customers to take their “Jap Crap” down the street. “I’ve lost customers by not welcoming them, and insulting them for owning a Japanese bike,” he candidly admits.

Harley stressed respect, and stores were modernized to cater to men and women. Accessories and stylish leather clothing appeared on the shelves. The only factory-sponsored motorcycle fan club, the Harley Owners Group, was formed in 1983. Now numbering 100,000, they too played a significant role in the company’s revitalization. As Jim Paterson, president and chief operating officer, says, “Going to rallies and mixing with our customers has more value than you might initially expect. You begin to understand how important the motorcycle is and how important the motorcyclists are. They come from all different upbringings and different financial resources. But at a motorcycle rally, everyone’s part of the same family—sharing their love for motorcycling and life in general.”

Harley’s characteristic togetherness is best demonstrated at their fundraising activities for the Muscular Dystrophy Association. At rallies sometimes attended by 35,000 riders the company has to date raised $7 million.

Harley also aggressively diversified into the commercial and recreational...
vehicle market. They recently acquired Holiday Rambler, another manufacturer, of which Richard Teerlink, chief financial officer of Harley-Davidson, Inc., says, "We found Holiday Rambler to be a natural fit because it is in a closely related industry and because of the many similarities it has to Harley. Like H-D, Holiday Rambler is a manufacturing-intensive, leading producer of premium quality recreational vehicles."

The company also revved up overseas markets. They believe that their best opportunity for diversification is through exports. As a result, their markets have grown by 22 percent in France, 41 percent in England and 32 percent in Australia since 1988. A strong export market will assist Harley's survival if there is a recession in the U.S. economy. Harley had climbed out of a quagmire.

AN EAGLE SOARS
Harley's image as a sturdy, powerful, macho bike for the open road and a bike for driving through brick walls has been 90 years in the making. The Battle Creek company was established in 1901 by William S. Harley, a bicycle maker, and Arthur Davidson, who made patterns for small gasoline engines. They were later joined by Walter Davidson, a mechanic, and William Davidson, a talented tool maker. In 1903 the company turned out a staggering total of three motorcycles from which a legend was born.

The company was privately held for more than 60 years. It went public in 1965 and merged with the American Machine and Foundry Company in 1969. The marriage provided continuing growth and resource availability as the manufacturer entered the '70s. Before 1969, production topped about 14,000 units a year, but 10 years later output had all but tripled to 50,000.

This leap resulted from AMF's huge capital injection. Harley's revenues soared from $49 million to approximately $300 million. "AMF helped the company through a critical stage of growth. The most tangible evidence of their success is the company's ability to now stand on its own once again and to look to the future with pride and expectation," Beals points out. In fact, Harley bought out AMF's investment in 1981. The eagle soared once more.

ROARING THROUGH THE '90S
Harley enters the '90s on a roll. The name once again means "Made in America" quality. Significantly, the defiant image of earlier years has mellowed into one of friendship and charity, factors which reflect positively on the balance sheet.

In 1989 revenues totaled $791 million, up over 11 percent from 1988. Net income was $32.9 million, an increase in excess of 37 percent over the previous year. This resulted in a net income per share return of $3.81, an increase of 27 percent for the last financial period. Stockholders' equity went from a deficit to a surplus of $156.2 million. The stock price tripled since being publicly offered in 1986.

Has the best been seen of a company that earned two Army-Navy "E" awards for excellence for wartime production as well as won the tough California Highway Patrol contract in 1984? Probably not. As Jeff Bleustein, executive vice president, says, "The day we think we've arrived is the day we should all be replaced by managers of greater vision."

For this company a satisfied customer is the best spokesperson. As Charlie Crawford says, "Harley means camaraderie with other riders. We're of the same ilk. There's just something about Harley people. It may sound corny, but I'm actually kind of proud to ride a Harley and be involved in all this stuff."
Glenda Johnson spends her days directing the global media relations efforts for Pan Am Airlines, one of the nation’s largest carriers. But when the 38-year-old New York resident isn’t toiling in the fast-paced corporate environment, she takes her 9-year-old son, Charles, to one of the City’s homeless shelters where she helps clothe and feed some of New York’s impoverished women and children.

Johnson’s husband, Charles, is imbued with a similar sense of mission. “My husband and I share this common philosophy and simply put it’s to those whom much is given, much is required,” says Johnson. In fact, the 40-year-old attorney at Neely & Players law firm acts as a mentor for eighth graders in one of New York’s inner city schools. For the Johnsons, giving back to the African-American community provides satisfaction.

The Johnsons are representative of America’s burgeoning African-American middle class. With a combined income of $180,000, they are committed to their careers and to building a strong foundation for their family. At the same time, they are active in developing their communities and helping to chart the progress of black America. But that’s only part of the story. With the emergence of the second generation of black professionals in the corporate mainstream, the black middle class is faced with formidable challenges.
For one thing, over the last two years, the Supreme Court has rendered decisions which threaten to erode the effectiveness of affirmative-action programs and legal rewards against discrimination. These measures have proven instrumental in fueling the professional and financial aspirations of black Americans during the past two decades. Also, blue-collar jobs continue to diminish as the manufacturing industry downsizes and gives way to automation. And finally, the number of blacks entering college has fallen sharply.

According to Bart Landry, a University of Maryland sociologist and author of The New Black Middle Class, today’s professionals represent the most secure generation of middle class blacks. They, above all, appreciate the gains won during the hard-fought civil rights movement. But at the same time, they are wary of recent developments.

“Pessimistic optimism, is how I would describe the mood for the black middle class,” says John Jacob, president of the Urban League, at its recent convention. He says a dangerous pattern has developed. “During the last eight years, the African-American community has felt as though the nation had turned its back on us. We have to convince the government that it must build up the black middle class the way it built up the white one,” Jacob observes.

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Instead of waiting for government intervention, some black professionals are taking matters into their own hands. An example of their new activism was evident in the victory of David Dinkins in New York City’s mayoral primary in September 1989. He received overwhelming support from the black professionals—some not even residents of New York—who hosted fund-raisers, participated in phone banks, and held voter registration drives. And more buppies see the importance of either supporting candidates or running themselves, for among other things, city council and school board seats.

**A STATUS REPORT**

According to the Bureau of Labor Statistics, of the 5.1 million full-time workers who lost their jobs due to plant closings and employment reductions between 1981 and 1986, two-thirds were reemployed. About half earned as much or more than in their previous jobs. Among those who couldn’t find jobs, some now subsist on early retirement packages while others entered the pool of discouraged workers. The reduction of blue-collar workers, many of whom are black and whose alternative will be to seek work in low-paying service jobs, undercuts financial resources that could be used to educate and nurture yet another generation of black professionals.

Since the ’60s some segments of the black population have gained dramatically relative to whites while others have lagged far behind. For example, the current population survey revealed $18,098 as the median family income for black households, compared with $32,374 for white households. However, the gap closes when examining the median income of married couples, $27,182 for black households compared with $35,295 for white households. Black middle-income households, in most cases, are more reliant on dual income.

Even more startling is the polarization of family income distribution that has taken place among black households. A study conducted by National Research Council found the proportion of black families with income exceeding $35,000 grew from 15.7 to 21.2 percent between 1970 and 1986 while the number of black families with income of more than $50,000 increased from 3.7 to 8.8 percent. During the same period, though, the proportion of black families with income less than $10,000 also grew substantially, from 28.8 to 30.2 percent.

**HEA DY CHALLENGES LOOM**

While the black middle class has reason to be cheered by its gains, it must be concerned about the downward slide of its poor and by continued racism in the corporate suite. In a recent USA Today survey of black views on racism, a whopping 83 percent of blacks earning more than $50,000 found race a major factor in determining upward movement on the job. But, of the group surveyed, only four of 10 expected opportunities for black Americans to decrease.

“Many middle class blacks have not been able to use their status to make social improvements in their life,” asserts Marcus Alexis, a member of the Black Entrepreneurs Board of Economists. “There are senior-level blacks in corporate America who can’t get into country clubs where the very people who report to them on the job are members.”

As a result of such developments, Alexis maintains that large segments of the black middle class population have doubts about whether their standard of living will be higher.
than their parents. The central question among this group is whether—as they attempt to purchase homes at exorbitant prices, launch enterprises and pay the staggering cost of secondary and higher education for their children—they will fare as well or surpass their parents. Indeed, some have.

“For the most part,” says Alexis, “there has been uneven growth among income groups in the professional class, based on industrial sectors.” Black professionals, who were raised in middle income households, are gaining support from their parents as well. More professionals are gaining homes through intergenerational succession as black middle class parents are beginning to provide them with financial assistance to help them purchase homes and start businesses. “Many black parents are giving their children their inheritance now, a phenomenon which has occurred a great deal in white communities,” maintains Alexis.

But by all accounts, the key to the perpetuation and advancement of the black middle class continues to be education. However, though the number of black youth eligible for college jumped nearly 20 percent in the past decades, the proportion who went to college barely held steady. And although the enrollment of black females in colleges and universities continues at an even clip, enrollment of black males has declined from its high of 470,000 in 1976. In fact, blacks tend to be less likely than their white counterparts to complete a four-year degree program. But there are signs that more black students are majoring in administration, which will help position them for key management positions in the future.

TACKLING THE PROBLEMS OF CORPORATE AMERICA
Black professionals—through networking organizations—are uniting to combat racism on all fronts. Groups such as the National Association of Black MBA’s (NABMBA) have been at the forefront in increasing and safeguarding the ranks of black professionals in corporations—an effort critical to the future of the black middle class.

Leroy Nunery, 33, is vice president of the 1,800 member NABMBA. Asked how his organization helps black professionals with the issues they face in corporate America, he offers, “You have meetings with not only the CEO of the company but the middle managers of companies where problems have been acknowledged, where a black professional’s career growth has been stunted. We can sit down and have roundtable discussions but we must also talk directly to individuals who are recruiting black talent.”

The skills level and professional reputations of black executives must be impeccable. “Technically, you must be proficient,” Nunery says. “I’m worrying about doing my job and taking those skills and applying them somewhere else. I truly believe in running dual and triple-career tracks. I want to make sure that I have a balanced portfolio of skills.”

“Many black parents are giving their children their inheritance now, a phenomenon which has occurred a great deal in white communities.”

THE CHALLENGE AHEAD
Take the Johnsons for instance. Although they have solid career goals, Charles and Glenda are ensuring that their children can meet their aspirations and fulfill their inherent obligations. “The challenge that can be met on a micro-basis by individuals working to preserve their own family units and creating an environment in their family is that of nurturing and supporting the development of a new generation so that it is able to make a contribution,” says the Johnsons.

To achieve that end, the Johnsons send their children to private schools to receive a quality education and spend a great deal of time exposing their children to diverse cultural activities. For example, when South Africa’s Bishop Desmond Tutu talked about the atrocities of apartheid at historic Ebenezer Baptist Church three years ago, young Charles was in the audience along with his parents. And when Charles spoke at a ceremony honoring the birthday of Martin Luther King, Jr. other members of the family, including their 5-year-old son, Christopher, were there. Furthermore, the Johnsons have worked diligently to instill in their children a strong work ethic. Says Glenda, who served as senior attorney for Pan Am before taking over the company's media relations operation, “I never forgot the fact that my mother scrubbed floors and my father waited on tables to get me through college, because they put a premium on education. That kind of continuum makes it very clear that I did not get anywhere in my life alone. That’s part of the heritage that we’re passing on to our children.”

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Editor-in-chief David Angeron visited Harry M. Markowitz, the 1990 Nobel laureate in economics, in his small, neat sixth-floor office at Baruch College, where he is the Marvin Speiser Distinguished Professor of Finance and Economics. Markowitz is a polite, soft-spoken and remarkably modest scholar. A native of Chicago, he went from a suburban public high school to the University of Chicago where he earned his Ph.B in liberal arts in 1947, his M.A. in economics in 1950 and his Ph.D in economics in 1954. In addition to teaching at UCLA, Rutgers, Wharton and Baruch, he has worked with the Rand Corporation, a Santa Monica, Ca., think tank, and consulted with General Electric, IBM and various securities firms. The official announcement from the Royal Swedish Academy of Sciences points to his work in developing the theory of portfolio choice, which analyzes how wealth can be optimally invested in assets that differ in regard to their expected return and risks with a reduction of risks. In addition to Markowitz, the prize was also awarded to Merton Miller of the University of Chicago and William Sharpe of Stanford University, who were cited as pioneers in the theory of financial economics and corporate finance.

D&S: Were you discouraged by the length of time it took for the Nobel Committee to choose your work for the prize?
Markowitz: James Tobin got the award in 1982 and it was originally reported that he got it for portfolio theory. But in fact he got it for miscellaneous good works in macroeconomics. He published in 1958 and my ideas were first published in an article in 1952. My theory was more concerned with business administration. I was at a conference in Silver Springs, Maryland when the news came out. I had already given my paper the day before and the announcement of the Nobel Prize came in the morning. There was no mention of Markowitz and so I thought that was it. I felt very quiet and I told my wife that I didn’t feel like going to the conference that day, so we got in the car and drove into the Maryland countryside, past a lot of fences and horses. We got to a little town, went into a little shop or department store, and had a great big ice cream cone. Then I said, “Now, we go back to the real world.” Since then I just sort of figured I was not going to get it, but I always listened to see who did.
D&S: In the coming decade, will balanced portfolio management be as successful in the past four decades? Is your theory recession-proof?
Markowitz: You have to distinguish between portfolio theory and any particular way of using portfolio theory. The theory says you ought to consider risk and return on portfolios as a whole, and measuring risk by the standard deviation of the portfolio. And for that purpose we have to somehow come up with estimates and expected returns of individual securities, variance of returns and correlations. There I'm on solid ground because I can prove mathematically that the efficient frontier has these properties. That's as far as I am certain concerning inputs. After that your guess is as good as mine. But as long as you ask I'll tell you. I think that nobody is good at predicting the course of the market. Maybe some people have a little bit of insight into individual securities but still there is a lot of uncertainty. As to whether the market is going to go up or down, I don't think anybody has a good guess. The fact is that over the last four decades on the average equities have returned handsomely but with a lot of volatility. If you look at it on a chart it looks sort of random. There's always a reason why a particular move occurred—someone important got shot, a war came—things which no one ever knows in advance. Paul Samuelson has a gorgeous title for one article: "Proprietary Discounted Prices Fluctuate Randomly." If everybody takes into account all the information that is available, the next piece of information must be unknown. So my feeling for the next 40 years is that one should be in equities, but one should be only so much in equities as one is willing to bounce around.

D&S: Some say that 90 percent of the articles written by business professors are irrelevant to what really happens in the securities market. What do you think?
Markowitz: Well, if we are batting all of 10 percent, that's wonderful.

D&S: You're just back from Japan. What did you learn?
Markowitz: Certain things are impressive in terms of quality. For example, I'm not very handy. We had an apartment which the university subsidized. The drapes weren't up and I sort of suggested that somebody should come and hang the drapes for us. I was told that it was easy. I opened up the box and, yes, they went up very easily. The same thing happened with the light fixtures. In the States I would not think of putting up a light fixture. You get an electrician to do it. But in Japan I did it myself, and again it was easy. Life in Japan was remarkably convenient. However, if you're trying to break into the Japanese system and do business, it takes a long time to get through the committee process.

D&S: Can we learn from the way Japan runs its economy?
Markowitz: They make plans and then they tilt the economy by trying to get the banks to favor those industries which are a part of the plan. It always puzzles me how a guided economy could do so well, because we know that all planned economies have done disastrously. They contend that their government isn't very strong, unlike say the Russians. When Sony asked if they could build a transistorized radio, the Japanese government told them not to bother with that, but that did not stand in Sony's way.

D&S: How do you think Tokyo's prominence in the market affects New York as the premier securities market?
Markowitz: I don't regret that we are no longer the only player in the game. We are now back to being the largest in the game. When the Tokyo market went down, we went from being second back to first. But I think that was irrelevant. I would rather see lots of strong, global markets. One of the things I ask about as I go from place to place is the data describing the economy.

"Ideally, I would like to see lots of good, liquid markets in the world."

Japan, and particularly the Nikkei, has very good data, certainly comparable to ours. In Australia I was sort of shocked that their data was not very good. When I was in Korea, I found that they had 10 years of good data without survival bias. Ideally, I would like to see lots of good, liquid markets in the world. It probably means you can't have one in every little country because you would have a liquidity problem. I prefer to see markets with good data, with free access.

D&S: How about our own economic woes in the United States. Is there an end in sight to this recession?
Markowitz: Sure, but you don't know when. The Federal Reserve seems to be taking an aggressive role. So if Greenspan decides this level of interest rates doesn't do it, he'll lower the level of interest rates. And then somebody will decide he should take some money out of his savings and get that house he was talking about. As far as plunging into a Depression goes, I never assign zero probability to events that have happened. One could make a scenario where somebody decides we really have to raise taxes to balance the budget right away and that could do something very contractive to the economy. But that's sort of far-fetched, I think.

D&S: Now that you have received the Nobel Prize, do you feel that Baruch College will be better appreciated? Did you ever feel that you were less appreciated because you were not on the faculty of an Ivy League institution?
Markowitz: I had my own reputation. I don't think the fact that I wasn't at an Ivy League school hurt my chances. I'm delighted that everybody at Baruch and City University felt so happy about the news. It's good that Baruch has received some recognition.

D&S: Is there a possibility you will be lost to an Ivy League School?
Markowitz: None whatsoever. I am going to take a sabbatical starting in the fall to teach at the London School of Economics. Then I'll come back the following year to be at Baruch. Maybe I will relocate to the West Coast in the next five years.
A Picture's Worth $1,000

For Amanda Victoria, being a model is not as glamorous as everyone believes, but it has been satisfying. "The pay is great, and I can live a life of luxury," says the 21-year-old photo model from New Rochelle.

Victoria is not just another pretty face. She is a full-time psychology major at Arizona State University at Tucson. Next year she plans to pursue her master's degree in psychology. For now, she will model and enjoy it, and continue to build her savings plan, currently up to $15,000. "I plan on quitting next spring," she promises. "By then, I will have made money for graduate school and go at that full force."

Victoria's bubbling personality is a big plus in her line of work. She specializes in active wear and sportswear, which often depicts her in motion and hides her size. At 5'5" and 110 pounds, she is classified as petite. "Most models are flat-chested, but as you can see I am not," she gushes, with a twinkle in her piercing, slate-blue eyes.

It's the look that has made her a killing for nearly 10 years. Victoria's first stint, at age 11, led to layouts in catalogues and textile company pamphlets. The initiative to model came from her mother. The first jobs were free, but paying assignments soon followed. That is when Victoria's mother set up the trust fund.

Parental guidance has been an integral part of Victoria's career. Her mother was concerned for her daughter's youth and about her education. Her father, at the same time, closely screened potential agencies. "I wanted Amanda to have fun, but being robbed is not a good experience," he explains.

Because of this care, Victoria has avoided the more gimmicky agencies. "There are suckers born every minute, and I met a lot of them in waiting rooms," she says laughingly. Contracted with a medium-sized agency, she is kept busy but at the same time is allowed to choose go-sees conveniently.

For a job, Victoria must look picture perfect right from the start. Getting along well with the photographer is a must, and on the best shoots, she has fun on the set. "It's very important to establish a good rapport with the photographer," Victoria explains, "Or else the smiles don't come naturally." And when she retires in 1992 it is that winning smile which will be missed.

—Jennifer Fiorillo

Dollars and Sense
Enchantments: Witch Way to Shop

A big yellow traffic sign with a witch’s silhouette over the caption “One Hour Broom Parking” greets customers as they enter Enchantments. A purveyor of potions and formulas, and a retailer of brooms and crystal balls, this store caters to dabbles in the occult and witchcraft.

The manager is Lexa, your friendly neighborhood witch. Raised as an Orthodox Jew, Lexa rejected her faith because answers were not forthcoming for her heretical-sounding questions. Having encountered the occult as a 12-year-old, at The Magical Child in the West Village, the part-time actress and writer helped found Enchantments in 1982, under the guidance of her High Priestess.

“It’s a store about the Goddess,” Lexa says, after answering the busy telephone. “There is a female aspect of religion. Witches believe in a Goddess.” That Goddess is Earth. “She dwells within,” explained Lexa. “She is that inner voice that empowers us. She is literally supporting me. When I see a tree, I want to hug it. I love the Goddess,” she adds.

Here in this cramped but orderly store, the Goddess seems to pervade almost everything. On sale are books on alchemy, crystal healing, tarot cards and on feminism and the occult, such as When God Was A Woman and The Goddess Within. There are labelled jars filled with herbs, from licorice to periwinkle, dandelion root and bladderwrack. Their strong, absorbing natural aroma refreshing permeates the air. Perched on the far wall are small vials of earthy-colored oils, sold in spray, bath or floor wash potions, to help relieve tension, ward off evil or, according to the accompanying catalogue, cause “a flaming desire in the beau of your choice.”

Troubled visitors can receive counseling. “Many people come in here wanting to hurt someone,” explains Lexa. “So we’ll say, ‘Let’s burn a healing candle for you.’” The candles and potions are hand-crafted by the store’s witches with special herbs or during certain celestial moments. But most of the magic comes from within the user. “It’s like giving them the car and the keys,” comments Lexa, “but they have to turn on the ignition.” Quite a few feminists, naturalists, environmentalists as well as ordinary people visit the store. The daggers and knives on the wall and the pentagrams in the glass cabinet are often misinterpreted. Of course, there are those who “don’t understand,” who assume there is a link with Satanism, says Lexa. “They’re symbols,” Lexa lectures, “just symbols.” Have witches been misrepresented? “Yes!” Lexa exclaims, wide-eyed. “We don’t make love to the devil. We’re not ugly. We don’t have warts, but we do sometimes fly on brooms,” she giggles.

Unusual? Perhaps, but nothing like the store’s ethereal resident. “We exorcised a ghost from our neighbors’ toilet and apparently it’s moved in. If it likes you, when you’re done, it’ll flush once for you. But if it doesn’t like you, it’ll keep flushing,” explains Lexa.

As in any store, there are dissatisfied clients. One woman purchased a “money candle” to win the lottery, but instead found $15 in a cab. She soon returned with the candle demanding her money back. Certainly not your average curio store, but Lexa stresses that Enchantments is a business like any other. Has the recession hurt or helped the cash register? “We’re holding our own,” Lexa says, and adds, “The Goddess wants us to be here. She wants us to do her work.”

—Andrew Green 95
He Hits You Where It Hurts

Three men in martial arts attire are gathered in the tiny room. Two watch as the other, dressed in white with a black belt, demonstrates the lethal secrets of Krav Maga—the Israeli style of self-defense. He executes each move angrily and precisely, crippling his invisible target.

Instructor Rhon Mizrahi is a former paratrooper in the Israeli Defense Force who recently opened his fledgling self-defense school. Krav Maga—Hebrew for “contact defense”—does not involve relaxation and meditation exercises that other martial arts methods utilize. It is devoted to serious aggression.

“Since our emphasis is not on competition, I try to emphasize scenarios that might happen in the streets, and to prepare people for them,” Mizrahi explains. He prefaces every move with the words, “If you are attacked this way, then...” The regime is directed to the harsh realities of urban violence.

Where did Krav Maga begin? It was originated 40 years ago in Israel by Imi Lichtenfeld, a 12-degree black belt and champion from Hungary. He emigrated to Israel and became chief instructor of the IDF. The Oriental-martial-arts expert formulated his own technique, which is based on seven basic principles and 70 defensive moves. The seven principles are the kick to the groin, the punch to the groin, the striking of any vulnerable points, the breaking of fingers, biting, turning the body away from the opponent’s offensive thrust and, finally, moving over to the offensive as quickly as possible. Unlike other forms of martial arts, there are no specific sequences for the moves.

The limited repertoire of techniques, however, demands physical fitness. Krav Maga emphasizes speed, endurance, strength, accuracy and coordination. The physical component of the training is accompanied by a complementary thinking process called “aggressive education” that stresses restraint until you are attacked.

Mizrahi believes New Yorkers can utilize these skills. He uses the Central Park jogger as an example of the average person who needs to learn self-defense techniques. “I think that what happened to the jogger was unfortunate, and she is very lucky to be alive, but if she had some knowledge of some basic self-defense techniques, she would probably have gotten away,” he says.

Mizrahi began his classes last October with a roster of eight students. Since then, the number of participants has doubled. The students range in age from their 20s to their 60s and come from a variety of backgrounds, traveling from as far as New Jersey to take Mizrahi’s classes. Although most of the students are men, Mizrahi has special techniques that cater to women.

Mizrahi’s life is devoted to introducing Krav Maga to the United States. The 28-year-old native Israeli came to the United States in 1985 after serving in the IDF from 1981 to 1984. He and his American wife, Renee, have been married for four years, and have no children as yet.

They have two goals for the future. The first is to expand the self-defense school to allow Mizrahi to reach a larger audience. They also want to see Krav Maga implemented in the physical fitness programs in the city’s public schools. They feel this would be especially helpful in dealing with “problem children” who are physically aggressive. Similar programs in Israel have had remarkable success producing children who are more relaxed, disciplined as well as physically and mentally stronger because “they have a positive way to channel their energies,” Renee says.

Mizrahi looks ahead to a career devoted to Krav Maga. He vows, “This is what I want to do for the rest of my life.” What a painful thought.

—Bevlyn C. Williams

DOLLARS AND SENSE
Toasts to a Queens Host

Wound up like a Olympic sprinter or a swimmer who is ready to beat the clock, Terry Scarlato’s poised to answer any questions and deftly handle any problems related to his Astoria catering business.

“I think one of the biggest things that leads to success is having answers to any questions that are asked of you,” says Scarlato, 53, one of three banquet managers at Kneer’s Golden Pheasant caterers in Queens.

Working close to 65 hours a week, Scarlato has shouldered the burden of running Kneer’s for 20 years. He has been able to marry work to family responsibilities. He reflects, “I just handle my responsibilities. It is a day-to-day thing. That’s life—having to handle your responsibilities.”

For Scarlato, a typical 14-hour day can include a party for as many as 300 guests. He oversees the entire banquet operation, with a staff of around 40. “I see myself as the manager of a ball team, as the conductor of a philharmonic orchestra or as the director of a play. And then when the play goes on you stand back and watch what you have trained these people to do and the fruits of your labor,” he says.

Fridays are what Scarlato considers the culmination of all that his work entails. “As soon as I come in a marathon begins,” he muses. For the weddings, anniversaries, christenings, dinner dances and sweet-16 parties that take place on the weekends, Scarlato has to race like a champion. He sets the staff schedule, checks the client’s contracts, notifies the chefs of any last-minute changes concerning the menu, and makes sure that all products needed for the weekend’s activities have been delivered by the suppliers.

For Scarlato, Kneer’s has become a second home. “It is a business which you have to like. What I like about it is dealing with people in a happy situation. That’s the part I like because I happen to be a party person myself,” he says. With a seven-day work week during the busy season, he sees more of the office than he does of home, and probably eats more meals on the job than he does in his own kitchen.

In two decades of top-flight catering, there have been many highlights and memorable occasions. At one wedding reception the 70-year-old grandfather of the bride—a good friend of Scarlato—came up to him and said “Terry, tonight I’ll die dancing.” And sure enough, Scarlato says, he did. The party still had two-and-a-half hours to go when the man succumbed to a heart attack and was taken to the hospital. It was Scarlato who received word of his friend’s death, but he decided not to tell anybody. “I kept the party going until the end of the evening,” he admits. Only after the guests had left did he announce to the family what had happened. Scarlato does not feel guilty about postponing the sad news. “My only concern was for the guests to have a good time. I thought it was the right thing to do,” says the ultimate host.

According to Larry Anzalone, banquet consultant at Kneer’s, the incident is typical of Scarlato, who has garnered his colleagues’ respect as a businessman. As Anzalone declares, “Terry’s contribution to the success of the business has been tremendous.” To someone who know him, Scarlato is the ‘mayor’ of Astoria.

Mayor of Astoria: Terry Scarlato, the Kneer’s host.

Scarlato has a different viewpoint. “I try to be the best in my field but I am not the ‘mayor of Astoria.’ That’s people’s opinion. It is not my opinion,” he modestly contends.

However he sees himself, Scarlato contributes to the Astoria community. He is involved with Hellenic Horizons, a non-profit organization that serves retarded children and often benefits from getting the Kneer’s hall on a freebie. Scarlato also lends his support, and his hall, to the Ronald McDonald House.

The image he has created over the years makes Scarlato an exemplary figure. He has been a strong influence on the younger Joseph Celestino, the owner of Kneer’s. “Terry has been a role model to me especially in work. He took me under his wing and taught me the ins and outs of how to deal with people. He has been more like an uncle or father role because he looks out for me aside from business, making sure that I am doing things the right way, staying out of trouble.” That’s Scarlato, the ‘mayor’ of Astoria.

—Fivos Kontemeniatis 97

MAY 1991
Simon Sez, “Pull Out Your Wallet”

It’s Friday, and the burning question of the week is, “Where do we go tonight?” Go west, young man or woman and go uptown. Manhattan’s Upper West Side hosts nine bars in a five block area on Amsterdam Avenue between 80th and 85th Streets. That’s where you are likely to meet Jay Rabinowitz, 30, at his new hot spot, Simon Sez.

Simon Sez, owned by Rabinowitz, Scott Stringer and Charlie King as well as other limited investors, is the newest of the Upper West Side’s battery of bars. The three majority partners have turned the former Shark Bar into an upscale watering hole for young urban professionals as well as catering to the local clientele.

Rabinowitz himself is from Manhattan’s Washington Heights. This is the first experience for him and partner Stringer, also 30, as bar owners. But they feel they have a good shot at keeping the bar packed and the cash register ringing. Both are well connected and ready to learn. Nobody can accuse them of not putting the energy into it. Rabinowitz puts in a seven-day work week, leaving as late—or early, depending on your point of view—as six in the morning after a long, busy night.

Simon Sez legally accommodates 88 people, so turnover is vital. Bouncers use clickers to measure traffic, and the top clicker count comes in at around 280. “Although our occupancy is much less than the competition, we feel we don’t have the proper ambience yet,” says Rabinowitz. Part of the secret is putting the clientele first. “We try to make our customers feel as if it is their bar,” Stringer points out. “We’ll go out of our way to have different drink specials, and do whatever it takes to get people to come back.”

One clever idea will be a version of “Wheel of Fortune.” A large wheel is spun by the bartender about six times an evening, and whatever type of drink special comes up is given away for 15 minutes. “The concept will make people aware that there are a lot more drinks than the typical vodka and cranberry, gin and tonic and so forth,” Rabinowitz says. “We have very creative bartenders and we want to capitalize on their abilities,” he adds.

Rabinowitz knows about capitalizing on opportunities. He hopes the bar, part of an influx of new hi-rise buildings, shops and restaurants in the area, rewards him in two ways. “Ideally, I’d like to think I’m going to make money in this business, but frankly I hope that it helps me get my life more focused.”

Before turning to the bar trade, Rabinowitz ran political campaigns. He was part of Stringer’s unsuccessful bid for a position on the city council, and held a position in the city government. They have not lost their thirst for politics, incidentally, and began another try at the city council starting in April.

Simon Sez, meanwhile is making a name for itself. As Ian Finch, the former manager of cross-street rival Mugamba Bay, says, “When the bar first opened, we felt we would lose some business to them because of their novelty and the fact that they were targeting the same clientele as us. We did lose customers but by now they should have come back. But they haven’t.” Chalk one up for the Rabinowitz and Stringer ticket.

—Matthew Lipp

DOLLARS AND SENSE
Cold Confusion

Noted science fiction writers Isaac Asimov, Robert Silverberg and Orson Scott Card have all conjured visions of an infinite and inexhaustible energy source. They interpolate tales of epic interstellar voyages under the power of controlled fusion generation reactors.

When B. Stanley Pons of the University of Utah and Martin Fleischmann of the University of Southhampton announced on March 23, 1989 that "cold fusion" had been accomplished in a Utah laboratory jar, the futuristic power source seemed imminent. Instead of acclaim upon this epochal disclosure at the Salt Lake City news conference, an uproar ensued. Top guns in scientific research were dubious and wanted time to analyze the findings to see if they held water.

In fusion, the nuclei of hydrogen isotope atoms—deuterium—are joined to produce helium and enormous amounts of energy. This is unlike nuclear fission where atoms are split to release energy. The Pons and Fleischmann method consists of two cathodes immersed in a jar partly filled with deuterium oxide (D₂O). The negatively charged cathode, made of palladium, was identified as the site of the fusion reaction.

The method appears simple and feasible, but the scientists' failure to publish their findings for peer review in a scientific journal led to doubts. The researchers defended themselves by claiming that their premature disclosure was in reaction to a journalist threatening to break the story. So the long-sought "clean energy" source became mired in controversy.

Thought to be the principal energy source of the stars, including the sun, it's easy to understand why controlled nuclear fusion is crucial. It promises a cheap, virtually unlimited and ecologically sound source of energy for man's fuel needs.

Fission—the smashing of atoms for the release of energy—is environmentally unsafe. Three Mile Island and Chernobyl are tragic examples. Atom smashing also acquired a Frankensteiniain image during the "Cold War" arms race between the United States and the Soviet Union. Finally, the fuels in fission is uranium and thorium, rare and extremely expensive elements. Fusion has none of these drawbacks, hence its allure.

The traditional approach to fusion demands extremely high temperatures and pressures. Fusion in a jar at room temperatures is a quantum leap comparable to advancing from wind-power to nuclear power. Is it possible? For now, no reputable laboratories, such as Massachusetts Institute of Technology, Lawrence Livermore Laboratory or Los Alamos National Laboratory, have replicated the experiment. Still, no scientist has conclusively dismissed the claims of the Utah researchers.

For the two electro-chemists any thoughts of a Nobel Prize in one of the sciences, and substantial financial rewards from the commercial utilization of the technology, are speculative. The same uncertainty circumscribes their findings in a jar. For now cold fusion is in confusion.

—William Pesek Jr.

Virtual Reality

Imagine being placed in a nonexistent world—like walking through a house that has not yet been built. You look around and decide if the layout is appropriate. Do you prefer the door where it is, or do you want it moved to the right or left? Should it swing inwards or outwards? Welcome to Virtual Reality, an emerging computer technology which permits house-hunters to search without visiting the premises. And this is just one application.

Virtual Reality is the convergence of man and machine—the ultimate experience in interactive simulation. By utilizing the most sophisticated computer equipment, its operators can move unencumbered through any artificial universe with unlimited creativity in design.

The EyePhone, the Dataglove II and an advanced Silicon Graphics computer workstation are existing commercial applications. The Eyephone, a pair of 3-D goggles, substitutes one's natural field of vision with the computer's rendition of reality. Some versions may have been used by M-1 Tank and Apache Helicopter crews in the recent
Persian Gulf War. The Dataglove II integrates hand movements with a person’s imagination.

The evolutionary process in simulation continues with some inventors designing robots to interpret body movements rather than those of the hand. At resistance gloves are being researched and developed to “fight back.” Feel is accomplished by humans because of friction, hence the need for “fight back.”

Virtual reality systems like the house model can cost as much as $500,000. Less expensive examples are now surfacing in toys. Mattel’s Power Glove for Nintendo’s Entertainment System is a less complex version of the Dataglove II. It allows participants in games to use instinctive hand movements. One game, Super Glove Ball, an advanced version of handball, allows players to catch and throw a ball via their movements interpreted by the Power Glove.

Eventually Virtual Reality will go far beyond a simple video game. A great advantage will be in the field of Telerobotics, where a user operates a robot from a remote location. The robot will adeptly imitate the user’s movements, even if its controller is miles away. NASA is excited by the possibilities of Telerobotics for the remote assembly of space objects. Even surface exploration of far-off planets by unmanned probes will be greatly enhanced. In the field of medicine, a surgeon could operate on a patient across the globe without ever leaving his office. Ultimately, virtual reality could redefine the concept of the workplace.

What 15 years ago would have resembled a prop from a George Lucas film, is beginning to look like a way of life in the 21st century—virtually.

—Benjamin G. Sawyer

Grow Homes

There has to be a demand in order for houses to sell,” says Seth Bomser, a broker for Pat Stavile Realtors, “but right now buyers for new properties are scarcer than they’ve been since the 1981 recession.” Even plunging real estate prices have not brought home seekers flocking to the market. Many families seem further from their dream today than ever in the past.

But two professors at McGill University, Montreal, Canada, are betting that prospective owners would willingly trade in their “closets” or present amenities for a dwelling that is efficient and affordable. The proposal is The Grow Home, an experimental kit project developed by the Affordable Homes program of McGill’s School of Architecture.

“We felt that there was a gap between architect-designed construction and the needs of the public,” says Avi Friedman, who is co-director of the graduate program with Witold Rybczynski, author of Home: A Short History of an Idea and The Most Beautiful Home in the World. Their design is inspired by the Row House, a staple of cities like London, Montreal and Philadelphia. Consisting of a private front door and rear garden, these kits are assembled in rows, pairs, terraces or courts.

All Grow Homes are two-storied, 14 feet wide and offer a minimum 1000 square feet of floor space. According to the buyer’s preference, prices can range from $56,000 to $76,000. The kits include everything from instructions to construction. The only resources excluded are the intended location and labor.

Putting it all together is a tedious and tiresome process, but the fun part is that friends can help you. And with monthly payments of $721 a month, which includes a 30-year mortgage payment, insurance and taxes, ownership begets rental any day.

Four designs are available. The Windsor has a blue stucco facade and classic architectural details. It is fronted with a second-floor balcony and has a small pergola in the rear. The Straight-Back model is essentially the Windsor minus the balcony and pergola. The Ottoman is a Windsor, to which is added a semi-finished half-basement. The top of the line La-Z-Boy, at a cost of $76,000, is the complete model with a garage. Future innovations will include economical yet diverse kitchen designs.

With the kit-home movement, more breakthroughs will follow and with the avoidance of high labor costs, the allure grows. “The whole idea has grown in popularity because of a general shortage of on-site labor, and an increased recognition of the high quality of the product,” says James Birdsong, executive director of the Building Systems Council, of the National Association of Home Builders.

Friedman and Rybczynski are determined to turn smallness into a virtue. “After all, what is a home?” Friedman asks. “It’s a cozy kitchen, a place to hang a baby’s picture, and a place to watch the evening news.”

—Joshua D. Brown

Data-Wand

Is it possible that a shopper can make money while at the supermarket? Thomas Cantalmo, an area director for the National Research Corporation, uses this paradox to draw crowds and demonstrate the power of the revolutionary data-wand.

What makes a buyer use one brand in preference to another? Did a distributor’s coupon offer encourage a shopper to select
this product? Was the advertisement effective in bolstering sales? To quantify the answer to these questions, the data-wand is important and accurate.

The multi-million dollar consumer marketing firm founded in the late '80s, uses the handheld, pen-sized optical scanner to create data bases.

The wand's optical scanner is attached to a mini-adaptor plugged into an outlet. The consumer is asked to run the scanner across bar codes on the selected product—bar codes are those thin black horizontal lines affixed to virtually all consumer goods. The information is input to NCR's computers which records, processes and sorts the data. Everything is completed in a matter of seconds.

"This method virtually eliminates faulty human error and the time-lapse problem that occurs when awaiting a mailed survey. The accuracy is practically perfect," says Cantalmo. The efficiency of the wand has not escaped the notice of major corporations. Firms normally pay anywhere from $400,000 to $800,000 for information on consumer buying trends.

With timely and accurate information on consumer preferences, local and national trends quickly become evident. The decision to pull a product or to boost distribution is easier. Companies can exercise control over sales by coaching supermarket chains on promotional displaying and product placement.

NCR's organizational structure is not unlike multi-level organizations such as Avon, Amway and the financial premise of the Discover Card. Upon payment of initial fees of $40 and $230 for the data-wand, consumer shopping members receive anywhere from 3 to 7 percent in cash rebates based on monthly spending averages. Residuals are also earned upon the sponsorship of other members. Subscribers are also enrolled into a toll-free discount buying service, travel service, new and used car outlets, triple-value coupons and chances to participate in sales contests. Successful members can move on to become area, regional and national directors along with receiving other sales incentives.

NCR now boasts over 300,000 members, a number which is expected to grow. There are chapters in almost every state. As NCR's Cantalmo says, "The best part about this research is that there are no consumer attitudes to change or habits to modify. Consumers just do what you normally do, and we record their preferences, what could be easier than that?" Big Brother comes to Pathmark.

—Regina Styron

Bicycle Technology

Development in aerospace and bicycle industry laboratories has brought welcomed changes to the age-old sport of cycling. Unlike the first mechanically propelled bike built in 1839 by Kirkpatrick MacMillan, today's machines have much in common with space shuttles. Now, "atypical materials like graphite, titanium, aluminum and various fiber-resin compounds are used."

For a century and a half, bicycles were crafted by blacksmiths of wood, cast iron and steel. They were heavy and cumbersome. But now many contemporary machines weigh less than 20 pounds.

The Kestrel 200 EMS (Enhanced Modulus), built by Schwinn and a California aerospace firm, is one of the light-and-quick machines. With a frame set weighing 2.5 pounds, the one-piece patented design is stiffer and stronger than chromoly steel and more shock absorbent than aluminum or titanium. Tear-shaped tubes, as opposed to rounded-frame tubes, have been wind-tunnel designed and tested for superior aerodynamics. This 21st-century two-wheeler weighs in at 19 pounds and sells for mere $2,500.

The "Funny Bike" weighing in at 15 pounds is another marvel. Raleigh's design engineers, Chester Kyle and Mike Melton, using glue, assembled the bike from aluminum tubing wrapped with fiberglass, graphite, and kevlar. It's stealth was first revealed at the 1984 Los Angeles Olympics, when it propelled Steve Hegg to a gold medal.

The Trek 2100 emulates most of these technological features affordably for the average biker. The True Temper frame is comprised of a fiberglass insulating sleeve, seven layers of unidirectional carbon fiber and a bias woven overlap which provides extra protection and key strength. This bike was conceived at Trek's Waterloo, Wisconsin research center.

But the real revolution in the market is the All Terrain Bike. Commonly referred to as a "mountain bike," the ATB has become the rage in the cycling community. Professional and weekend cyclists have been drawn to this hybrid of road and trail bike. ATBs are lighter, more maneuverable yet considerably stronger than the conventional stock bike. Since these bikes are designed for off-the-road or "trail" use, they have upright handlebars, fat tires, wide saddles and wide-range gearing.

ATB sales have boomed and given new life to the cycling industry. The bikes have consistently captured upwards of 60 percent of the bicycle sales market. For instance the Epic Ultimate built by Specialized, of Morgan Hill, California uses carbon tubes for lightness glued to steel lugs for strength. The construction is faster and provides excellent consistency from frame to frame. It seems that cycling has taken on some new terrain.

—William Pesek Jr.
THE CLOSEST OF STRANGERS: Liberalism and the Politics of Race in New York
By Jim Sleeper
345 pp, New York
W.W. Norton and Company, $21.95

In 1978, while purchasing a paper at a newsstand in Forest Hills, a white man was annoyed by a well-dressed black woman who elbowed him in an attempt to cut in front. The two jockeyed for position at the front of the line, disengaging after the woman elbowed the man a second time. They glared at each other and the white man responded without thinking, “I didn’t do it to ya, lady.” The woman did not even pause before rebutting, “Well, it was your kind.”

The man was Jim Sleeper. His book, The Closest of Strangers, manages to effectively get underneath the surface of racial politics painted by black militants and white liberals and critiques their agenda. Along the way, Sleeper, an editorial writer for New York Newsday, offers a compelling and accurate history of race relations in New York City which challenges and often blatantly confronts conventional wisdom.

Sleeper says he had to write his book in three months flat, working 20 hours a day. But his study of “Liberalism and the Politics of Race in New York” manifests a decade of research and insight of immense value to those who are unfamiliar with New York’s long history of tension between white and non-white groups.

Rather than limit himself to a rigid chronology beginning in colonial times, Sleeper topically analyzes issues ranging from the social agenda of black militants to the politics that led to David Dinkins’ two-point victory in 1989.

The Closest of Strangers has been praised by conservatives for its criticism of left-wing figures, but it should not be misconstrued as right-wing propaganda. Jim Sleeper is a liberal advising liberals to reevaluate their program. His personal experiences convince him of the reality of racism, but he criticizes what he sees as the sincere but misdirected belief that somehow there is a systematic conspiracy to destroy all non-white cultures and people. Such theory wrests control of its destiny from the black community and does nothing to either solve problems or ease racial tension.

Aside from the annoying tendency to refer to upcoming chapters, Sleeper takes a direct approach that makes his book surprisingly easy to read. The Closest of Strangers might make some people change their minds, but it will force everyone to rethink and perhaps defend their views. Perhaps more than anything else, it reminds us that racial politics, like racism itself, is rarely just a question of black and white.

—Rafael Olmeda

DOLLARS AND SENSE
THE DAISY CHAIN
By James O'Shea
287 pp, New York
Pocket Books, $19.95

Originally savings and loan associations were strictly home-financing and savings institutions. But in 1982, President Reagan changed the course of history for "traditional" savings and loans forever by signing the Garn-St. Germain Depository Institutions Act. In essence, this bill gave the S&L industry a green light to convert federally insured deposits into unconventional investments. The Daisy Chain is an insightful, thought-provoking account chronicling the rise and demise of Vernon Savings and Loan, of Vernon, Texas, after banking regulations were lifted.

For several decades Vernon's reputation was unblemished. It was a "traditional" savings and loan—specializing in home mortgages. But once R.B. Tanner, owner and principal stockholder, sold Vernon to Donald Dixon things changed, although Dixon had promised Tanner that business would continue as usual. However, greed and personal ambition, along with passage of the Garn-St. Germain bill, sealed Vernon's fate.

Dixon decided his S&L would generate more income if a few policies were changed—specifically home mortgages. He envisioned greater profits and growth for Vernon, and decided to invest in more lucrative markets. In less than three years after Dixon's take-over, Vernon's deposits had skyrocketed more than 1,000 percent. He invested heavily in money market funds, junk bonds and sculpture. He used federally insured deposits to build condos that were never sold and to purchase real estate that was considered personal assets, not Vernon's. He used bank deposits to decorate his homes and to purchase more than 20 antique cars. Initially everything Dixon touched appeared to turn to cash or paid huge dividends. He believed the slick deals, along with "discrete" bookkeeping, was actually good business.

The Daisy Chain is extremely reader-friendly. The author takes his time to define all phrases and banking terminology that might be troublesome to the reader. "Daisy chain" is borrowed slang term for "a group of people having sex simultaneously." For this reason the book sometimes reads like a piece of fiction, replete with prostitution, slick deals with other S&L's—the swapping of bad loans—and questionable contributions to members of Congress. But the $1.3 billion lost by Vernon makes this story real. The book captures the reader's interest, and the revelation that Dixon could receive a 190-year sentence and be fined $9.5 million provides some needed satisfaction. This is a must read for those interested in the legendarium now called "fiduciary pornography."

—by Gloria Barnes

HOW YOU CAN PROFIT FROM THE S & L BAILOUT
By Sonny Bloch and Carolyn Janik
265 pp, New York
Bantam Books, $21.95

Imagine transcribing an hour-long info-commercial and turning it into a book. If you can, then you would appreciate the style in which, How You Can Profit From the S&L Bailout, by Sonny Bloch and Carolyn Janik, is written.

This book is topical and easy to read. It gives a witty overview of the history of the Savings and Loan crisis and then launches into how neophyte investors can gain from the debacle.

The taxpayer will end up bearing the brunt of the bailout in the coming years to—as of the writing of this book—the tune of $800 to $600 billion. Bloch and Janik believe taxpayers should recover their fair share of this money.

The authors take readers by the hand from "How to Spot a Deal" to "Collecting the Profits." At the same time they also advertise other books they have written. The suggestion is that readers should buy the texts to help them better understand unclear concepts. However, this leaves one with the feeling that the authors are planning on cashing in nicely themselves.

That aside, the writers have done their homework. They supply telephone numbers, addresses and the names of key people for investors to contact. They give hints on how to make the best bargains possible and also tell which real estate professionals the buyer would be smart to hire.

Except for Bloch and Janik's habit of selling their product with the panache of used car salesmen, this book is the ultimate example of capitalism at its opportunistic best. One can only hope that the U.S. government doesn't ultimately use it to its own advantage.

—by Jacqueline Smartt
UPDATE

Mayor Dinkins

As Mayor Dinkins starts his second year in office, many disguised realities are now facts of life for New Yorkers. The fiscal crunch is hitting hard and the deficit for 1992 will be near $3 billion. The fiscal woes have caused an erosion of the Mayor’s power base. While some City employees have pay raises averaging 4 percent, women and other minority businesses have not received the much expected boost from City Hall.

—Fred Asong Eno

Dinkin’s Grades Decline

A poll conducted by Johnson Survey Research of Westchester in February for The New York Observer, shows the Mayor with a 43 percent favorable rating, and a 39 percent negative one. When asked how respondents would rate the job the Mayor was doing, 29 percent felt his performance was Excellent/Pretty good, while 68 percent responded only Fair/Poor.

—David Anthony Angeros

Newsstands

There are at least six applications awaiting approval from various City authorities to install stands between 34th and 59th Streets on Fifth Avenue. Lines are being drawn on the pavement over the issue. The Fifth Avenue Association, with members Tiffany & Company, the Empire State Building and the General Motors Building amongst others, are raising towering objections.

—Jacqueline Smartt

Temps

Business has slowed,” says Todd Kaye, relations manager, of New York’s Winston Temporaries. “It’s the recession, and very recently the war that is responsible.”

Will the future be different? “In two years time, there should be increased demand again,” says Todd.

—Marina Kriiyakina

Paralegals

The trends that were very popular (in the ’80s) are not happening right now and many companies are losing business and eliminating people as a result,” says Nina Neurwirth, of Fergus II, a head-hunting firm for paralegals. “Environmental law is opening up for lawyers but not for paralegals.”

Neurwirth cites the environmental and public-sector law markets which appeared “golden” just one year ago. However she adds, “It is cheaper to keep a paralegal than a lawyer.” The salary range for paralegals, of $20-30,000 per year has remained untouched.

—Bevoly C. Williams

Hazel Lives

The photo of Hazel on the cover of Dollars and Sense, (May 1989) vividly captured the theme of homelessness. Her possessions were lugged around in a plastic bag on a small hand cart. She looked weary, but not weak. She may have been homeless, but she was definitely not hopeless.

The staff of Dollars and Sense was saddened when rumor had it late last year of the death of the “Dutchess.” I was asked to go to Trinity Church, where Hazel frequently sat, to find out more about her demise.

Trinity Church is located at Broadway and Wall Street. Its Gothic structure provides an artistic contrast to the modern, gray towers of the financial district. I went there on a particularly cold day in February. The exit on the downtown train put me outside the cemetery which is on the church grounds. I took only a few steps when I saw Hazel...looking exactly as she did on our cover...and very much alive.

“Are you Hazel?” I asked.
“Yes,” the woman answered. I introduced myself and told her why I was there. “No, I ain’t dead,” she said. “Who told you that?”
“I’m glad it was just a mistake,” I said, smiling.
“Me too,” she said. I bet she meant it.

—Rafael Olmeda
Every year, thousands of people die of AIDS...

DON'T YOU BE A PART OF IT!

THINK

BEFORE YOU ACT!