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What if they announced a recovery and nobody came?

Long after the “correction” was supposed to have passed, the economy slumped back into a recession. Like a tsunami battering the shores of America, the recession hit again in mid-winter. Nationwide unemployment reached 7 percent, and record numbers of companies filed for bankruptcy, while others went under completely.

Welcome to the Great Recession.

When the idea for a cover package on the recession for the 14th issue of Dollars & Sense was first proposed, there was concern that it would be over by the time the magazine appeared. Unfortunately, that was not the case. Even the word “recession” is simply a product of public relations. During the 1920s a recession was considered bad, while a depression was thought of as a slight downturn. Now the spin-doctors are using recession, hoping to avoid the d-word.

In this year’s cover package, “The Great Recession,” there is considerable gloom, with a few bright spots. “Other People’s Money” examines the morning after Wall Street’s excessive binge. In “Future Shock,” the class of ’91 faces an uphill battle in their search for jobs. “From Trash to Cash” shows how recycling can be good for business. Some companies have only been bruised by the recession—“Cable Unready” details how Time Warner’s monopoly on cable service has loosened, but not lost its profitability. “Where Assets Are Never Frozen” points the way for U.S. banking reform based on the Swedish model. Job security is a thing of the past as we find out in “The Disposable Worker.” Finally, “Mining the Golden Years” takes a hard look at spiraling medical costs in a graying society.

While the rest of the magazine does not necessarily reflect the cover package’s theme, there are recessionary ripples. The features section begins with “Pipe Dreams,” examining the fight over New York’s water supply. “All Aboard” delves into the divisive issue of multicultural education. In “Lethal Examinations” the ethics of animal testing are scrutinized. “The Road to European Unification” shows that the European Community may not be as harmful to U.S. business as we once thought. “Four-Color Frenzy” illustrates a comic book success story. Coffeemakers’ bitter fight for market share is the topic of “Coffee Clashes.” “Check Out the Charts” tracks into the splitting of black music into rap and R&B. New UN Secretary General Boutros Ghali has to do more with less money in “The Price of Peace.” The battle of the breweries is the subject of “Keg Wars” and “The Sweet Smell of Success” samples homemade fragrances.

Our special section, “Not Just For Women,” discusses women’s issues and how they also affect men. Among the topics explored are sexual harassment on the job, parental leave, the plight of West Indian women, working mothers in school and black businesswomen.

We introduce a new department, All About, with articles on products ranging from the ordinary to the outré, including compact disks, post-its, skis and “900” numbers. The Photo Essay compares the Great Depression to the Great Recession, showing how history repeats itself. In addition, our regular departments, Inside Out, Off the Beat, Spotlight, Cutting Edge, Book Review and Update return.

As this edition of Dollars and Sense is being put to bed, there are still unsettling signs that the recession will be prolonged. Consumer confidence is at its lowest level since 1974. Economists predict that the real recovery will not begin until after the second quarter of 1992.

That’s what they said last year, before the Great Recession.

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Compact Disks

The compact disk sliced its way into the audio market a decade ago with the promise of "perfect sound, forever." Many credit the CD with saving the record industry. According to the Recording Industry Association of America, the market grew from 5.8 million disks sold in 1984 to 102 million in 1987 and nearly double that by 1991.

The RIAA estimates that the CD market now tops a whopping $2 billion, and sales during the mid-'80s shot up by as much as 70 percent annually. For entertainment giants like Warner, that means as much as 20 percent of total revenue.

Tom McIntyre, chief financial officer of Bertelsmann Music Group, confidently predicts, "I don't see the potential for a three-year sales decline or cost squeeze like we suffered in the recessions of the early 1980s. CDs have made the record industry recession-resistant." CDs have even helped the music industry become immune to the rising cost of oil crises, which crushed LP profit margins in the early '70s. That's because it takes 115 grams of petroleum to produce an LP while the disk needs only 17 grams.

Recording onto the disk involves simply copying from audio tape. A laser scanner then "reads" digital codes imprinted on the disc to reproduce sounds. The resulting music is "clearer and cleaner," remarks an avid CD listener, Derek McKissick, who buys most of his CDs through the Columbia House CD Club, which uses a 24-karat gold layer instead of the conventional aluminum to provide better resistance to oxidation and to produce a better sounding album. The cost of this CD is $25 to $30 which is about 50 percent higher than the price of aluminum disks.

The record industry went back into its archives and brought out old records for re-release on CD. That lit a fire under older music lovers. "The rule was that after people turned 25, they stopped buying recorded music. Many baby boomers who haven't been in the music stores for years are coming back in," says Paul Zullo, president of the Digital Radio Network, a New York-based music industry information service.

An environmental issue the CD industry is currently facing is the opposition to the 12" x 6" cardboard box the disks are packaged in. All of the 250 million CD's sold in the United States last year, according to Sierra magazine, were distributed in those boxes. Ban the Box, a coalition formed in 1989, wants to see the boxes done away with because they are "unnecessary garbage" that only exist for the retailer's convenience.

"Consumers usually dump their longboxes as soon as they get home, which means they're throwing away a dollar of the purchase price every time they buy a CD," complains Robert Simonds, chief financial officer of the CD-only label, Rykodisc, and Ban the Box instigator. Performers who have joined the Ban the Box coalition include U2, Phil Collins and Bette Midler. Other musicians active in trying to eliminate the packaging are Sting, Peter Gabriel and the popular Canadian children's singer, Raffi.

The future for compact disks is promising. Advances in the works include a combination CD-LP player, CDs on which consumers can record and erase, CDs with a feature called Q-Sound which makes the listener feel surrounded by the music and link-ups with video games and computers.

—Maxine Myrick

Post-it Notes

They're everywhere, and we're stuck on them. Post-it notes are almost as vital to a smooth-running office functioning on all cylinders as coffee and the photocopier machine. They come in a variety of sizes, from half-inch squares to five-by-eight inch rectangles. For the color crazy, they are available in every hue from yellow and grey to fluorescent pinks and reds.

It is amazing how creative employees have become in finding uses for these adhesive gadgets. They frame computer screens, windows, doors, dangle from desk lamps and stick out of appointment books. Post-it notes have made tying a string around a finger passé.
Post-its are not just for private use. Marketing and advertising experts have discovered that they are ideal promotional tools. Grand Central Artists, a Manhattan-based art supply store, distributes Post-it notes shaped like a painter’s palette with holes through the pad. One podiatrist promotes his services with Post-it notes shaped as swollen feet.

Like so many innovations that change our daily lives, it all began innocently enough. Art Fry, a scientist, was at church one Sunday morning in 1976 when his book mark fell out of the hymnal during the sermon. He wondered if there was some kind of adhesive that could keep it in its place. Fortunately, Fry was on the staff of 3M Corporation, which encourages its 6,000 scientists to spend 15 percent of their time away from authorized products looking for innovations.

Fry recalled an adhesive that had been developed a few years earlier at 3M but never made it to market because it was removed too easily. After a year of experimenting and refining, the product was test-marketed in four U.S. cities. The product did not take off, but research showed that people who did buy it, continued buying it. The divisional vice president and technical director at 3M were optimistic that the Post-it would make it.

By mid-1980, Post-it notes had a market nationwide, followed by international sales in early 1981. Fry predicted their popularity, "Right from the start, I was extremely excited about it because all of the pieces seemed to fit. As far as our division at 3M was concerned, everything just seemed right."

Post-it sales are already $100 million a year, and industry experts say the market is still growing. It seems to be an idea with sticking power.

-Marie Browne

**Dental Fillings**

In the last decade, mercury found in consumer products has become the center of controversy. When CBS's “Sixty Minutes” ran an investigative piece on the potentially harmful quantity of mercury in amalgam, the most popular dental filling substance, the news struck a nerve nationwide. Suddenly concerned patients were asking what was going into their cavities instead of silently sitting back with their mouths gaping.

Dental fillings are composed of a mixture of silver, copper, tin, zinc and mercury. There are alternative materials, such as composite, ceramic or gold, but amalgam is the cheapest by comparison, only $51 per filling, and is still considered one of the best by the American Dental Association, which has stood by amalgam throughout the controversy. Over 100 million cavities a year are filled with the alloy in the United States alone.

The big uproar over amalgam focused on the estimated one to three micrograms of mercury vapor—almost 1 percent of the dose considered safe—inhaled daily by patients with moderate to heavy numbers of fillings. Some patients found that by removing their amalgam fillings they experienced a substantial improvement in their condition.

This is not the first time that amalgam has touched off controversy. During the 1800s, the Amalgam War broke out in France. Two dentists discovered that by mixing silver, copper, tin, zinc and mercury you could make a compound alloy that made a strong filling. They performed dental surgery throughout France and Italy. Within several months, thousands of their patients had developed severe infections and unknown side effects such as arthritis, headaches and nausea. This caused a continental panic and royal orders were given for the dentists’ arrest. The pair went into hiding, never to be heard from again.

The current Amalgam Wars are far from over. In August 1991, the ADA and Food and Drug Administration reiterated their support for amalgam, but critics were cheered by the fact that they had to address the recent coverage of harmful side effects. The press, however, is far from the point where they’ve had their fill.

-Sharon Ingram

**Pasta**

Pasta is truly the food of the ’90s. Once regarded as fattening, filling and cheap, it is now a favorite of dieters, jocks and gourmet chefs who realized that it is low-calorie, low-fat and high in complex carbohydrates. Nearly every diet plan pushes pasta. On the eve of the annual New York Marathon, competitors gather at Tavern on the Green for a pre-race pasta “carbo-load.” Four-star restaurants and trendy bistros now feature several pasta dishes, both simple and elaborate, on their menus.

Pasta’s new-found fame has led to a boom in consumption percent during the ’80s, according to the National Pasta Association. By 1990, Americans were eating 18 pounds of pasta per person, adding up to about 148 pasta meals a year, totalling 4.6 billion pounds. According to a survey by Better Homes & Gardens, 98 percent of Americans consider pasta a staple food, and are likely to have it on hand at any time. Although pasta is inexpensive, this level of consumption accounted for over $2 billion in sales in 1990. Italians eat about three times as much pasta as Americans do, consuming 55 pounds per person annually.

With that much of the stuff around, how do you avoid getting sick of it? The answer is variety. Pasta comes in over 150 shapes. In Italy, the choices number nearly 600. Among the 40 shapes that are most popular...
in the United States are spaghetti ("a length of cord"), vermicelli ("little worms"), linguine ("small tubes"), rigatoni ("large grooves"), mostaccioli ("small mustaches"), lasagna and elbow macaroni. Northeasterners eat more pasta than other Americans, with 38 percent saying they "eat a lot" of pasta, according to the Roper Organization.

For all its versatility, pasta is a simple product made only from wheat and water. Golden durum wheat is ground into semolina, a granular product with the consistency of table sugar. When mixed with water, semolina produces a stiff dough high in gluten, the protein that gives it strength and elasticity. American pasta manufacturers enrich the dough with B vitamins and iron to compensate for the nutritional losses that result from the removal of the wheat's bran and germ during milling.

When Antoine Zerega opened the first pasta factory in the U.S. in Brooklyn, New York in 1848, the pasta was cranked out by hand and dried in the sun. Today, the production of pasta is a fully automated process. At Borden's Creamette plant, for example, immense two-story machines mix and extrude the dough at the phenomenal rate of 30,000 pounds per hour. The machines mix the semolina and the water, knead the dough and then force it through metal dies to produce the different shapes.

Once the pasta is extruded through the die, automated knives cut it. Long goods, such as spaghetti and linguine, are draped over racks to dry; short goods, such as elbow macaroni, are placed on trays or conveyor belts. The pasta must dry for the correct amount of time. If it dries too quickly, it will develop cracks and breaks called "checking." If it dries too slowly, the pasta will spoil and be inedible.

"Pasta" is an Italian word meaning paste. Because most of our names for its shapes are Italian, this leads many people to believe that pasta originated in Italy. In truth, it probably evolved spontaneously in many cultures long before recorded history. Legend has it that Marco Polo brought pasta to Italy from China in 1295 but archaeological evidence shows that the Etruscans were making pasta in what is now known as Italy as early as the 4th century B.C. Thomas Jefferson is responsible for America's first taste of pasta. He introduced it in 1789 when he returned from his tenure as the U.S. ambassador to France.

The good-natured competition between American and Italian pasta has taken an interesting twist lately. While most of the pasta-making equipment used in the U.S. is manufactured in Italy, the majority of Italian pasta is made from American durum wheat grown mainly in the Midwest. In 1990, Italy imported over 165 million pounds of this ingredient.

Industry projections indicate that Americans may soon catch up to the Italian level of pasta consumption. The N.P.A. expects a 63 percent increase during the '90s, reaching 30 pounds per person per year by the year 2000. By then experts figure that on average individuals will be eating pasta once a day for two-thirds of the year.

—Patricia Calvo

Skis

During the 1992 Winter Olympics in Albertville, France, attention is focused on one particular brand of footwear: skis. Even the slightest innovations and refinements of the old formula mean big bucks to a handful of top manufacturers who dominate the icy slopes.

Like the major automotive firms, these companies use top-level competition to capture market share among the millions of weekend warriors who stumble down the slopes annually. With nearly a billion dollars in annual sales worldwide at stake, the incentive to devise the ultimate ski is undeniable.

Although skis are now made of plastic and metal instead of wood, change occurs slowly. They look virtually the same as they did in the days of Sondre Norheim, the Norwegian ski champion who, in 1865, invented sidecut, camber and heel-strap bindings. Most designers agree with John Vandergrift, an engineer at K2, who states bluntly, "Skis are like a football. The NFL is not going to redesign the football." Vandergrift adds, "If we could come up with a sidecut geometry that confirmed a real performance advantage, it would take off. But the real breakthrough hasn't happened."

There is room for improvement, though. Jim Douglas, spokesman for Rossignol, feels that skis can grow somewhat lighter, softer and narrower. But we will soon reach the outer limits of the envelope," he says. "Foot width imposes a limit on how narrow the ski can be, and we are currently looking at standards for ski widths that are designed to accommodate the binding screws. We will soon see lighter space-age materials in use." Most equipment experts feel that the future is now going to be in boots and bindings.

The United States is the largest consumer of ski equipment in the world with sales in the hundreds of millions. The Japanese, not the Europeans, are next in line, and this has fueled the development of Japanese ski equipment manufacturers.

Swallow, founded in 1953, has carved a niche for itself as one of Japan's main providers of rental skis. It operates rental services throughout the country, with an inventory of 10,000 skis ready at any given time. It also produces low-to-middle-end skis, for general distribution, and a smaller performance line. The misfortune of Swallow skis is that the cost of labor is 30 percent higher than in the U.S. or in Europe.

With retail prices for Japanese ski products sold domestically running as high as 50 pe-
cent more, it's hardly surprising that Japanese manufacturers have not made a significantly larger dent in the international market, even with heavy overseas discounting. Three of Japan's major ski manufacturers, Mizuno, Ogassaka and Swallow, are not even represented in the United States. Others, Nishizawa, Kazama and Yamaha, sell such small quantities in the U.S. that their representation in the American market is negligible.

One of the ironies of the Japanese ski industry is that while it sells 80 percent of what it produces in Japan and is constantly using overtime shifts, as much as 90 percent of young ski consumers prefer Western brands such as Rossignol, Salomon and K2. These brands convey status and carry clout among Japanese as the choice of Olympic and professional racers.

Salomon is considered a world leader. Starting with its patent for metal edges in 1947, it has built one of the world's largest winter-sports companies, with sales of $467 million. It is battling French archrival Rossignol, the industry leader with 26 percent of the $830 million global alpine-ski market. With sales of $256 million, Rossignol enters the race vowing to fight Salomon across the board. Salomon hopes that its tinkering will pay off. Whether the new ski will be fast enough to catch Rossignol remains to be seen. First one to the bottom line is always the winner.

—Joanne B. Laskowski

Escalators

Watch your step, please—keep your feet between the yellow lines—grasp the handrail. Nobody pays much attention to these warnings, or to escalators themselves, but escalators are big business. The word elevator was originally a trademark of the Otis Elevator Company, but wide public usage has made it a generic term.

An escalator can carry between 5,000 and 10,000 persons per hour at the speed of 90 to 120 feet per minute. Recent years have seen substantial growth in the market for escalators in suburban office buildings, museums, art galleries, schools, hospitals, concert halls, grandstands and sports arenas. There were about 12,000 in the United States at last count.

One of the shortest escalators has a rise of only 5.5 feet, between lobby levels in a Florida motel. North America's highest rising escalator lifts people 68 feet high at the World's Fairground in Montreal. In England the pedestrian tunnel under the Tyne River is reached via a pair of 85-foot escalators.

An escalator is operated by a series of steps connected by axles to two endless chains and supported by rubber or nylon-tired wheels on endless steel tracks. The chains are driven by the tracks in such a way that the steps level out at the top and bottom landings. The chains and the steps connected to them are led over two sprockets at the upper end of the escalator and returned, with the steps in flat formation, to the lower landing where they turn back into the carrying path.

The first U.S. patent on an escalator was issued in 1859, but it was not used. Jesse W. Reno and Charles D. Seeberger independently invented two types of practical escalator about 1890. The Otis Elevator Company, in time, acquired the rights to both. The first escalators were built and operated in 1899 at the Otis factory in Yonkers, New York. The earliest one used by the public was at the Paris Exposition of 1900, then from 1901 to 1939 at Gimbels, a department store in Philadelphia. Since then, the industry has had its ups and downs, and is now moving along at about $25 million a year.

—Sandra McDonald

900 Numbers

When they first burst on the scene in 1982, “900” telephone numbers were basically pornographic chat lines that reached a small—and lonely—submarket on society’s fringe. Ten years later, pornography has been bumped to a minute sector of the burgeoning “900” industry. Entertainment and polls now dominate the business, and big corporations, including Pratt & Whitney and Lotus Development, have moved in to grab their own piece of the pie.

And the pie is growing. According to analysts, in 1987 the “900” revenues totalled $390 million. By 1990 that figure jumped to $880 million and is expected to hit the $1.5 billion sales mark by 1992.
The 10,000-plus “900” lines run the gamut from legitimate businesses and help lines to “love” lines and con games. A call costs anywhere from $1 to $30 for the first minute, and a smaller amount per additional minute. Even the Vatican has its own “900” line with daily recorded messages from Pope John Paul II in seven languages.

Experts indicate that 68 percent is in entertainment. The pop group New Kids On The Block have milked the “900” gambit for all it’s worth. In the first two years of their “900” line, the New Kids’ dial-a-hit brought in revenues of over $4 million, according to Forbes magazine. Chartbusters from rap’s Hammer to pop singer Debbie Gibson have played this version of dialing for dollars and the top soap operas have “900” lines for up-to-the-minute plot bulletins. Children can reach out and pat the Easter bunny for a “900” greeting or leave their Christmas lists with Santa Claus, although critics contend that the lines exploit unattended innocents.

Much of the “900” traffic is devoted to consumer assistance. Music Access enables audiophiles to listen to sample cuts before plunking down 10 bucks or more for a CD, while Concert Hotline has the latest 3,100 live performance schedules for 250 performers in the rock, country, pop, jazz and classical fields. Videofinders will locate hard-to-find tapes, while Movieworks critiques the 50 latest films with one-minute reviews.

Sports fans are a major segment. A skiing line reports on conditions for more than 65 slopes across America. There are a number of race lines for horses, cars, dragsters, bicyclists and auto racing.

What was thought of as professional help is also just a call away. Tele-Lawyer offers counseling by the minute, and a number of hospitals have set up medical advisory services. Health Information Network will supply facts about medication. Pharma/Call will provide information about AIDS. Investors can play the market through Journalphone, Investorline or USA Today Money Line for up-to-the-minute financial news and stock prices. Uncertain of an insurer? Call Bestline, the leading ratings firm.

Big corporations have recently realized the advantages of “900” numbers. Although experts view the corporate sector as largely untapped, major customers have penetrated the market in the past couple of years. AT&T has landed such companies as discount investment house Charles A. Schwab, Amtrak, Lotus Development and Pratt & Whitney. Even the Better Business Bureau has turned to a “900” number.

The big carriers in the “900” area are AT&T, MCI, U.S. Sprint and Telesphere Communications. Generally, the businesses that want a line will pay a one-time set-up fee, a monthly service charge, a per-minute charge for each call and other incidentals to cover billing and uncollectible accounts. Prices vary depending on the type of line that is set up. The company’s cost per call will range from $.30 or less for the first minute, and $.25 or less for each additional minute. For telecommunications firms in search of new markets, “900” lines are sending a welcome busy signal.

—Dawn Cherie Steele

Writing Instruments

The computer and photocopier, some predicted, would make pens and pencils obsolete. But high-tech innovations have only helped create new applications for the classic writing instrument, which boast annual sales of $3.25 billion. According to a report from Find/SVP, roughly 45 percent of all writing instruments are bought by offices. That figure includes 50 percent of all pencils and 80 percent of all marking pens.

Industry experts have been surprised by the resurgence in demand for fountain pens in the last year. Recent advances in ink-filling technology coupled with the aggressive advertising of the new Parker Pen have led to its renewed popularity. Ads have plumped their gold nibs and greater bulk, adding connotations of grandeur and elegance to fill the luxury-trinket void left by the cigarette lighter’s demise. Prices run from several hundred to many thousands of dollars. The leader in the higher-priced segment in the United States is Cross, with about 40 percent, followed by Montblanc, Sheaffer and Waterman. Worldwide, however, Germany’s Montblanc is still at the top of the market.

The pen has come a long way from the days of the quill which was developed in the sixteenth century and remained the writing instrument of choice until 1830 when John Mitchell, an Englishman, invented the steel-nibbed pen. The inconvenience of having to continually dip a pen to replenish its ink supply stimulated the development of the fountain pen, which gained popularity in 1884 when L.E. Waterman, an American, created the first practical fountain pen. The period after World War II saw the blooming of the ballpoint, invented by a Hungarian, Laszlo Biro.

Shortly after the introduction of the ballpoint, the felt-tipped pen was developed in Japan. Manufacturers are working on markers that do not smear and are pleasantly scented. The U.S. market for fiber-tipped pens ranks as the leader with sales of $232 million in 1989.

A decade ago saw the fifth development phase, the rollerball pen. These use water-based ink that produces smoother lines than the oil-based ones in ballpoints. In 1989, its sales totaled $201 million. Other manufacturers in this market are Pentel, Pilot, Bic, Papermate and Faber-Castell.

—Younga Lesio
Other People's Money

Corporate recovery from the debt-defying '80s is slow
by Edward Asante
Illustrations by Luz Zoraida Figueroa

The financial battles fought over the rough terrain of the high-flying '80s have abated, but the casualty figures are still being tallied.

Spurred by an urge to shake up management and the ammunition of junk bonds, Wall Street's warriors took corporate control beyond a desire for market share to instant profit, status and prestige. The '80s were a time when self-styled corporate raiders stormed and pillaged one conglomerate after another, leaving wounded and weakened over-leveraged giants in their wake.

It was a decade when a handful of speculators reaped the spoils of a mergers and acquisitions binge never before witnessed on Wall Street or Main Street. Buyers shelled out some $1.5 trillion to annex nearly 30 percent of the Fortune 500 companies, not to mention billions more expended for defensive armor. The deal makers, lawyers and commercial banks thrived on short-lived spoils estimated at nearly $60 billion.

Masterful deal makers like Kohlberg, Kravis, Roberts were able to find ammunition to make the yet unsurpassed leveraged buy-out of RJR Nabisco for a mere $2.7 billion. Investors like William Simon, with a paltry $1 million, could buy Gibson Greetings from RCA for $79 million and later pitch it to the public for $290 million, raking in a stunning $66 million profit for himself. Raiders like Carl Icahn could make $75 million by buying and holding Phillips Petroleum for 30 days. It was also an era when epic greed made individuals like Ivan Boesky pay a $100 million penalty for insider trading.

All that with other people's money.

THE M&A PARTY'S OVER

Enniss Bergsman, director at the Manhattan-based management consulting firm of McKinsey & Co., which has a whole department for mergers and acquisitions, attributes the excesses of the decade to the availability of surplus capital. He says, "Huge pools of capital were available and lots of organizations started bidding where prices went beyond what was reasonable." Bergsman thinks the deregulatory activities
Once upon a time, the sun never set on the British empire. As corporations became the colonial powers of the 20th century, the flag with the mouse ears was hoisted around the globe, much as the mighty Union Jack once flew over distant lands. Conquering the world has not been easy, however, as they are learning in Anaheim. While cultural purists railed against the damaging effects of American consumerism, the Disney dynasty made bold moves into foreign markets, starting with Japan, and this year testing out France.

The latest venture rose in a former sugar beet field 20 miles outside of Paris. Sprawling across 1,500 acres, Phase I of the Euro Disney resort now teems with children and others who, in the footsteps of Disney addict Michael Jackson, refuse to grow up. On April 12, 1992, as the first guests charged past the ornate gates into the French Magic Kingdom, they were intercepted at Main Street by a 500-piece marching band and drill team, Mickey and all his famous friends, a children's choir, scores of circling doves and 12,000 mechanically cheerful cast members. To some it looked like the liberation of Paris by the Allies in 1944—others were less amused.

GREAT EXPECTATIONS
Within hours of its opening, Euro Disney was under fire from all quarters, and a year later the fantastic profits forecast by analysts have not materialized. The dismaying results are forcing Disney officials, and other corporate heads, to re-evaluate American corporate and cultural expansionism. In a way, you can't blame Disney Chairman Michael Eisner and his marketing team for their optimism. Over a million Europeans had paid $1.74 just to see a model of the park 15 months before its opening. Expectations regarding the boom that was going to follow Europe's unification were high, making the $4 billion gamble seem worthwhile. Just three months before the opening, a special offering for Euro Disney replaced Source Perrier as one of the 40 stocks that make up the French equivalent of the Dow Jones Average on the Paris Bourse.

To guarantee what seemed a certain success, Disney launched an unprecedented marketing campaign. The company spent two years flooding European TV with children's programming and looked for a boost from the heavily promoted re-release of several animated features, including Fantasia, Snow White and Pinocchio. Robert Fitzpatrick, chairman of Euro Disney, views the new venture in cultural as well as commercial terms. "I think we'll help change Europe's chemistry," he says. To raise consumer awareness, four Disney Stores opened in England, and more are scheduled to appear throughout Europe. Millions of advertising dollars were spent with assistance from Disney's corporate partners including Coca-Cola, Mattel and American Express.

Planning for the European invasion started in the mid-1970s. Venues in Britain, Italy, France and Spain were all considered, but the site at Marne-la-Vallée was picked on the basis of demographics. Over 60 million people live within a four-hour drive, and its central Continental location makes it look like a magnet for 300 million others. Disney officials believed the French would make up almost half of this year's expected 11 million visitors.

THE FRENCH SET A MOUSETRAP
Disney didn't count on the backlash that greeted the resort's opening. It started as a public relations disaster. During a promotional event, Eisner, Disney's chairman, was showered with eggs thrown by French political protesters. Farmers demonstrating outside the park tarnished the Disney magic. During construction, problems arose when architect Aldo Rossi walked out on a Disney hotel project due to unfavorable criticism, and a much-publicized contractor's dispute over payment for late changes added to the imbroglio.

The media launched an all-out public mouse-bashing. Prominent cultural and intellectual voices had a field day. Powerhouse theater director Adrienne Mnouchkine called Euro Disney "a cultural Chernobyl." French novelist and critic Jean Cau described it in an issue of Le Figaro as "a horror of cardboard, plastic and appalling colors, a construction of solidified chewing gum and idiotic fairy tales lifted straight from comic strips drawn for obese Americans." As far back as 1988, Gilles Smadja, in his book Mickey: The Sting, denounced the government's financial support for the infrastructure needed by the park. Even the British piled it on. The Guardian ambivalently complained, "Disney is both crass and seductive. We hate it, but we still want to go there." The European news media universally agreed that Euro Disney was a dangerous example of American neocolonialism.

It wasn't just the bad press that hurt. The numbers did not add up, either. Attendance was far less than expected, and souvenir sales did not cover the gap. The excuses were legion. Euro Disney opened amid a global recession and had to compete with the Olympics and the World's Fair in Spain. Price resistance was a problem. A one-day pass costs 225Fr for an adult and 150Fr for a child, approximately $42 and $28 respectively in terms of U.S. dollars. Even the airfare wars for transatlantic routes had a depressing effect on the gate, because a package to Walt Disney World in Florida, turned out to be a better bargain for Europeans than an excursion to Euro Disney. Karen Gee, marketing manager of Airtours
The banks have their own problems. Weighed down by sinking real estate values and bad loans, some major banks see consolidation as the only means of survival, accounting for some of the biggest deals in 1991. In the third quarter of 1991 alone, 37 bank mergers were announced, totalling $9.6 billion. Some of the largest deals include Chemical Banking Corp.’s agreement to merge with Manufacturers Hanover Corp. in a $2.3 billion stock swap, BankAmerica Corp.’s acquisition of Security Pacific for $4.1 billion and NCNB’s acquisition of C&S/Sovran for $4.26 billion. “The banks are merging for a different reason, for a strategic reason,” says McKinsey’s Bergsman.

SLOW RECOVERY AHEAD
A recovery in mergers and acquisitions activity may come as early as the next economic upturn. Lipper claims, “We will soon get out of the recession and more cash will be generated to pay debt. The majority of the companies will come out just as healthy.” He notes that history may repeat itself soon if there is excessive growth in the money supply and if companies have excess cash on hand. This may already have begun in the telecommunications industry, but for long-term strategic reasons. The $7.9 billion acquisition of NCR by AT&T and GTE’s $6.24 billion merger with Contel were not motivated by quick profit but by the need for reform, due to changes in regulation, market and technology. “These are not financial deals, they are strategic ones. AT&T realized that NCR had the people and the products they need to build a strong computer business,” says Lipper.

While students of corporate structure are still battling over the possible merits of the M&A binge, one lesson has ripped through the battlefield: In the long and drawn-out warfare of corporate competition, merger activity helps a company only when there are long-term strategic gains at stake.
College graduates are the latest victims of the recession

by Percival Ariola

For most of the '80s, college students strived to achieve upward mobility. Many envisioned high-paying jobs with corporate America's elite. Others fantasized about BMWs, Rolex watches and condominiums. Armed and dangerous with college diplomas, they were ready to claim their share of the American Dream. But in the '90s, these dreams are becoming nightmares.

The career aspirations of many graduates have been delayed by a recession which has decimated the workplace. According to USA Today, over 1.9 million jobs were lost within an 18-month span from July 1990 to December 1991. In addition, the U.S. unemployment rate exceeded 7 percent.

THE CORPORATE AXE

Although some economists claim that the recession is over, corporate America has been hard-pressed to staunch the bleeding. A survey of 910 companies by the American Management Association indicates that 22 percent intend to eliminate jobs through 1992. "There are no indications of a rapid recovery on the horizon anytime soon," claims Eric Greenberg, editor of AMA Research Reports, a division of the American Management Association. "Many companies are expecting fur-
& Bradstreet Corporation. "After graduation, one out of three students had found employment in the field which he or she wanted to go into. But the other two were either unemployed or doing something they had not trained for."

Gone are the days when everyone was a satisfied customer in the recruiting process. The academic community fears that the recession's impact on the workplace could affect future recruiting seasons. As Northwestern University placement director Victor Lindquist told Career Futures magazine, "Those corporations that take a longer-term view of the manpower development process and sustain the college recruiting program are those that will emerge in a much stronger position. Dropping out can be very costly."

Unfortunately, recruiters may not have a choice. Since the stock market crash of 1987, companies have aggressively eliminated management layers, installed new technology and closed lagging divisions to economize for the long-term. For many bloated Fortune 500 giants, "downsizing" has become vital to corporate survival during the recession. Greenberg of AMA Research Reports notes, "It's important for firms to streamline and cut costs whenever possible—as long as it does not result in cutting off the future for the sake of the present."

The business world has also relied on "empowerment," one of the newest buzzwords in the corporate culture. Companies are claiming that since authority is being passed down to lower-level workers, fewer employees—including middle managers and college recruits—were needed. While the "lean and mean" philosophy is considered a boon to corporate America, it continues to be a bane to the unemployed.

**NO SHELTER FROM THE STORM**

Some experts say that there are few winners in the job sweepstakes. "All majors have been affected and the demand for graduates has definitely decreased," comments Jennine Hanibal, an employment counselor with the New York State Job Service. Even students majoring in areas with high employment demand have had trouble finding their niche. A 1991 survey by Michigan State University estimates a surprising 45 percent recruiting decrease in the engineering and computer industries.

But recruiting problems within the communications industry have been self-imposed. The Michigan State University study reports a 28 percent hiring reduction in that field. Since the supply of candidates usually exceeds the demand, there is almost no incentive for media institutions to actively recruit on campus, placing the onus on those seeking to get a foot in the door.

With some of these doors to employment being locked, many students are seeking alternatives before entering the work force full-time. Some have decided to take temporary jobs, hoping to earn some money and network with company insiders. Others have gone home to ride out the economic strife. And a growing
number are applying to graduate school. These days, students are willing to sacrifice a few years to obtain an advanced degree and increase their earning potential. Costs can range from $40,000 for an MBA to $100,000 for a medical degree. The U.S. Department of Education reported that 24 percent of graduating seniors applied for postgraduate study during 1990—ironically, the year the recession started.

But even higher education is retrenching, rocked by budget cuts and restructuring. U.S. News & World Report indicates that 70 percent of U.S. law schools have reported recruiting freezes. MBA programs fared no better, with corporate recruiting visits cut by 15 to 20 percent. In addition, Fortune magazine reports that some companies are losing interest in MBA recruiting because the business schools are not teaching students the necessary skills to compete in today's economy. The message being sent to graduate students is that even an advanced degree is no guarantee.

“HIRE” EXPECTATIONS
About 75 percent of the companies in the AMA survey blame the recession for the job cuts. As long as corporate America continues to downsize, prospective employers will become more demanding. When there are 20 candidates vying for one offer, it becomes a process of elimination which separates contenders from pretenders. “Expectations have increased—this being a side effect of what has happened,” admits Ecclesine. “Companies tend to be a little more selective because fewer people are being brought in.”

The unfavorable odds have created a “survival of the fittest” mindset on college campuses around the country. The National Center for Education Statistics estimates that over 1.06 million students are expected to graduate during the 1991-92 academic year.

There are different opinions on how students should compete in a selective job market. “These days, it’s unrealistic for a college student not to do an internship,” says Paul Israel, a coordinator for the Executive Internships Program and an advocate of experiential education. Internships, volunteer work, cooperative education and summer-hire programs are now staples on campus, a far cry from the days when educators placed a high priority on scholarship and a low priority on student employment.

As recruiters sift through resumes, work experience becomes crucial in determining who gets the job. “Since jobs have been scarce, any extra experience that can give a student an advantage is valuable,” explains Israel.

Due to the volatile state of the economy, career placement experts suggest that students take an inventory of their abilities and develop new skills to complement the needs of the workplace. While attributes such as team management skills, computer literacy and ethics rank high in the corporate culture, one requirement which is being widely stressed is communication skills. “There are a lot of complaints from employers claiming that students do not communicate well,” says Hanibal. “For example, accounting majors assume that they’ll just work on Lotus and this is a mistake. All students must improve their communication skills.”

For all the job tactics graduates are encouraged to use, education is still regarded as the number one requirement for a successful career endeavor. “Recruiters don’t want to pick from the bottom of the class,” comments Ecclesine. “They want students who are well-rounded, especially those who have held leadership positions in extracurricular activities.”

FUTURE VISION
The situation is not hopeless for students. Despite recruiting cuts, many companies have been visiting campuses to maintain relations with students, offering lectures on job search tactics and participating in job fairs and “career day” seminars. In some cases, recruiting may have increased. With the Fortune 500 licking its wounds, small and medium-sized companies have invaded college placement offices.

Employment experts say that in spite of the recessionary turmoil, there are still some job prospects. U.S. News & World Report indicates that 11 of the 20 fastest growing industries are in the medical and technical fields. These include engineering, health care, computer science and biotechnology. Other areas which are expected to grow in the ’90s include accounting, employment law, financial planning and human resources management.

Those who manage to find jobs will be rewarded for their perseverance and resourcefulness. The Michigan State University study reports that estimated starting salaries for 1992 graduates will reach $27,000, an increase of 3 percent from 1991. Chemical engineering majors are at the apex of the survey with salaries expected to exceed $41,000. At the other end of the spectrum, journalism paychecks are a shade under $20,000. Those willing to pay $40,000 for an MBA will break even. However, graduates from Harvard, Wharton, Columbia and other elite business schools may still receive six-figure compensation packages.

It doesn’t matter if the economy is good or bad, stiffer competition for employment presents an obstacle course for students.
America's recycling companies, the modern-day alchemists, are turning garbage into gold. Although the recession has harmed other industries, it has hardly affected recycling. In 1990, enough copper, cardboard and paper was recycled to make more than 360 trillion pennies, 26 million pizza boxes, or to print the Sunday edition of *The New York Times* for 58 years. One of the largest recyclers in the country, Browning-Ferris Industries, posted 1991 second-quarter revenues of $805 million.

**"GREEN" GARBAGE**

Jim Morgan, director of membership services for the Institute of Scrap Recycling Industries, says, "There's money to be made in recycling, especially metals." The forum represents 1,600 scrap-metal processors and 200 associate members that provide equipment and services to the recyclers. Membership dues range from $550 to $5,000 per year. "It is well worth it, though, or we wouldn't have so many members," adds Morgan.

Harvey Jacobs, president of the New York chapter, agrees. "Morgan is right, but I think in the near future we'll be seeing an increase in plastic, paper and glass recycling as well as metals." Of the companies within the Institute, 10 percent are already recycling materials besides metals. "If the automobile manufacturers keep using more and more plastic in their cars then we have no choice but to change over," says Jacobs.

Some municipalities are already getting in on the non-metallic recycling business. *The Wall Street Journal* noted that Chicago is refurbishing its 563 parks with garbage. The city converted some 1.5 million pounds of milk jugs and other discarded plastic items into "lumber" used to make benches, boat docks and perimeter walls that are cheap and low-maintenance.

Proponents say plastic lumber is a viable—and potentially profitable—use for discarded plastic, which accounted for 8 percent of the nation's 180 million tons of solid waste in 1988. Most manufacturers, however, are still investing in marketing and product development in hopes that plastic lumber catches on with the public since its cost is reduced through higher volume.

But if plastic lumber fails to become a big seller, profits through other direct or indirect means of recycling may still be available to entrepreneurs. Low-interest loans are sometimes granted to research other uses for tires, paper, plastic and glass. William Ferretti, director of research and market development for the New York State Department of Economic Development, says, "We're already working with a company to set up a de-inking factory in upstate New York."

**PRIVATE VERSUS PUBLIC**

The privately owned company is expecting to come on line within the next two or three years with a process to erase ink from old newspapers. By taking the ink off, the stock becomes more valuable. Paper that is recycled with the ink left on has only a seven-issue life. If the de-inking industry proves successful, then the stock could be recycled more times.

With the invasion of private-sector profits, municipal recycling efforts became more widespread. *BioCycle* magazine estimates that the number of city-run, curbside collection programs nearly tripled to more than 2,800 in 1990 from 1,050 in 1988. In addition, among 163 U.S. cities that applied for the Heinz National Recycling Awards in the spring of 1991, two-thirds have implemented programs within the past three years. Almost a fifth of them are less than a year old.

The competition, organized by the H.J. Heinz Co. Founda-
tion and the U.S. Conference of Mayors, showed that 87 percent of the cities now offer curbside collection. Waste-disposal fees range from $5 a ton in Jackson, Tennessee, to $161 in Philadelphia. Minneapolis, a Heinz award winner, added a solid-waste fee to make residents aware of disposal costs. Households that recycle get a $7 discount per month.

Although private entrepreneurs and some municipalities are profiting from recycling, some people have differing opinions about the hassle of recycling.

Fran Ferrara, who lives only 10 miles from Fresh Kills, Staten Island, the largest and most notorious dump site in New York, says, “I think some people would be happy if New York City would stop their program, because a lot of people are too lazy to separate their trash.” Bronx resident Eileen Morales notes, “Recycling doesn’t benefit me, but it would probably benefit my son when he’s grown.” Sam Murray, of Crown Heights, Brooklyn, says, “The country as a whole seems wasteful, but we really need to focus on saving our resources for the future generations.”

Whether people like it or not, there will always be municipal programs for recycling, especially if there is money to be made. However, the private sector, in the past, has most often far exceeded municipalities in the scope and efficiency of its recycling endeavors. “Bureaucracy gets in the way for most city-run programs,” points out Jacobs. “The New York chapter has been working with the New York City sanitation department for a long time, and every time the administration

changes, they shift the people around.”

When private companies go into business they either make a profit, break even or get out. Private industries use control methods that squeeze the most efficiency and productivity from workers. “The privately owned businesses are taking up all of the metal recycling, because they can’t make as much money in glass, paper and plastic,” points out Stephanie Cleveland, assistant director of the Environmental Action Coalition, a non-profit organization which promotes environmental awareness.

BOOMING BUSINESS

The success of the industry has prompted some experts to predict further growth. “In the near future, I think you will see more college classes dealing with the environment, because there are so many more ways to make money in recycling than just collecting aluminum cans,” says Cleveland.

A bachelor’s degree and a five-year apprenticeship are prerequisites for those who aspire to make $50,000 to $70,000 annually as certified industrial hygienists. There are at present 60,000 hygienists in the U.S. Some college students are hired in their junior year to begin their apprenticeship. A part-time college student typically earns $10 per hour.

“We mostly hire people with industrial hygiene and health and safety backgrounds,” says Steven Simmons, a partner-manager at Apex Environmental in Queens. “This is a growing field, and we’re one of the few industries that aren’t affected from a suffering economy.”

With all of the oil spills happening in recent years, it would seem profitable to delve into your own oil-spill cleanup company. Julie Ferrara, an oil-spill specialist at Milro Services Inc, says, “We clean up big and small oil spills, inside and outside of the home.”

After the cleanup they remove the contaminated soil and monitor the water for any contaminants. “We charge by labor-hours and equipment needed, and we get around 40 calls per day,” adds Ferrara.

CLEAN CASH

If a civic-minded businessman is preoccupied with having a clean environment, but at the same time interested in reaping profits, there are many alternatives to sift through. The growing concern to keep a clean environment presents not only opportunities for the entrepreneur, but also for researchers, politicians and consultants. “A business, municipality or anyone who wants to operate a recycling facility may do so,” says Joan Howell, a solid-waste specialist with the Department of Environmental Conservation for Nassau and Suffolk counties in Long Island, New York.

When the government noticed a vast increase in recycling entrepreneurs, and an equivalent decrease in other fields, legislators began regulating the industry. “Garbage is a money-making business, and we have to make sure that it doesn’t get
ugly,” says Howell. She also predicts that the future will bring more recyclers than ever, not only because of the money, but also because of the endorsements by environmentally concerned citizens. Another factor will be the tax incentives and subsidies offered by government agencies.

For the big investors, Jacobs says, “You can get started in your own metal-purification processing factory for about $1 million.” That may seem like a large sum, but Browning-Ferris may have started off the same way, and they recently posted profits of $59 million per quarter. Many don’t realize how marketable their trash is. “A fully loaded trash truck, on average, carries about $500 worth of trash,” claims Morgan.

With money to be made and environmentalism becoming a major trend for the ’90s, recycling has taken its rightful place in society’s social conscience. It is also showing up on the “buy” lists of Wall Street analysts.

**Recycling’s Big Question**

Can a blue plastic barrel be the key to saving the planet? Can putting empty tin cans in there instead of dumping them down the chute keep us from being overwhelmed by our own waste? The recycling program in New York faces the problem of convincing New Yorkers that such prosaic measures can, in the long run, have the advertised effect.

New Yorkers can be roughly divided into three groups when it comes to recycling—the acutely environmentally conscious who were probably doing some kind of recycling on their own even before the official program was introduced; the people who have never thought much about it but who are willing to do their part for a worthy cause; and those who don’t want to be bothered. Assuming that the middle group is the largest, which is usually the case, it is clear that their participation is crucial to making recycling a permanent part of New York life. But will people whose lives are already cluttered with a million details, and who are primarily concerned with more immediate issues of survival, make the necessary effort?

For me, recycling has not been very demanding. Rinsing out used cans, bottles and jars and putting them into the barrel, along with tying up old newspapers into bundles and putting them on the special shelf, does not add up to a very daunting task. For homeowners, it becomes a bit more complicated, as they are required to separate their garbage into several different piles, and dispose of them only on certain days. There is also an office recycling program, which simply requires workers to put all used white paper into a special holder rather than into the wastebasket. This is then dumped into another blue barrel (a square one this time), the contents of which are then removed and, presumably, recycled. Again, not a difficult task. It’s the poor guy who has to lift and empty those barrels who does the real work.

Despite the largely undemanding nature of the program, recycling still encounters resistance and even resentment. Some people are offended by the idea that a government which presides over a city where everything seems to be deteriorating should be threatening them with criminal penalties if they don’t throw out their garbage properly. And when most New Yorkers already have more than enough worries to occupy them, it’s hard to work up any deep concern over so remote a possibility as being engulfed by a sea of garbage decades from now.

The pooper-scooper law, when introduced a few years ago, was hailed as the start of a new era. Dog droppings would no longer foul the streets and people would be able to look ahead as they walked rather than at their shoes. And at first, you did see a lot of dog walkers carrying scoopers and the streets did indeed seem somewhat cleaner, but before long the situation reverted to normal, and now the sight of a scooper is as rare as a rush-hour subway seat.

Will the recycling program go the same way, or will it take hold and become a regular feature of life in New York? In spite of the sanctions for non-compliance, success still depends on voluntary cooperation, and this is hard to sustain when there are really no tangible benefits to be seen. Personal observation seems to indicate that most people are going along with the program, at least to some degree, at least for now. But it may be that the future of the recycling effort in New York depends on how well the City is able to deal with its other, more immediate, problems. The prospect of one day being buried under a mountain of waste loses its edge when you feel that the City is already being buried under a mountain of problems it seems unable to solve.

—Steve Mason
CABLE UNREADY

While Time Warner prospers, New York cable service is stuck in a test pattern
by Ivan Cintrón

New York’s cable television service has its wires crossed. Although relatively unscathed by the recession’s impact, closer regulatory scrutiny threatens to loosen Time Warner’s grip on the Big Apple’s cable systems. A number of events have shaken the national cable scene. Angry customers, no longer able or willing to pay constantly rising fees, have urged Congress to re-regulate an industry that was freed up by the Cable Television Act of 1984. The Federal Communications Commission passed guidelines giving the “Baby Bells” access to cable signals, in effect creating a whole new group of future competitors.

MONOPOLY OVER MANHATTAN
At present, Time Warner either partially or through subsidiaries owns all the cable companies providing service in the metropolitan area. In Manhattan, two companies ostensibly service the entire borough. Manhattan Cable covers the West Side south of 79th Street and the East Side south of 86th Street, while Paragon Cable Manhattan covers the rest of the borough. Time Warner owns Manhattan Cable and is part owner of Paragon with Houston Industries and American Television and Communications Corporation, a Time Warner subsidiary.

The cable operators for the rest of New York City—Brooklyn Queens Cable, American Cablevision of Queens and Queens Inner Unity Cable System—are either owned or controlled by Time Warner. The premium channels, such as HBO and Cinemax, are more closely identified with Time Warner. In addition, the company either partially or completely owns several other channels that are part of the basic subscription package, such as the Comedy Channel, recently merged with Hallmark Entertainment Television (16 percent) and Movietime (45 percent). Even the pay-per-view channels, as many as a dozen per system, are Time Warner properties.

Critics complain that Time Warner, which has one of the most lucrative cable operations in the country, raises fees despite cus-
customer outrage about less-than-adequate service and reception.

Yet rate increases are a national phenomenon. Cable bills skyrocketed 61 percent between 1986 and 1991. In 1990 alone, rates went up by 16 percent nationally, according to Paul Kagan Associates, an industry research firm. A poll conducted by Cable World, a trade publication, found that this past year, the increases have been 7 to 11 percent, an average monthly $2 jump.

New Yorkers’ rates were increased in December by that same $2-a-month margin for basic service, which does not include premium channels like Showtime or HBO. Manhattan customers now pay $20.95 a month for the basic package, up from $18.95, while Queens and Brooklyn subscribers pay $22.95 a month. Since deregulation, cable operators can pump up rates without the approval of any governmental agency.

Richard Aurelio, president of Time Warner’s New York City cable group, points to the $240 million the company has already committed to upgrading Manhattan’s systems, and the $320 million to be spent on Queens and Brooklyn’s systems. “To provide this kind of technology and the kind of multiple choices that we’re giving our customers and to provide the kind of services that people demand, we need to raise our rates,” Aurelio says. He also claims they have striven to offset the increase by lowering the pay-per-view rate from $4.95 to $3.95, and dropping the $2-a-month surcharge on remote control cable boxes.

But William Squadron, the City’s Commissioner of Telecommunications and Energy, says the company’s hikes are unfair. “They’re taking advantage of a captive customer base,” Squadron charges. “They’re squeezing as much out of this unregulated monopoly business as they can while the going’s good.” Without cable, most Manhattan residents have terrible or no reception, making it necessary to subscribe. Squadron notes that despite a third-quarter loss of $62 million last year, Time Warner’s cable earnings increased by 11.6 percent, from $198 million to $221 million.

Another sore point for Manhattanites is that even with equipment upgrades, their cable systems have fewer channels than their newer, outer borough counterparts. As recently as last July, Paragon cable had about 35 channels, compared to BQ Cable’s 75. Even more frustrating is that the Manhattan rebuilding program is proceeding slowly, leaving some areas without the added channels. According to company officials, the rebuilding program will be completed in December 1992.

TEARS FOR TIERS
Tiering is another weapon in the cable industry’s arsenal to halt stricter regulation. In most cable systems, there is a basic package with a certain number of channels. But companies like Time Warner have divided it into two levels. The cheaper option has fewer channels, but several operators are not telling their customers it exists, as reported by the General Accounting Office, which used Federal investigators posing as customers to uncover the scheme. Time Warner’s representatives also engage in this practice.

Aurelio claims the critics of tiering are engaging in “pure cable-bashing that is totally unjustified.” But Squadron asserts that Time Warner is only taking advantage of the “unbelievably favorable market conditions” by charging separate fees.

BABY BELLS CHIME IN
Adding to the industry’s woes, the Federal Communications Commission last October proposed new rules that would give local telephone companies the right to broadcast television programming later this year. Proponents say the increased competition can only be good for consumers. The cable industry has reacted angrily, threatening legal action against the F.C.C. to stem the change.

The Baby Bells at first would offer a “video dial tone,” capable of transmitting programming over phone lines. Eventually, the phone companies would not only serve as carriers, but produce their own programming, with a wider range of choices than current cable operators provide.

That development is years away, analysts point out, since the Baby Bells would have to spend between $100 and $200 billion to install fiber-optic equipment capable of handling the vast amounts of video material.

One hitch involves the 1984 Cable Act, which prevents phone companies from owning a cable operation in the same market. But the rules allow, say, NYNEX to have a franchise in another market where it has no phone interests, such as Los Angeles. The phone companies are eager to enter the cable business since the technology could enable them to strengthen their hold on their own monopoly.

In a strange global twist, two Japanese companies may have already adopted this strategy, according to a
November 1991 report prepared by Perception International, a Connecticut-based corporate consulting firm, which states that the Toshiba Corporation and C. Itoh & Company said they would invest $1 billion in Time Warner’s entertainment subsidiary. The report suggests that Toshiba and C. Itoh plan “to tap Time Warner’s cable network as a potential telephone system, with all the bells and whistles of state-of-the-art digital technology.”

Another possibility is that the cable companies, crying foul, could retaliate by horning in on the phone companies’ territory. Armed with sophisticated technology, Time Warner and other high-powered entertainment concerns would be significant competitors.

Reregulation itself faces a powerful opponent: Jack Valenti, president of the Motion Picture Association of America. At issue is a provision in the recently passed Senate bill requiring cable operators to obtain licenses from local television broadcasters to retransmit their signals.

Valenti and the studios contend that broadcasters and the three networks could capture all royalties cable operators would pay for such retransmission rights and cut movie studios out. The MPAA opposes the provision, preferring to negotiate any compensation directly with the cable operators.

Several lawmakers counter that the reason the MPAA is fighting the legislation is Hollywood’s ties to cable. Time Warner wears still another hat, though. The company is one of the MPAA’s eight members. Valenti denies that the cable industry has influenced its position on the legislation.

There is also a legal challenge to reregulating cable. Paul Weiss, Rifkind, Wharton and Garrison, a New York-based law firm that is Time Warner’s principal counsel, argues that current and proposed bills raise First Amendment questions. In a 1991 Supreme Court case, Leathers v. Medlock, the court held that cable television “is engaged in ‘speech’ under the First Amendment, and is, in much of its operations, part of the press.”

**THE LONG ARM OF TIME WARNER**

To characterize Time Warner as a media giant is like saying Mount Everest is a fairly tall mountain. Its shadow crosses virtually every form of entertainment and information, from books and magazines to movies and records. *Fortune, Sports Illustrated, People*, Warner Bros. Records and the Book-of-the-Month Club are just a handful of their diversified media holdings.

The cable operations are just as diverse. According to their annual report, Time Warner owns 25 of the top 100 U.S. cable systems. The Time Warner Cable Group consists of two companies: American Television and Communications, 82 percent owned, and Warner Cable Communications, 100 percent owned. It ranks as the second-largest cable operator in the country, with systems in 35 states.

**CABLE AND CITY GOVERNMENT**

Time Warner’s reach also extends into New York City government. In 1990, Manhattan Cable’s and Paragon’s 20-year cable franchises were renewed by the Board of Estimate, despite numerous customer complaints about poor service and calls for ousting them from the Manhattan market.

Arnold & Porter, a law firm hired by the City to study Manhattan cable service, found that Manhattan Cable and Paragon “appear not to meet the City’s future cable-related community needs and interests.”

In addition, the City conducted a survey of Manhattan cable subscribers, revealing general discontent. Over half the respondents said they experienced “repeated or prolonged” reception problems, and more than a third rated their reception as no better than fair.

The most troubling aspect of the vote, critics say, is that nearly every government official on the Board had ties to a Time Warner company, forcing some of them to find substitute voters.

For example, Mayor David N. Dinkins’ son, David Jr., owned about 1 percent of stock in Inner City Broadcasting, Time Warner’s partner in the Queens Inner Unity Cable System. In addition, City Council President Andrew J. Stein’s father and brother, Jerry and James Finkelstein, owned stock or options in Price Communications, another Time Warner partner in a cellular-phone company. The Conflict of Interests Board finally chose Milton Mollen, deputy mayor for public safety, to vote for Dinkins after five other substitutes were rejected because of their connections to Time Warner.

Some City officials, such as Brooklyn Borough President Howard Golden, said these ties were insignificant and hardly constituted a conflict of interest. Golden held 625 shares of Price Communications stock, but maintained that under the revised City Charter he could still vote on the franchise renewal.

Although conflict-of-interest guidelines are supposed to prevent public officials from using their knowledge to aid the private sector, there appear to be longstanding connections between the cable industry and municipal govern-
ment. Aurelio of Time Warner's New York cable group and Robert Price, president of Price Communications, were deputy mayors in Mayor John V. Lindsay's administration.

With much of the controversy still unresolved, the immediate picture for cable in New York City is clouded by uncertainty. Although Time Warner is in a fairly secure position, the company's representatives acknowledge that customer satisfaction is the key to their survival. With the recent opposition from several groups against increasing their fees, Time Warner may find New Yorkers switching channels.
Where Assets Are Never Frozen
In Sweden, the banks can’t go bankrupt

by Malin Harutunian Rogland

Bank failure has become a growing part of the worldwide recession. What is terrifying to those in the banking industry are banks that have gone under, from Harlem Savings to BCCI. The only secure aspect of the industry today is FDIC insurance. But there are countries that do not have any form of insurance for depositors.

Sweden, a country with 8.5 million inhabitants, is experiencing tough times. The unemployment rate, at 3.2 percent, recently beat figures from the Great Depression and is expected to climb to 4.5 percent by the summer of 1992. Companies are going down the drain. There is no equivalent to FDIC insurance, but this does not seem to worry the Swedes.

The reason: Swedish banks do not go bankrupt. The Swedish bank market has gone through a deregulation period, and major changes have taken place during the last few years. In addition, industry experts familiar with the Swedish banking system contend that insurance does not determine the financial security of a bank.
RECORD LOSSES AND FAILING BANKS

While banks in the United States were failing at the rate of six a month through 1990, Sweden was facing a similar threat. The 1980s was a decade of expansion, while the ’90s brought a turning point for banks, complete with climbing interest rates and falling profits. This created an intolerable situation for many finance and real estate companies.

For the first eight months of 1991, Nordbanken, a partially state-owned bank, suffered a record credit loss of 9.6 billion Swedish Kroners, or $1.6 billion in U.S. currency. Svenska Handelsbanken lost 904 million SEK, or $157 million. The Swedish government holds 70.6 percent of the shares, making it unlikely Nordbanken will fail.

Foreningsbanken is calculating this year’s credit loss at 2 billion SEK, twice as much as in 1990. During the first eight months, credit losses skyrocketed to 164 percent. Banks with more experience like Handelsbanken and Skandinaviska Enskilda are still doing fairly well, while SE-Banken’s profits showed a gain of 36 percent, to 3.1 billion SEK. However, SE-Banken’s credit losses equal half their profits, 1.7 billion SEK. Nordbanken and Foreningsbanken blame the failing real estate market for its depleted state, which has in a few years dropped 600 billion SEK in value.

Sparbanken in Tomelilla also made the mistake of trusting the market. During 1990 Sparbanken lost 144.7 million SEK, eating up the bank’s capital of 73 million SEK, as well as 13.5 million SEK of the reserve. In 1989 the bank had done poorly, and an internal audit in August 1990 noted that “certain businesses were risky.”

In February 1991 Sparbanken Tomelilla was close to bankruptcy, but was saved by merging with Sparbanken Skane. Bjorn Friberg, the new president of Tomelilla, says, “A Sparbank will never go bankrupt.” It seems as if the bank had speculated too highly in the real estate, by giving mortgages of three million SEK to buildings valued at 300,000 SEK.

The bank had also forgotten to test securities, and gone beyond their specified territory. In this case, the former president and vice president are facing criminal charges and face fines or two years’ imprisonment.

WHY BANKS DON’T GO BANKRUPT

Tom Jonsson, district prosecutor in Kristianstad says, “I have not heard of any bank going bankrupt. I don’t believe that Tomelilla really was ready for bankruptcy.” Experts say the banks have to be stronger in order to survive, and to avoid the kinds of loans that put a third of the saving banks in the U.S. out of business.

Lars-Erik Rosberg, a bank inspector for Finance Inspection, the Swedish bank auditors, found the Tomelilla event “unusual.” Finance Inspection is the governmental authority responsible for banking laws and regulations.

“There can always be losses. I do hope that this, Tomelilla, won’t happen again,” says Lennart Ekelund, vice-president for Finance Inspection’s bank group. He adds there is always the possibility of a bank going bankrupt, but if that happens, it means they have not done their job. “The most important objective is to protect the customers’ money. The general public should never have to lose confidence in the banks,” Ekelund claims.

Jonas Lindquist, marketing director at Sparbanken Kristianstad, says that the Swedish bank market is so well regulated by Finance Inspection that no bank has the possibility of going bankrupt. “There is no law that forbids banks to go bankrupt, but there are a lot of measures, such as the well-regulated bank market, that can be taken before the catastrophe is a fact,” comments Lindquist.

“If a bank is doing poorly, it can be bought up by a bigger bank that takes over its debts.”

“There is only one bank in the SEB-organization,” says Jan-Erik Olsson, assistant trader at SE-Banken in Kristianstad. “Although it consists of many small units, they are all part of the main bank in Stockholm, and any individual losses that one part might take, does not affect the main bank.” Olsson contends that even the small units have substantial funds. He adds that when a bank suffers a loss, the Finance Inspection will take over.

According to Swedish law, any bank that loses a tenth of the share capital has to present a balance sheet, and call a general shareholders’ meeting to decide whether the bank should be dissolved.

Even in a deregulated market, Swedish banks have continued to be extremely careful and restrictive, according to a spokesperson from Svenska Handelsbanken. One example of this is the limited—compared to American banks—investment in developing countries.

“The Swedish bank market is dominated by big banks, so it is understandable that small banks might disappear,” claims Handelsbanken’s spokesperson. He explains that shares are owned by individuals and organizations, with straightforward rules stating how shares can be bought and by whom. “Although there is no insurance, a small percentage of the bank’s
lending goes toward an interest-free account at the bank of Sweden, a very small percentage,” says the spokesperson. For example, Nordbanken deposited 2.129 million SEK into the Riksbank, the national bank of Sweden, during 1990.

According to Terrence F. Martell, professor of finance at Baruch College, a bank in a country where there is no deposit insurance takes fewer risks, and is not as fiercely competitive as banks in countries with deposit insurances, since it has to be more concerned about its customers’ accounts. Martell adds, “Without such insurance, depositors would be more concerned about the quality of the bank.”

“There is not a bank in the world that would stand up against a run,” says Martell. He notes that it’s inevitable for banks in a no-deposit insurance system to do two things in order to save a failing bank: “First to prop it up, and then make or take steps internally to stop the problem.”

SECURING THE INDUSTRY
Sweden recently took additional steps to further secure the industry. New capital adequacy rules went into effect on February 1, 1990. The rules are based on the old system, using differentiated capital requirements for various types of assets. These are divided into four groups, weighted at 0, 20, 50 and 100 percent each. The different groups are cash amounts and claims from state and communities, Swedish finance institutions and short-term claims of less than one year, mortgages and all other financial instruments. The so-called risk categories even include lending risks. The capital base, shareholders equity and subordinated debenture loans are calculated in a special way, and must equal at least 8 percent of the total risk weighted assets.

In practice there is 0, 1.6, 4 and 8 percent for the different asset categories. The overall 8 percent must be fulfilled by 1993. The reserve should be easy to turn into cash. There are no rules stating a minimum capital, but there are regulations concerning the size of capital compared with the activity of the bank. One of the Finance Inspection’s tasks is to check on credits that go beyond 15 percent of the capital base. This base consists of shares, funds and balanced gains.

HISTORY OF THE SWEDISH BANK MARKET
The first Swedish bank, Stockholm Banco, was established in 1657. It was also the first Swedish bank that nearly went bankrupt, but like its modern descendants was miraculously saved at the last minute. The founder, Johan Palmstruch, just barely escaped execution. In 1668 Stockholm Banco became Sveriges Riksbank, the world’s oldest central bank.

Until the 1980s, the overall market was fairly stable. Deregulation began in 1978 with the abolition of loan interest rules, followed in 1986 by the admission of foreign banks into the market. There are three types of banks: Commercial banks like Skandinaviska Enskilda and Svenska Handelsbanken, Sparbankerna savings banks, which have a special form of ownership originated in Scotland, and Förenings banks, the former farmer banks. Originally the banks had different tasks, but in modern times the borders between the banks are less rigid. In fact, SE-Banken, Handelsbanken and Nordbanken together comprise 75 percent of the market.

Although the Sparbankerna as a group have diminished in assets from 27.7 to 24.2 percent between 1979 to 1988, the structure of small banks is, according to research by Privata Affärer 1991, the best appreciated by Swedish customers. Currently the recently formed Sparbanks group, comprised of 11 former independent regional sparbanks, is now the largest bank in the Nordic countries.

TO JOIN THE EC
In 1995 Sweden hopes to join the European Community. But this move may mean bank insurance is needed. A commission with members from Riksbanken, Finance Inspection and the government’s department of finance was established last fall to investigate whether Sweden needs insurance. The consensus seems to be the establishment of some form of insurance which would not give 100 percent coverage to the customers. The commission is waiting for more directives from the EC before they take any final steps.

Ekelund of Finance Inspection does not see the U.S. model as a solution. He says, “The Federal Reserve in the U.S. has used up their funds, as far as I know, and they are now using taxpayers’ money.” There is also the idea the Swedish bank market is structured differently from the countries that have insurance. Lindquist of Sparbanken Kristianstad believes that Sparbanken will become more international, but that it will take time to adapt.

While Americans continue to cast a wary eye on the weaknesses of their banking industry, the faith of the Swedes in a coordinated infra-structure of small, personally oriented banks may be instructive. Perhaps when it comes to banking, the U.S. should take a page from Sweden’s book, rather than Adam Smith’s.

Skandinaviska Enskilda Banken
symbol
So what do you want to be when you grow up? It’s a question every child faces. In New York City today, old favorites like doctor or teacher are being bumped by less prestigious yet highly lucrative occupations such as janitor, sanitation engineer or construction worker. Surprised? Consider the fact that statistically the most sought after job in New York City in 1989 was that of sanitation worker, at a starting salary of $30,000 per year.

Traditionally, the plum jobs requiring higher education paid top salaries. But plumbers are suddenly in fashion as the pay-scale tilts in favor of the unskilled laborer. The shift can be attributed to an economic principle called “The Importance of Being Unimportant.”

John Dydo, a professor of economics at the City University of New York, uses this term for the high wages that “unskilled” labor receives for doing the jobs that others find menial and unrewarding. While the principle comes as a blessing for many blue-collar workers, some consider it an economic curse for the Metropolitan area at a time when many manufacturing firms have been driven away from the City taking with them not only blue-collar but also white-collar jobs.
FEWER MANUAL LABORERS

Gary Burtless's *A Future of Lousy Jobs?* dramatizes the effect that the new wave of semiskilled jobs has had on the national wage structure. In 1967, 50 percent of blue-collar workers were male, but by 1987, the number had dropped to 43.7 percent. When the economy is good, the author suggests that more white males will enroll in colleges and universities, leaving open manual labor positions to immigrants and women. The new entrants compete for these positions, which pushes wages down. One force that works counter to the trend is the bargaining power of organized labor, which helped real and relative earnings of some blue-collar workers to increase between 1983 and 1988. In boom times, wages are bound to rise, but when the economy heads south the effect on the uneducated blue-collar worker can be devastating, as recent labor statistics have shown. Everyone knows that 7 percent of Americans are out of work, but the hidden toll of the recession is far more pervasive. According to the Conference Board, a business-sponsored research group, fully 20 percent of the workforce will have been idle at some point this year, near the 22 percent that were out of a job some time in the recession year 1982. Multiple job losers in the construction, garment and automotive industries were particularly hard hit. Since experts agree that it generally takes employment a full year to gain ground even after a recession eases, the prognosis for the disposable worker is not good.

Case by case, the sadness is palpable. Vinnie Cammechie, 23, lives in Bensonhurst with his wife and two daughters, ages one and three. At 16, he dropped out of New Utrecht High School to join his father as a unionized construction worker. His salary as a cement mixer was an irresistible $20 to $25 per hour. "Why should I sit in the classroom studying for another year or two when I could be making double the teacher's salary in that time?" reasons Cammechie. "On Friday and Saturday nights, I would rather cruise up and down 86th Street in my new BMW." However, Cammechie has learned the tough truths of the business cycle. In a recession, private industry, realtors, developers and even the City have little or no money for construction. "If there was work, the guys who had seniority over me would get the jobs first," says Cammechie.

Unemployed at 22, Cammechie had all the expenses of owning a home and having a family. With no other skills or education, finding a new job was an impossibility. He went back to New Utrecht High School, taking typing courses during the day and studying for a GED at night. "Even if I got my old job back, how long would it last? The strongest union in the world can't help if there is no work," Cammechie concludes.

THE BENEFITS OF UNIONS

Daniel J.B. Mitchell's *Unions, Wages and Inflation* elaborates on the love/hate relationship Americans have with unions. American ideology stressing individualism, free markets and free enterprise. Unions, on the other hand, stress collective action. Though national union membership is down to 16 percent, an estimated 48 percent of New York City's blue-collar workers belong to a union. The Bureau of Labor Statistics estimates that unionized labor is paid 25 to 33 percent more than non-union labor for performing the same tasks. For New York City, wages on the average received an 8.2 percent increase between the years 1987-88, the highest in the nation.

Although Mitchell presents evidence on how unions add...
worker to have a store of knowledge about the job in order for him or her to act effectively. In addition, even the most routine jobs require a certain degree of esoteric knowledge outside that possessed by other members within that workplace.

By interviewing a warehouse worker, truck driver, welder, longshoreman, mail room clerk, secretary and copy machine operator, Kusterer painstakingly detailed the particular functions within their jobs and the pressures that each entails. For example, the 30-member mail room staff of a large insurance company works from deadline to deadline. Although the lowest on the corporate scale, all the paperwork that the white-collar workers produce is dependent upon the mail room's effectiveness in sending it off. Specific knowledge of mail routes, post office procedures and postage rates is a necessity in assisting the MBA executive whose college did not offer "Mail Room 101."

Since the categories "skilled" and "unskilled" overlap, it is just a matter of considering skilled work as less routine than unskilled work. "Thus, attempting to label jobs into either of these two categories presents a problem because this has led to a gross underestimation of the amount of working knowledge necessary to perform these jobs," notes Kusterer.

Due to the City's exodus of large manufacturing firms, its economic future has become more dependent upon the communications networking firms. But with the high dropout rate—an estimated 33 percent—from high schools, are the City's future leaders prepared to work in the high-tech communications age? If the big communications firms become disenchanted with the quality of the City's labor force or the higher wages that organized labor demands, they, too, may follow the way of the factories.

to costs, he challenges economists who label unions as purely "monopolies of labor." He stresses that unions can be observed as special interest groups, providing job security, participation in the consumer economy and health benefits. At a time when already meager governmental assistance programs are being drastically cut, the low or semiskilled workers find a haven within organized labor.

Lorrie Tannenbaum, 33, is raising her 12-year-old daughter alone. She has a master's degree in theater arts from New York University. Like 96 percent of all actors in New York City, she is over qualified in her present job, selling perfume at Bloomingdale's. She went back to school, not to earn a doctorate, but to learn word processing. Since that time, she has worked for various law firms, averaging about $600 per weekend as a word processor. "It's mundane work, but it's worth it to them to pay me $30 an hour to type on Saturday and Sunday so they can make $300 an hour litigating on Monday," she says.

WHEN SKILLS OVERLAP
There may be no such thing as an "unskilled" worker. Ken C. Kusterer's Know-How on the Job notes that every job requires the
MINING THE GOLDEN YEARS
America’s population is getting older, forcing medical costs up

by Jean Roth

Her phone is near her bed. If she doesn’t answer the door she will always answer the phone. She sleeps most of the time and eats her “Meals on Wheels” when she feels like it. Kitty says she is waiting for Pop and the boys, who are late for dinner. No food is cooking nor is the kettle boiling. Yet she waits. Her apartment is her world. Kitty is 84 years old and lives alone. Her father died in 1955. Her only living kin is her brother, 91, who has been in a nursing home for the past year. She stopped paying taxes in 1983, and says she will pay them when she’s ready.

Kitty’s is not by any means an isolated example. To gain an idea of the scope of the problem posed by aging dependents for this country, multiply the case of Kitty by thousands. According to the United States Bureau of the Census 1990, by the year 2000 the average life expectancy will reach 77 years, up from 73.7 years in 1980. Senior citizens will account for 13 percent of the total population. By the year 2030, this will jump to 23 percent, representing an elderly population of almost 69 million. The fastest growing age group is in the 85 and older category. Statistics indicate that by the year 2050, an estimated 16 million Americans, or 5 percent of the population, will be 85 or older and a substantial number of these super-seniors are likely to have functional limitations requiring assistance with daily activities. There is an economic dimension to these demographics. By the year 2000, the total cost of health care in the U.S. is expected (by the conservative estimate of the White House) to balloon to $1.6 trillion, and much of the increase is directly attributed to the graying of the American population.

SUICIDAL SYNDROME
Beyond the financial costs, the psycho-social toll exacted by this shift is dramatic. Corporate incentives are shuttling people into early retirement. Those with a plan make it, those without a plan flounder. We read that suicides by Americans 65 and older increased 21 percent between 1980 and 1986, and this was before doctor-assisted suicides and the publication of Final Exit, the best-selling suicide manual. Dr. Richard Sattin, a researcher at the National Centers for Disease Control in Atlanta, found that the suicide rate for black men rose 42 percent, followed by 23 percent for white men. The reasons for the new trend are not clear, but increases in social isolation and longer lives with chronic illness may have played a role. The American
Journal of Public Health reported that nearly 37,000 Americans 65 or older killed themselves from 1980 to 1986. While suicides by young people have captured much national attention, experts say suicide rates among older Americans were higher. Federal figures for 1990 show 13.6 suicides per 100,000 people aged 15 to 24. The 1990 rate for people aged 65 to 74 was 18.1 per 100,000, with 26.1 for ages 75 to 84 and 22.5 for ages 85 and above. Saillin said it was not clear what kinds of programs would curb suicide among the elderly, but the urgency of the problem is certain. "More effort needs to be focused on programs that reduce social isolation, and provide older people an outlet if they are depressed," he observes.

THE SANDWICH GENERATION

Family by family, the burden of caring for the elderly falls on a close relative, usually a son or daughter. Many have noted the traditional role of women in this position, but in recent years this phenomenon has undergone an important change. As Elaine M. Brody explains in a recent issue of Gerontologist magazine, "A major trend is the large-scale entry of women—and not only young women—into the work force. The majority of middle-aged women, the principal caregivers to the aged, now work." The drastic expansion of the number of elderly people needing care and the number of women in the workplace creates a "sandwich generation" of women in the middle. They play multiple roles as paid workers, caregiving daughters and daughters-in-law, wives, homemakers, mothers and grandmothers. Brody concludes, "This does not imply lack of responsibility or family feeling on the part of sons; rather, it reflects the cultural assignment of gender-appropriate roles."

Help is on the way, even if it is on a modest scale. Community-based services such as adult day care centers, Mealson Wheels and the Visiting Nurse Association are designed to relieve the caretaker with an elder relative who lives at home. Singly or jointly these services have helped keep older people in their own homes longer than the generation before.

Nonetheless, the need for now and the future appears to be nursing homes. These institutions have taken a bum rap in the past, but federal and state guidelines have improved accountability. There are good examples, such as The Amsterdam House, on 112th Street and Amsterdam Avenue with a view of the Cathedral of St. John the Divine, which has been serving the City since 1872 when it was located at Trinity Place. A new building went up in 1975 and is home to 303 residents with an addition planned for 106 beds plus a community-based adult care facility. Karen Propper, acting director of Amsterdam House, says the profile of the resident of the future will be older and in need of more skilled health care. Seniors are living longer and, with some help, manage to stay in their homes longer, so entry to a full-care facility can be delayed. Propper says, "Most of our residents come to us from hospitals. Some are from the community. The major reasons for seeking nursing home care are wandering, dementia, incontinence and cardiovascular/vascular disease."

For Propper, fighting the bad press that nursing homes have had for years is an uphill job of huge proportions. She claims "Unfortunately the stigma about nursing homes, as the last place for people to go, does not help, and changing the attitude of the community is a long-term job."

The nursing home residents might be the last of the selfless generation, set in the caretaking mode and never mak-
ing their feelings a priority. Martin F., 89, drove himself to church every day. He lived in his own home with a housekeeper until he fell one night and the housekeeper could not lift him. He was left on the floor until the morning and then spent the next three weeks in the hospital recovering from congestive heart failure. From there he was admitted to a nursing home. A year later, he denies that the nursing home is home. “It’s a place where I get bed and board,” he says.

“The population profile of nursing homes is 80 percent Medicaid residents and 20 percent private paying residents,” says Kenneth Winston, director of the Glengariff Nursing Home in Glen Cove, New York. One of the major components of the Medicaid reimbursement rate relates to what is called a “case-mix index,” an aggregate of different levels of patients that are profiled in the eldercare facility. The system pays more for patients who require heavier care and less for patients who require minimal amounts of medical attention. “When you put it into a mix and you take an average, you come up with the number which is used as a multiple, if you will, and on a quarterly basis that is multiplied and a flat rate is determined,” Winston explains. Private patients pay $227 per day or $83,220 per year until they deplete their personal finances and properties. Then the patients must apply for Medicaid and their social security, pensions and annuities all go toward their support while they remain in the nursing home.

The U.S. Department of Health and Human Resources 1990 Medicare and Medicaid Data Book states that the Medicaid program is designed to provide medical care to low-income individuals and families. States administer their Medicaid programs within broad federal guidelines and requirements that allow them considerable discretion in determining eligibility, service coverage and reimbursement provisions. The Medicaid program is financed jointly by federal and state funds, and faces tight-ening from upcoming legislation.

The pressing matter for now and the future will be nursing home facilities that can offer skilled nursing care for the older and sicker resident at reasonable expense to the nation. The trend is that people are staying in their own homes longer; thanks to community services for the aged plus voluntary assistance they receive from a friend or relative. They don’t require special care unless they get sick.

The aged and their families are better informed today about the availability of services. Edwin Albee’s “sandbox syndrome” struck a painful chord—one of life being stolen without permission. From Living Wills, to Durable Power of Attorney for Health, to Community Access Programs to Medicaid, senior citizens are controlling the quality of their lives longer, better and healthier than ever before.

Remember Kitty. She is still at home, in good health, a bit forgetful, but able to take care of herself with a little help. She does not want any changes right now. Time will order change. What appears to us to be terrible is what her reality is. It’s not horrible to be old. It’s just different. It’s a long journey.
The Chaos of Urban Life

A given of urban life is trying to make sense of the chaos all around. Some people struggle to set things straight, at least to understand the confusion, by doing good things; others adopt moral or social stances; and still others just note the overwhelming affect of the turmoil.

This issue's selections that make up Inside Out pay particular attention to individuals, both in words and in photographs, who are trying to grapple in ways that may be barely noticeable but which beat in most of our hearts. The photo essay on the following pages—Everything Old is New Again—uses the juxtaposition of images from the Great Depression with scenes from contemporary life to dramatize the Nietzschean idea of the eternal recurrence of the same. The theme of surviving in a recession resonates through the texts. One young woman struggles to understand how her best friend let herself be led into broken promises and welfare; another watches a boy become a man and hopes that he will not be destroyed; still another tries to reach school children before it is too late. A young man struggles to comprehend the allure of graffiti; a young woman deals with the homeless by making these lost people go away in her mind. These stories and photographs are testaments to our will to understand, at least to cope with, the gnawing raw side of urban life.

— Christopher Hallowell
ROOSEVELT ORDERS 4-DAY BANK HOLIDAY; PUTS EMBARGO ON GOLD, CALLS CONGRESS

HITLER BLOC WINS A REICH MAJORITY;

The President's Bank Proclamation

WASHINGrON, March 5—The text of President Roosevelt's proclamation on the banking situation, issued by the New York Times, as follows:

A Proclamation

WHEREAS there have been and are now substantial withdrawals of gold and currency from our banking institutions for the purpose of hoarding, and

WHEREAS continuous and menacing speculative activity abroad in foreign exchange has resulted in serious strains on the nation's stocks of gold, and

WHEREAS these conditions have created a national emergency,

I, the President of the United States of America, do hereby proclaim a banking holiday in the United States of America.

By the President,

FRANKLIN D. ROOSEVELT
HOOVER ASKS THE 48 GOVERNORS TO HELP HIS PROGRAM BY SPEEDING PUBLIC WORKS, KEEPING EMPLOYMENT AT A HIGH LEVEL

WANTS STATES CANVASCED
The President Requests a Report on the Outlays Possible for Year.

J. W. LAMONT WILL COOPERATE
Commerce Secretary to Work With State, County and Municipal Officials.

8,000 MESSAGES BACK PLANS
Arizona Governor Pledges Aid—Philadelphia and St. Paul Will Expand $100,000,000.

IN SOUTH, HEARD OF TERRIFIC WORK
Mutual Assistance of The Federal Government, States and Municipalities Is to Be Promoted, It Was Stated Today.

Test of President's Appeal to the Governors To Aid in Stimulation of State Public Works

City Gets Snow Flurry and Freezing Weather:

EIGHT DIE IN SOUTHERN WIDESPREAD COLD WAVE

CLEMENCEAU, 'FATHER OF VICTORY,' DIES

STRIKERS CUT OFF AIR, ALL CHINA ALARMED AS RUSSIANS INVADE

GEORGES CLEMENCEAU

STRIKERS CUTF OFF AIR, ALL CHINA ALARMED AS RUSSIANS INVADE

WIRED FROM PARIS:

Georges Clemenceau has died at the age of 79 years. Clemenceau was a noted French statesman who served as Prime Minister of France several times. He was known for his strong stance on nationalism and his support of the French war effort during World War I. His death came as a shock to many, and his passing was marked by widespread mourning across France and beyond.
Hoover Urges 3-Point Relief Plan
Of $1,500,000,000 to Use as Loans

Senate Leaders Are Asked to Put the Proposal Before Congress—
Finance Corporation Would Help States Handle Jobless
and Advance Money to Fairs Business.

POLICE INTENSIFY HUNT
WHERE KIDNAPPERS LEFT SLAIN BABY.

BIDARG OF HOPES
WAS MILE FROM HOPESWELL

12 DAYS AGO AND LEFT LAYING IN WOODS

TO AID PARENTS
As Baby Is Killed

LINDBERGH HOME

BIDARG OF HOPES

Body Mile From Hopewell

Discovered by Chance Near Centre of Wide Search for Child.

BOY LEAVES

Next News

In addition to the usual Death Server, New York, Saturday, 1978
Better take off your jewelry and change your bag if you know what's good for you," my sister, Simone, warns as I get ready to visit Denise, a friend since high school days. The mid-August streets are sweltering. It's over 95 degrees. My car's air conditioner is broken. As I drive through the Brooklyn neighborhood of dilapidated buildings and drug dealers to Denise's apartment in the Albany Projects, I am afraid to open my windows. My back tightens with tension. At least I know I am safe inside the stifling car.

As I near Denise's building, I wonder how she lives in such a depressed environment. I wonder if I should step on the gas and get the hell out. But I had promised I would stop by and see her.

Inside the lobby a group of teenagers is smoking something that smells unfamiliar. I remind myself: "Don't show them that you are afraid. Act as though you belong. Keep calm. Keep calm."

For a moment I cannot decide whether to walk up the five flights of stairs to Denise's apartment or take my chances in the elevator. The elevator reeks of urine. I want to save Denise from this hell.

The sounds of laughter and children at play come from Denise's apartment, along with her voice pleading for quiet. I ring the bell. The peephole clicks. With arms outstretched, Denise welcomes me. "Girl, I am so happy to see you! Come in, come in."

Eight years ago we sat in the guidance counselor's office filling out applications for college. We decided that we were never going to be separated, not even by our future husbands. We ranked in the top 10 percent of our graduating class. There was no stopping us.

Denise met Born (who became her boyfriend) during the summer after high school graduation. "Born says I am smart enough; I don't need to go to college." She fell for the line. I couldn't believe it. I tried to convince her that he was wrong. I even threatened never to speak to her again. My threats fell on deaf ears. She was in love and nothing else mattered. That summer was one of the longest and loneliest of my life.
Our dreams of living on campus and
dating the jocks on the football team
slipped away with the days of summer.
September came and I was ready for
college. Denise was pregnant but she
was not ready for motherhood. As she
blurted out her good news, I asked her
about her college plans. She shrugged.
I felt betrayed.

Denise’s parents threw her out of the
house. She moved into the projects. Born
left her and she had to go on welfare.
When I heard the news, I wondered if
there was anything that I should have
done differently. I wished I had tried
to save her from herself.

Now, three children later by three
different men, Denise appears to be okay,
at least on the surface. As we sit on her
couch and try to catch up on the years
gone by, a sad realization dawns on me.
Denise brags about her new drug dealer
boyfriend who bought her a color te
vision. I think: “Look at what she has
become; she can be bought with house-
hold appliances.” It is as though the
projects swallowed her aspirations and
ambitions of being an independent
woman. I try not to show my disappointment.
I pretend not to be bothered.

I see firsthand that people can be
come products of their environment.
Denise has grown accustomed to being
on welfare. She says that if she works,
she can only make minimum wage.
“Who am I going to get to keep the
children, and how am I going to pay
them?” she asks.

As I leave her building I look into the
faces of the teenagers still in the lobby
and wonder how many of them have
been robbed of their dreams. How many
have grown accustomed to their envi-
ronment and aspire to be no more than
a member of the faceless underclass?

I realize that one misfortune, one
door decision, can forever change a
person’s life. I wonder why America is
unable to solve the problem of the
underclass. We prefer to give them just
enough to live on and then hope that
they will go away.

**HOPE IN A GHETTO SCHOOL**

It is eight o’clock on a cold, wintry
morning. Andrea Edwards trudges
through the thick snow. The wind howls
and shakes the barren tree branches. It
bites into her skin. Yet this day she is
oblivious to all.

The school looms in the distance.
Her heart quickens and she fights the
urge to return home. Andrea enters the
rundown building and makes her way
up the stairs to the classroom. She
pauses at the door, hoping to muster the
courage to get through the next eight
hours. She is about to begin the formi-
dable task of teaching a class of 11- and
12-year-olds in an inner-city neigh-
borhood of Seattle, Washington.

Andrea always wanted to work with
disadvantaged children, hoping to help
put them on course for a better life. She
had envisioned children who would be
eager and grateful to learn despite the
drugs and crime and broken families
that were such a big part of their young
lives. But as she observes the melee in
the classroom, her hopes falter.

There are 37 of them. They are run-
ning and screaming and throwing paper
all over the floor. They yell out the
windows at passersby. Not knowing how
else to get their attention, she slams the
door shut. Silence. They eye her with
a mix of suspicion and awe. Andrea’s soft
grey eyes turn to steel as they lock in
silent battle with the students. Andrea
will not let them break her.

“You ever bin’ to Brooklyn?” asks one
boy. The child heard that Andrea was
from New York and is perhaps subtly
suggestions that if she survived New
York’s crime-ridden neighborhoods, she
would be a daunting challenge.

The class continues to watch her
carefully. She answers, “I have visited
Brooklyn once. Why?”

“Oh, nothin’,” mouths the child as he
chews his gum, giving her a sinister
smile. She takes attendance, calling their
names in a zombie-like manner. Their
responses are sprinkled with giggles.
Andrea looks up to find them still curi-
ously watching her and ignoring their
assignments.

“The work is to be done now and not
at your leisure!” she announces, hoping
to frighten these tough children into
doing her bidding. The giggling con-
tinues as they slowly pull out their pencils
and notebooks, one hour and 15 min-
utes after class officially began.

While they work, Andrea weaves her
way through the maze of desks to offer
help. Then she sees the object of their
incessant giggle—a small wicked knife
peeking out of a student’s back pocket.

Andrea’s thin frame begins to tremble
and her heart beats in her throat.
“Wh...where did you get that?” she
whispers. Dixon stares at her, daring
her to take the knife from him. Panic-
stricken, she grabs him by his shirt
collar and hauls him out of his desk and
to the principal’s office.

When Andrea returns, the pupils still
have not completed their work. They
scrutinize her as if she were a caged
animal. “Please finish the work before
lunch hour begins,” she pleads. “If not,
I will test you on it this afternoon.”

An “aw, man” echoes through the
room. Moments later the lunch bell
rings. The students jump out of their
seats to form a line for Andrea to escort
them to the lunchroom, where their
raucous behavior goes unheeded by the
attendants. Back in the silent classroom,
she reviews their work, glad for the
reproach from the menacing group. All
too soon lunch break is over and “they”
are back for the afternoon session. The
remainder of the day is spent checking
homework and doing social studies,
periodically interrupted by their perpetual antics.

Three o'clock arrives and the students bound out of their seats and rush for the door. Andrea calls for silence. They ignore her and vanish. She gathers her coat and papers, exhausted. As she locks the door, a soft voice calls out "Miss Edwards?" She turns to see one of her students.

"I didn't understand today's assignment," says Brian. "Could you explain it to me?" Andrea is elated. This is her reward for the day's frustrations—the hope of winning these students over, one by one.

YONETTE ROMNEY

ADAPTABLE DEER

The left headlight beam caught a flash and the sight of a huge object. Then, a thud and the engine groaned. I knew I had hit an animal. The road was too narrow to pull to the shoulder. The traffic behind was heavy and to stop could have created a far worse situation. A light rain was falling.

After continuing for about a mile, I pulled into a parking area. The entire left front was smashed. No lights, a lot of broken metal and a sad feeling for the animal—a deer. Ten miles on a phone call from a gas station brought a state trooper. After filing a report, I drove back to New York.

The day had begun gloriously, crisp as only fall can be. I had readily accepted an invitation from friends to lunch at Hemlock Farms, a residential community in the Poconos. The wildlife is abundant and protected. Deer come to kitchen doors for handouts; apples are their favorite. Bear are plentiful, too. Huge and intimidating, they lumber around with their cubs in tow in search of fruit and vegetables. It is amusing to see them standing on hind legs pulling fruit tree branches down to cub-level.

As magnificent as this wildlife is, it is becoming a menace to suburban developments, farms and commercial forestry. The animals destroy expensive shrubbery, trees and flowerbeds. Many homeowners ring their growing areas with wire fencing to keep the nibblers away. Others have tried using plants or sprays that should repel the animals, but to no avail.

During the fall mating season, deer in particular seem to act irrationally. They dart across roads without warning. In Pennsylvania, over 40,000 were killed in collisions with vehicles in 1990. While driving south along Interstate 85 in North Carolina, I recently saw a large buck race across the wide median divider and crash into the side of a station wagon a short distance ahead. One side of the vehicle was lifted completely off the ground but it managed to stay upright.

Damage is calculated in the millions. No one seems to know what to do. Efforts to control herds are met with outcries of concern for the animals. Yet every state reports an increase in deer population, all of which spells future problems for man and beast.

A serious health situation has arisen with the onset and spread of Lyme disease, a potentially debilitating disease that is spread by the deer tick, a bloodsucking insect dependent on deer for part of its life cycle. As the deer population has increased, so have cases of the disease in people.

For over two million years deer have been abundant in North America. Their population peaked about 600 years ago. A dramatic drop due to deforestation and human settlements took place prior to the beginning of this century. Now protective laws, reforestation and a decrease in hunting have allowed the deer to increase to an all-time high. This is fine except that deer have marvelously adapted to human alterations of the land. Unless something is done, the deer will become even more unmanageable, leading to more accidents, injuries and destruction of property.

Maybe one place to begin is to stop feeding the deer.

BILL BERKELEY

GRAFFITI ARTISTS EXPLAIN ALL

What would possess a skinny teenager to scale the rusted ladders and catwalks of an old railroad bridge, straddle a steel beam, sling to a perch 81
feet above roiling waters and spray paint a nonsensical moniker that is more visible to sea gulls than humans?

If we only knew, maybe graffiti could be erased forever. Graffiti is a major problem on the west shore of Staten Island. Trying to ascertain what motivates graffiti writers to destroy property is a difficult task. I asked some kids in my neighborhood why they do it. Some acknowledged that destruction is their bottom line. Others pointed to the exhilaration of breaking the law. Many just shrugged their shoulders. But almost all cited a singular desire for "fame," as though tagging a garbage truck or city bus means a writer's call letters will be rolling through Staten Island streets for months.

"Bomb" a highway overpass or high-rise facade and you've branded your name into the memories of fellow graffiti writers and disgusted motorists for years to come.

Dare to paint a "crown tag" on the tower of the Arthur Kill railroad bridge and you become a legend.

Glorified in movies, rap videos and Manhattan art galleries as a rebellious inner-city art form, schoolyard scrawls have become attainable trophies for kids who will never be voted most popular, best looking or most likely to succeed.

With a single spritz, an anonymous loser can transform himself into a brash self-expressionist whom people can't help but notice.

"I just want to be a freak," says Sean, an 18-year-old from Staten Island's west shore. Sean is a high school dropout whose graffiti name, "REPS," reflects his obsession with reputations.

"I don't give a damn. My claim to fame is to be on every garbage truck and bus on Staten Island," he says.

In quieter moments I notice Sean is thoughtful and articulate. He agrees with my suggestion that fame can be achieved in other ways. But he believes he has limited options. This, to me, is sad and I try to tell him that he can have a future if he only puts his mind to it.

"You can get a reputation by shooting somebody and going to jail and getting respect from people. I just write my name," he adds.

"A typical graffiti writer is a middle-class person who works or his parents give him money," notes Sean. "The paint is sitting in your house and you're watching T.V.," he explained. "It's a spur of the moment thing."

Writers like Sean are sensitive to criticism. They often collaborate and critique pieces. Sometimes a writer will leave a friendly written message like "your S is too fat" or something to that effect. Other times, a writer will superimpose his tag on another's. This is a bold move that will enrage the other writer. It can lead to "paint bombing," in which rival writers throw bottles filled with latex paint—tossed like Molotov cocktails—at the offending piece.

Petty rivalries and foot chases with cops are not a career with most of these kids. Most acknowledge that what they're doing is childish and say it will eventually pass.

Talking to Sean I sense he is really confused about a lot of things. I tell him that his graffiti work is really good and that he should try to do some formal work in the art arena. He says "maybe" and he seems interested. I tell him that there are many art schools in New York and that he should draw some pictures and submit them for evaluation. "You should stop destroying property and do what's right," I tell him. He sighs and tells me that maybe he will. Who knows? He could be the next Picasso.

STEPHEN BABICHUK

FINISH DAYS

She's asleep. Sleep is good. At least while asleep there's relief from the agony of advanced stomach cancer.

This is the diagnosis at Montefiore Hospital. My mother is in the hospital's 31K Ward on the sixth floor. She shares a carpeted, air-conditioned room with three other patients. The ladies have various ailments but are not dispirited by them. My mother is too weak to undergo radiation or chemotherapy.
A doctor asks coldly if the family would like to know how much time my mother has left.

My head is spinning. This is all a shock to me. Nine months ago my mother had an operation to remove a cancerous gall bladder at St. Luke’s Roosevelt Hospital in Manhattan. The surgeons reported that they had managed to remove all but minute particles of the disease from her gall bladder. They advised chemotherapy. She refused. That may have been her fatal error. Only God knows.

Even so, her recovery was remarkable. She was able to return to her favorite activity, attending church services at The La Gree Baptist Church on 125th Street in Harlem. From time to time, she and the other ladies prepared dinners to raise money for the church.

My mother belonged to that generation of southern black women, now diminishing, who with little formal education and meager means were able to provide for their families. So how does a person who’s been healthy all her life acquire advanced stomach cancer? This is the troubling question my tortured dreams demand an answer to.

My mother neither smoked nor drank. For nearly 15 years she worked as a matron in a New York public elementary school. I have no proof that she used cleaning liquids containing carcinogens, but I often believe it.

When she first became ill, my family took her to Harlem Hospital. The sign in front promises “Quality Health Care for All.” But the hospital is beset with a host of problems, not the least of which is a shortage of doctors and nurses. My mother wanted to be there because it held sentimental value for her. Her two daughters and youngest son were born in the old facility. She contracted a mild case of pneumonia there. This precipitated the move to St. Luke’s, where she was additionally diagnosed with diabetes and hypertension.

After the operation at St. Luke’s, my parents moved to the Bronx. It became necessary to search again for quality health care. This is when Montefiore became the clear choice. My mother became ill once more. Her diabetes would shoot up and down inexplicably. Then came talking jags and vomiting.

On that terrible April evening, in the isolation and solitude of relentless sickness, fearing that she would become a burden to her family, my mother died. I read soon afterwards in the Daily News that little can be done for advanced cancer patients. Writing this article has provided no consolation. And happiness seems irretrievable.

RONNIE LEWIS

THE GREENING OF NEW YORK CITY

As I traveled along the mountainous spine of my native Jamaica last summer, memories of my childhood in Bog Walk came rushing back to me. Nestled in a valley 2,500 feet above sea level, Bog Walk remains an ecological paradise, where man and nature coexist in equilibrium. Industry and agriculture have done little to adversely affect the area’s ecology and environment. The rolling hills are still green and the mountain streams are uncluttered.

When I was a child in Bog Walk, nature was given the utmost respect. I still remember the nature walks I was made to take in primary school to observe insects, animals and plants and to learn about their role in the ecosystem. The complex interdependency of each species was first explained to me as I watched birds consume ants and pick at cow droppings. Farmers used the remaining dung as fertilizer; the ants stored what they carried away as food while the undigested seeds eaten and excreted by the birds grew into trees. In high school, courses in agriculture were taught in the classrooms and practiced on the campus farm—an integral part of every school in Jamaica. Not only were these courses designed to increase our awareness of scientific methods of food production but also to instill a bond between ourselves and nature. Grazing was regulated, terracing encouraged and crop rotation practiced. With the change in seasons, the marijuana that had been planted illegally on the slopes was replaced, sometimes interspersed with corn, not just to decrease the possibility of confiscation by the authorities, but to prevent the rapid depletion of nutrients from the soil since the use of inorganic fertilizer was discouraged.

While there are no quick fixes or panaceas for New York City’s growing environmental problems—air pollution, garbage accumulation and incomplete sewage treatment—effective measures can be implemented to improve the environment. In fact, New York City could ultimately gain by any attempt to promote environmental awareness among its residents.

Incorporating more geography and environmental science courses into the curriculum of junior and high school students, as is being done in much of Europe and in the developing world, would ultimately produce more environmentally aware citizens. Give kids a stake in the environment and they will understand the need to preserve it.

While most Americans spend Labor Day barbecuing or lying on the beach, the holiday in Jamaica (Jamaica also has a Labor Day) is celebrated in a spirit of volunteerism and communal work. Neighborhoods organize to plant trees, clean streets and paint schools. It is a small price to pay to rehabilitate recreational areas, many of which the city no longer cleans. Volunteerism could ultimately create a greener and cleaner New York City.

This is happening here in bits and
pieces. My neighborhood of East New York, once a haven for the illegal dumping of used tires, is fighting back by providing the police and the Environmental Protection Agency with information about the perpetrators. The resulting reduction in illegal dumping is a classic example of what cooperation between concerned citizens and law enforcement agencies can accomplish.

Success in preventing further deterioration of the city's environment and ecology is largely dependent on showing New Yorkers the intricate relationship between nature and their activities. Educating New Yorkers about the complexities of the environment and the need to recycle waste and preserve scarce resources will, in the long run, be more effective than government edicts.

**Owen G. Grier**

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**HOMELESSNESS**

One afternoon last May, as I walked past the corner of Park Avenue and 23rd Street, I saw a young man with long, light-brown hair writhing on the sidewalk in what appeared to be a drug-induced state. He was naked from the waist down. GO AWAY!

A small crowd of people had gathered around him. As I went by, I saw businessmen pointing and laughing. One young girl warned the man, "You'd better get your pants on or you're gonna get arrested." I hastened my pace and continued on my way. GO AWAY!

I remember how nervous I was five years ago when I took the Long Island Railroad into Manhattan for the very first time. During the 45-minute ride, I was consumed with worries about finding my way to the subway and then on to my final destination. But those worries faded shortly after I ascended the stairs into the heart of Penn Station. As I looked around, even greater fears overwhelmed me. Amid all the hustle and bustle of people scurrying to work, homeless people were everywhere—lying against the walls, shuffling along with the crowd, and occupying benches that were meant for passengers.

For months, every time I went into the city, I was tormented by the sight of these hordes of homeless men and women. I was terrified of coming too close to them. They might be deranged and try to hurt me. They might accidentally brush against me with their dirt-ridden bodies, infected with tuberculosis or some other highly-contagious disease. Worse yet, their eyes might lock with mine, showing me a glimpse of what utter desperation really is.

PLEASE, PLEASE GO AWAY! I would think to myself. But they would not go away. I had to make them go away. And so slowly, ever so gradually, I was able to do exactly what all of those businessmen and women I saw day in and day out were able to do. I simply came to the point where I did not consider these people to be homeless men and women. I began to think of them not as human beings at all. Rather than frantically searching for them in an effort to avoid them, I just looked straight ahead, refusing even to see them. In my mind, they became nothing more than permanent fixtures.

How much better I felt that I no longer was tormented by the homeless; how much better my conscience rested. How nice it was to be able to return home to my clean Long Island suburb.

Several months ago, I had to be in the city earlier than usual. I was catching the 6:46 a.m. train out of the Massapequa railroad station. It was a chilly morning, so I made my way over to the enclosed, heated waiting area atop the station platform. When I opened the door, I noticed a shabbily dressed man sleeping on one of the benches. The room
blood streaked the white mini-van. The curses, the angry shouts and the howls of pain that had preceded the blood seemed at odds with the picture-postcard neighborhood in Corona where I used to live.

It was the mid-seventies. I was eight years old. I have never since felt the fear that I experienced that night. My mother and I were playing Scrabble in the living room. We looked at each other as we listened to the loud voices coming from the apartment building next to ours. Anger was in those shouts.

Several white youths, feeling short-changed in a drug deal, had come to our neighborhood looking to "kick some black ass!" as one of them put it, of those who had supposedly wronged them. I prayed that the old belief that all blacks look alike would not hold true.

Young black men clad in their underwear were being dragged from their beds into the street. My mother went from room to room making sure that doors and windows were locked, lights were off and that everyone kept away from the windows. It seemed like hours before the fight ended though only about 20 minutes had passed. The cold enamel of the bathtub left an impression in my skin as I cowered below its rim with my two younger brothers.

Someone in the neighborhood called the police. When the sirens wailed in the distance, the dealers scattered, not unlike roaches running amok when the lights are turned on. The police gathered both groups and attempted to sort out the reasons behind the dispute. But no one would disclose the causes nor would anyone press charges.

Finally residents were allowed to go back upstairs and the police dispersed the white youths. But they came back.

At about two in the morning they managed to gain access to the roof and hurl a Molotov cocktail into the window of the drug dealers’ apartment. This time they escaped. Neighbors managed to put out the ensuing fire.

Though it was over, outsiders chose to turn the clashes into a racial incident instead of a drug deal gone awry. Suddenly the neighborhood's peace was shattered as an undercurrent of racial tension simmered.

And now there were charges. Cars raced by with people yelling out, "Niggers go home!" or "Go back to where you came from!" Some of our black neighbors who felt brave or angry or both yelled back at them.

What we didn’t know was that the incident was really the beginning of the neighborhood’s end. Buildings near ours became drug dens, known as such by everyone except the police. New people seemed to be constantly moving in or out of the neighborhood. And the sporadic shootings were now more frequent and closer.

The number of drug corners grew. One of them was across the street from my bus stop. A young man or woman sold drugs from this corner and used it as a lookout—to warn fellow drug dealers if any cops were coming. Its proximity persuaded my mother to move us out.

We’ve since moved from Corona and have settled for now in Park Slope.
Brooklyn. I've never gone back, but my brother has. He tells me that there is not one person left in Corona who lived there when we did. He saw signs of drugs everywhere—iron bars where wooden doors once stood, fear in the faces of an elderly couple as a group of teenagers approached them. I am sure that some honest and upright citizens still live there—probably screaming to get out.

CHAUNTE FELDER

REMEMBERING AGNES

agnes was buried eighteen years after the incident. I was the only one of my friends who went to the funeral, maybe because I heard about it only accidentally. I shivered in the rain and remembered that day eight years earlier.

We called her "ol' peg leg" as she hobbled down the street to the market to buy groceries. She was four feet and a few inches tall. Her teeth were brown, her hair withered and her nose curved to match her spine. Summer and winter, she wore an old grey coat. Her dog was always with her, limping alongside. Its brown, matted hair was pasted to its skin by dirt. Its face always wore the same beleaguered expression.

She lived in a green house which her brother-in-law owned, so she paid little rent. She would earn some money from sewing. Her neighbors gave her what they could for her services.

The summertime was when there would be friction between ol' peg leg and us kids. We would play in the street yelling at the top of our lungs. If she had asked us nicely to quiet down, we might have complied. Instead, she would storm out of her apartment, screaming, "Will you kids shut the hell up?"

We would freeze. Then we would begin cursing her and spit, "Shut up, you old bat!" Thomas, our leader, would likely scream, "You don't own this block! Now get back in your flea-infested house and leave us alone!" She would face us with bloodshot, tear-filled eyes. Shaking her head, she would quietly wobble into her hermitage.

The incident occurred one day during the summer of 1982. Though I did not see it, my friends told me what happened. Anthony, two months younger than I, had slashed open Agnes's bag of groceries as she hobbled by. The contents, day-old bread and dented cans, had spewed all over the street. She had screamed. Her dog had furiously barked.

As I listened, I could not help but feel sorry for the old lady. When Anthony's parents found out, they did not allow him to play with us for the remainder of the summer. His parents bought Agnes enough groceries for a week. But I wondered if that was enough.

My mother baked a cake and had me take it across the street to her house. She smiled when she came to the door. She invited me in. Reluctantly complied. The place smelled bad; the air was stale and the couch full of dust and dog hair. I hesitantly petted the dog as Agnes served me tea and a piece of cake. I apologized for what had happened and saw the painful expression on her face as her mind raced back to the incident.

I spent an hour and a half with her, enthralled by her stories. She told me of her youth and how she was once engaged. His name was Steve, and he was a chopper pilot in Korea. "He was the kindest person. He wrote poems, and always gave them to me with a rose," she says. She picked up a photo album and gave it to me. As I thumbed through it, I was stunned to see how young she looked and how handsome he was.

He was only 28 when his chopper crashed. Now, 30 years later, I was reading his poetry. As I turned the last page I saw the remains of a withered rose.

After his death, she lived in seclusion. Poor health and bad luck kept her single and poor. She wasn't bitter. I did not see much of her again that summer and the next year my family moved.

"Ashes to ashes and dust to dust," the priest said as he threw some dirt in the hole. I stood staring blankly at the poor woman's coffin. A simple wooden coffin with shiny nails, it said something about how she had lived.

JOSEPH SEP CARU

UNDERSTANDING A HERITAGE

my mother remembers living as a young girl in a neighborhood of Polish immigrants in Queens. Her mother and father both emigrated from Poland in their early twenties. They were drawn to America by talk of the amazing things here like "streets where the moon shone at each corner." Though I never met my grandmother, I had the fortune of knowing my grandfather, " Tata," well. He was the exotic fixture in my young life, a captivating, old-world doyenne with a thick Slavic accent, bushy eyebrows and an appetite for Polish cuisine that graced our tables such as pierogi, durshiki and babka.

My mother has other memories. She recalls entering junior high school and coming to the sudden realization that not everyone had parents like hers who spoke in a foreign language, or had fled from a distant land to escape oppression and famine.
My mother recalls this period in her life as the onset of her shame. She knew this feeling well, can in fact describe it in detail as though it were another appendage, for it shaped her life and responses. Seeing her mother and father clash over the “Americanization” of their daughters only deepened her distress. My grandmother wanted her six girls to “speak and act like Americans” and attend public school while my grandfather wanted to kindle their Polish heritage and send them to a Polish parochial school. Caught between two worlds, two ideologies—whether to foster or forget their unique heritage—these first generation women abandoned the culture of their parents, but not their pain.

Recently, I had an experience in which my mother’s fears of 40 years ago seemed to have finally found a voice. The incident took place during a training program attended by a group of bright, aggressive people and fast learners. While I consider myself equally bright, spot quizzes are not my forte. I was flubbing these pop questions in class one day when my ears unmistakably heard it. “What do you want anyway—he’s Polish! Ha. Ha.,” a woman student laughed derisively. Only the day before, we all had had a casual talk about our backgrounds. It was cute...kind of. But the next day, my ears rang again in disbelief. “Oh, what do you expect from a Pollack?” As the comment settled in, I could feel a dangerous heat spread through my chest. I was ready to defend the people I loved, to honor my mother’s pain and struggle. She would have been undone by these taunts, but this was 1991 and she had always urged me to feel proud of who I am. I finally cut the women short with a dubious jest, but not before tasting the exquisite urge to sting her back with slurs, in the manner she had stung me. I resisted. But the irony of these ethnic slurs—the force of their injurious reality—was that they had the entire class squirming in their seats—Black, Chinese, Jewish and Irish alike—everyone was offended.

The incident was a catalyst to helping me understand the insidious process of social labeling by which my mother, in lieu of any specific prejudicial acts, bought THE LIE—I am Polish, therefore I am an inferior product. Mom is always saying how much more intelligent I am than she—more eloquent. The irony in her remarks comes from the fact that my mother is well read, has a rich command of the English language and expresses herself well. It hurts me to think that she has probably entertained these misconceptions about herself since junior high. Couldn’t she acknowledge her intelligence? So, while talking to her one day on the phone, I said, “Ma, you don’t have to be a dumb pollack anymore.” There was a pause, and then choking back tears, she replied, “Oh! I’ll think about that, dear...THANK YOU!”

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Aunt Carol, Aunt Carol,” Reggie cries, running toward me with outstretched arms. I had not seen him for over four years and I could not believe how much he had grown. Reggie is not my biological nephew but his mother, Tina, and I, along with my girlfriend Brenda were what we used to call “running buddies.”

I still remember the day Tina announced she was pregnant. We were sitting on Brenda’s stoop joking and laughing as usual. All that evening Tina had been quiet though she was the loudest and most boisterous of us. Suddenly she burst into tears. Then she told us that she was six weeks pregnant. The silence after that statement seemed to stretch forever.

I loved Tina as if she were my sister. My first thought was “Thank God it wasn’t me because my parents would kill me.” The three of us hugged each other and Brenda and I promised to help in whatever way we could. Tina's
main concern was her mother.
Tina's mother was the most unconventional parent on the block. She had been raised in New Orleans. After moving north, she worked as a go-go dancer to raise her three children, all of whom had different fathers. This tall fair-skinned black woman enthralled me. A hard-drinking, hard-partying, fun-loving woman, she had an openness and love of life that the other parents on the block were sadly lacking. She cut quite a figure with her platform shoes, skin-tight mini or shorts and her platinum blond wig as she went off to work.

Of course she was the bane of all the other parents. I had always been forbidden to associate with Tina. My mother and Brenda's mother considered her mother to be low-class and Tina a bad influence. Still, I respected Tina's mother because I could see that her kids could talk to her about anything. Not until later did I understand that she had failed in one particular aspect of motherhood: teaching her kids discipline and self-restraint.

Three months after her 16th birthday, Tina was married to Reginald Knight, Reggie’s father. He was murdered two years later. Tina was married three more times before her 29th birthday. She was used to seeing different men in her mother's life last for a few months or years. She was just following her mother's pattern.

And now Reggie is 12 and here he comes running toward me. We go arm in arm into his grandmother's house.

Tina’s last marriage has failed and she is back home with her mother. We sit down in his grandmother’s kitchen. When I look at him, I notice that Reggie is changing. He is on the verge of manhood. His vocabulary and his gestures are now rougher. I get very worried. I think to myself that for a time at least the values that Brenda and I were brought up with were strong enough to keep Tina in line. These values are not present in Reggie’s face and I wonder what effect a lack of positive familial environment together with the cruel urban environment will have on him. I worry about Reggie and pray that he remains strong.

CAROL FLOWERS

THROGS NECK

I can’t believe it’s gone,” says Sal Mangione as he stands in front of his recently closed down butcher shop. Mangione's Meats was a staple in the Throgs Neck section of the Bronx for more than a decade but is now one of two dozen or more Throgs Neck businesses to have folded over the past year. Whether a Throgs Neck business is large or small, the effects of the recession, like ripples in a pond, have been felt throughout the entire community.

Mangione's business is not the only type of business to be hurt by the current fiscal recession. Many Throgs Neck businesses, whether they are stores that sell shoes, meat, cakes, hobbies, fast food or pets, have felt the ill-effects of the recession.

"My business is down at least 30 percent," says Camille Santamartina, the owner of S&Q Quick Stop, a large neighborhood grocery store, located on Layton Avenue in Throgs Neck.

"Sometimes during the day there is no one in here. It has never been like that," adds Santamartina, who has been in business at the same location for over 20 years.

"I don’t remember any time as bad as the last year. I don’t know what happened," states Santamartina as she takes care of a customer. "I always thought that if one business would be recession-proof, it would be the food business. After all, everyone has to eat...I guess I was wrong," Santamartina adds ruefully.

Small local businesses have suffered over the past year as well as some big businesses. Willie Figueroa, the manager of the local Bruckner Boulevard A&P, claims, "Our business is down $10,000 a week from last year, and $17,000 a week from two years ago." Figueroa cites that the biggest slip in sales has been found in the deli and meat departments and when told of
Mangione's Meats closing, he says, "If the A&P butcher shop is down over $5,000 a week, then I don't expect a local butcher to stay in business. We have the lowest prices in town."

A&P officials and Figueroa shared the same view that the declining sales were caused by a nearby Pathmark super-store, which is about three times the size of this particular A&P. Rumor has it that the Pathmark has been suffering a decline in business as well.

"I guess everyone has been hit by the recession. I'm glad we haven't had to layoff any of our employees," says Figueroa, who reports that he has had to cut back hiring new employees.

"We are selling less hamburgers than we did a year ago," says Robert Hammereal, a manager of the Throgs Neck McDonald's. "We are selling 200 less burgers a day than last year, so now we are offering our burgers at the lowest price they have been since this recession started."

The Throgs Neck McDonald's has fierce competition because all of its largest competitors are in a three-mile radius. Roy Rogers, Burger King, Wendy's, White Castle and Kentucky Fried Chicken, all actively compete for business through local advertising, not to mention the myriad pizzerias and Chinese food take-out places in the same area. Hammereal confesses that McDonald's is not the neighborhood's leading fast food place anymore. "We had a stronghold in the neighborhood for a long time, but ever since these stores have popped up, we have taken a major cut in business." Hammereal adds that he's cut down his staff. "We even had to lay off more than ten kids."

Like McDonald's, local papers like the Broncs Times Reporter have reported lay-offs of neighborhood kids all over the borough. With a lot of kids out of work, neighborhood police from the 45th Precinct have said that they are receiving many "disturbing the peace calls" from Throgs Neck residents.

"There are a lot of kids out of work," says Officer Elizabeth Gesualdo of the 45th Precinct. She adds, "My partner and I have seen kids all over the neighborhood at times when they could be working. We have had to clear them off of corners because of complaints by residents that they are too noisy.

"The problem with neighborhood kids being out of work is that they have less money to spend," says Daniel Indio, the owner of a Bronx record shop. "In a small community like ours, the buying power of local kids keep many businesses going. I'd be lying if I said my business hasn't suffered. The truth is, it has."

A June fire in the neighborhood wiped out ten stores on Tremont Avenue, the main commercial strip in Throgs Neck. The fear of Salvatore Boiano, the proprietor of one of the burned-down stores, is that he doesn't have the funds to rebuild his pizza shop. "It scares me, because when my pizza shop burned down, my business was slow. I don't know if I should invest any money back into a dying business," he says.

Boiano is not the only proprietor that lost his business in the June fire and does not want to rebuild. Frank Linitone owned a bakery that fell to the fire and he says, "I was almost out of business before the fire. There is no way I can ever afford to stay in business now; that is, until we get out of this recession."

Boiano and Linitone were properly insured when their stores were burned down and so they have survived the recession on their insurance money. But even this worries Boiano. "I don't know what to do when the money from the fire runs out, I don't know what to do," says Boiano.

There is one Throgs Neck business that claims to be doing an all-time high in sales. Vincent Pellio, the owner of Captain Comics in Throgs Neck, says, "My business has never been better. I sell more comic books and collectibles than I ever did." Pellio adds, "I don't know why my business is so good and others are struggling, but I'm not going to question it."

Lenny Vigliotti

Dollars and Sense
The Battle to Protect New York’s Water Supply Reaches the Boiling Point

by Rafael A. Olmeda

Who would have guessed that something as elementary as drinking water could create such a tempest? With a new set of regulations brewing, the politics and economics of New York City’s water supply are simmering. Trying to act before Federal guidelines impose billions of dollars’ worth of capital improvements, New York City’s Department of Environmental Protection plans to hustle into place a form of its regulations next year.

Its fans call the City’s reservoir system an engineering marvel. A mind-boggling 300-mile complex of aqueducts and tunnels, it brings clean water from as far as 125 miles away into the five boroughs with no filtration and only minimal chlorination, and, because the reservoirs are elevated, without the aid of a single pump. But they also see the watershed as a potential disaster area, another victim of an indifferent bureaucracy that has repeatedly failed to address the City’s problems before they become critical. A June 1990 report issued by the State Senate Investigations Committee warned against imminent disaster. “It’s as if the Parthenon was turned into a squash court, the Great Wall of China broken up for paving blocks, or the Taj Mahal converted into a discount rug outlet,” the report complains. “A unique, invaluable and irreplaceable public work is being irresponsibly corrupted.”

The City’s efforts at protecting the water supply focus on the deterioration of the Croton Watershed in Westchester County, as well as future worries over the Catskill and Delaware Watersheds further upstate and to the west. DEP Commissioner Albert Appleton blames the deterioration of Croton water, 10 percent of the City’s supply, on the City’s inadequate source protection. “The Croton Watershed has been subjected to the consequences of environmentally insensitive growth,” he says, estimating that the filtration systems needed will cost $600 million to build and $45 million a year to operate.

But who’s going to pay for it? The City’s nearly broke, and
the State’s budget is in shambles. *New York Post* reporter Ken Moran blasted the City for not taking preventive measures earlier, “The City is now faced with the fact that it must build a water filtration plant at a time when it is broke. This plant could have been built years ago, when it would have been far less costly.” The pressure to build the filtration systems is coming from Washington. Federal guidelines mandate filtration for all metropolitan reservoir systems by 1993, unless the City can guarantee that source protection would render filtration unnecessary. Otherwise it will be forced to cough up $8 billion for a new filtration plant, with operating costs of $300 million a year.

The other pressure point is a potential population and development boom in the region. The DEP does not want to see “environmentally insensitive growth” in the Catskill and Delaware Watersheds. Appleton warns, “If this growth occurs, the matchless quality of City water would be lost forever.”

The Hudson River Fishermen’s Association, an environmentalist group, has joined the City’s call for freezing development upstate. Their chief spokesman has been Robert F. Kennedy Jr., a lawyer for the National Resources Defense Council. In testimony before City Council President Andrew Stein in 1991, Kennedy warned that the population in the area of the Catskill and Delaware Watersheds has increased by 13 percent since 1970. “Those watersheds are now poised for the kind of developing frenzy we have seen in the Croton Watershed,” Kennedy stated at the City Council hearing.

**A FLOOD OF LEGISLATION**

The new rules represent the City’s first attempt at revision since 1953. The Senate Investigations Committee recognizes that the old statutes are hopelessly outdated. “The regulations deal with barnyard manure, but not with such modern problems as toxic waste disposal. The maximum fine for a violation is a ludicrous $50, which deters no-body,” states the Committee’s report. Septic systems, highways, cemeteries, parking lots and construction projects will be restricted in the watershed area, which covers under 2,000 square miles of mostly rural communities experiencing growth that few feel can be termed a “developing frenzy.” Still, the City is uneasy about signs of suburbanization, such as gas stations that sit uncomfortably close to watercourses leading straight into the reservoir system.

Reaction in the affected communities was as swift as it was critical. Even a month before the regulations were publicized, Ronald Roth, planning director for Greene County, asked in the *New York Times*, “What right does New York City have to take the water resources without compensation to the area and then penalize it?” Politicians were quick to jump on the issue.

“People feel scared and threatened,” State Assemblyman Richard Coombe (R-Grahamsville) told *New York Newsday* last April. “The perception is there’s no future for agriculture, forestry and tourism in the region if these regulations are passed.” In October 1990, State Senator Charles D. Cook (R-Delhi) wrote to his constituents, “Whatever may be the intent or content of these regulations, it is not reasonable to force upon the people of the region restrictions which do not apply elsewhere in the State.”

Specialized business and citizen groups have mobilized. Six months after the regulations were proposed, in March 1991, representatives from 32 towns in Delaware, Greene, Schoharie, Sullivan and Ulster Counties formed the Coalition of Watershed Towns (sometimes referred to as the Organization of Water Exporting Communities). The first *OWEC Newsletter*, published in May 1991, established the pro-growth platform of the group: “No industry, business or farm should be forced out of business by the watershed regulations. Our communities need to grow and prosper. We will not allow New York City to deny our reasonable expectations for community development.”
Kenneth Markert, director of planning for the Delaware County Planning Board, is an outspoken critic of the new regulations. He believes a compromise between pro-growth and pro-regulation forces is possible. "The September 1990 Draft Regulations are a poor starting point that threaten the life of our communities," he asserts. Markert severely criticized the City for not allowing enough time for public discussion and for ignoring existing regulatory programs that have been imposed by the USDA Soil Conservation Service, the New York State Department of Health and local planning boards.

He also rips into Kennedy's position, stating that the findings published by Kennedy and David K. Gordon in a report called The Legend of City Water were based on statistical inaccuracies. For example, he says, when Kennedy states that population has increased 13 percent in 20 years, he leaves out the fact that only 3 percent of that increase has occurred in the last decade. This, Markert says, is a sign that the population is increasing at a slower rate than Kennedy's report states. Markert's views are fully supported by OWEC.

**PUSHING TOWARD AGREEMENT**

It was never the City's intention to stop reasonable development or restrict the constitutional rights of homeowners, says Appleton. But small business owners are worried. Detlev Barsch, proprietor of the Wurst Place, a German butcher shop in Hamden, says he will probably leave the State if the regulations pass. All across the region, small shops post signs stating how the regulations will affect them.

It is no wonder, then, that the Coalition claimed major victories when New York Newsday and Bronx Borough President Fernando Ferrer came out in support of their arguments. Ferrer, describing the political machinations behind the drafting of the regulations, states, "A more undemocratic process could hardly have been imagined." He likens the City to a colonial power, and urges the Dinkins administration to share jurisdiction and responsibility with the affected localities.

The DEP intended from the beginning to do just that. A series of hearings was held in upstate counties after the draft was released, and early last December, the DEP issued a progress report that contained major concessions to the Coalition's complaints. These concessions include the City's lifting of what would have been a ban on the creation of new cemeteries or the expansion of existing cemeteries lying within 500 feet of a watercourse, a clearer definition of terms used in the draft and revision of septic system rules and other regulations governing the creation of impervious surfaces on private property. For the first time, the compensation issue was finally on the bargaining table. Appleton hopes to issue the revised draft of the regulations in June for possible implementation by 1993. Until then, both sides will be eyeing each other warily in the volatile regulatory game while the water continues to stream forth, tons per second, down from the mountain reservoirs to the troubled City.
Educators and Government Hop On The Multicultural Express

by Charissa N.C. Kwan

If Christopher Columbus had only known, as his ships neared the shores of the Bahamas, the free-for-all the 500th anniversary of his landing would touch off among educators! To some historians, the discoverer had just found new and uncharted territory, a land bonanza. To others, his was the first of many invasions of the Americas. This difference in perspectives is just one of the rallying points for proponents of "multiculturalism," the latest and possibly the most bitter of recent reform movements in American education.

Coming up with an exact definition of "multiculturalism" is no easy matter. According to Webster's, "multi" means having, consisting of, or affecting many. "Cultural" is of or pertaining to culture, specifically of the training and refinement of the intellect, interests, tastes, skills and arts. If you think the combination is already confusing, you are sure to find the jargon associated with the issue even more perplexing (see sidebar). Sociological terms that had traditionally been neutral have taken on a new twist. Buzzwords are coined as the need arises. All of this is shouted back and forth by politicians and educators—including political educators and education politicians—at a decibel level that defies comprehension.

Supporters of multiculturalism claim that American society is made up of many subcultures. They demand that education find a way of weaving in multiple perspectives to reflect it as such. Multicultural education is already having powerful repercussions on society. Objections to its progress center on the idea of assimilation. Opponents, mainly arch-conservatives, argue that much of American history has been devoted to how wonderfully everyone has dissolved into the great Melting Pot. They maintain that to teach the individual cultures of the American population poses a divisive threat to national unity. Teresa Yin Hsu, director of Asian American Communications, insists that this is not the case. She has served on many state and local government committees and acts as a mediator for community responses to racially explosive events such as the Crown Heights incident. She says, "The ultimate goal of multiculturalism is to enable people to respect each other with their differences and to find commonality between all of us."
The rough numbers indicate that there is a great deal at stake, in terms of who is affected and the way in which the nation's educational system is financed. The Western Interstate Commission for Higher Education and the College Board predicts that by 1995 one-third of American public school students will be minorities. A report they prepared indicates that 34 percent of the enrollment in public elementary and secondary schools will be non-white, an increase from 29 percent from 1985. This reflects an increase from 10.4 million in 1985 to 13.7 million. White enrollment will also increase from 25.8 million to 27 million, but will only be 66 percent of total enrollment, a drop from 71 percent in 1985.

PAYING THE FARE

Decisions about new curriculum are likely to affect funding for new and existing programs for everything from individual grant applications to broad-ranging changes in the Federal education system. While the states themselves are responsible for 86 percent of the nation's educational budget, it is becoming clear that policy decisions made in Washington on the multiculturalism question could determine how that money is spent. What is more, as corporate leaders who are making a name for themselves by giving to education become more attuned to the issue of multiculturalism, their much-needed dollars, which many point to as the only remedy for school systems in crisis, could be earmarked for programs that meet new curricular standards. Already there are signs that corporations are jumping on the bandwagon. Exxon, for example, clearly had their ear to the ground on this issue. Its Education Foundation, established in 1955, is now spending nearly $20 million per year on elementary and secondary schools with the expressed intention of helping teachers cope with an increasingly diverse student body.

The fire-fight has become increasingly more complex over the last five years. The once two-sided controversy has turned into a love-hate triangle that is threatening to cleave further. The supporters of change have divided into two camps, the pluralists and the particularists. The pluralist promotes a broader interpretation of the American culture where all groups are recognized and given their rightful place in history to form one common culture. Particularism is based on the concept of ethnic separatism. It divides the American nation into five groups: African American, Asian American, European American, Latino/Hispanic and Native American. This brand of multiculturalism tends to ignore the cultural, historical, religious and linguistic differences within the groups, and advocates learning from the history of the race alone. The most recognized sect is Afrocentrism. Opponents claim the Afrocentrists promote Europhobia and fear that this recognition of all cultures as equal will usurp national unity and uproot the American culture. But Dr. Donald Smith, chairman of the CUNY African American Network, claims otherwise: "Afrocentrism does not mean anti-European, anti-Asian, anti-Latino or anti anything else." He points an accusing finger at the Bush administration's opposition to multiculturalism.

At present, particularists claim that Washington is firmly in the hands of anti-multiculturalists. In a recent article in The American Scholar, Diane Ravitch, assistant secretary of education, observes, "Indeed, the unique feature of the United States is that its common culture has been formed by the interaction of its subsidiary cultures." She claims the American culture has been shaped over time by immigrants, Native Indians, Africans and by their descendants. What we deem to be American arts, literature, food, holidays and customs are all products of the mingling of diverse cultures in one nation. "Paradoxical though it may seem, the United States has a common culture that is multicultural," she concludes. Ravitch maintains that educators adhere to the principle of "E Pluribus Unum" -- striking a balance between the one and the many. A pivotal figure in the debate is Dr. Leonard Jeffries Jr., chairman of City College's Department of Black Studies.
who claimed in a controversial speech given at the 1991 Empire State Black Arts & Cultural Festival in Albany that the present educational system demonstrates another form of racism and white supremacy. “This was by design, by people who knew what they were doing: Stripping Africa of its significance in its place in the world,” he says. Jeffries advocates the view that mankind has its origins in Africa. He supports his many theories with books such as Black Athena by Martin Bernal, asserting that most modern world traditions and innovations attributed to the Greeks are actually of African origin and demanding that the history and social studies curriculum be revised to reveal it as such. Smith, who categorizes himself as an Afrocentrist, has a milder opinion. He comments, “Education, not just here in the United States but all over the world, is a form of social control.” He charges that opponents of multiculturalism and Afrocentrism are afraid of rearranging the control configurations and states that the elevation of the dominant group’s humanity over that of the other groups should be corrected.

Professor Arthur M. Schlesinger Jr. of the City University of New York, author of The Disuniting of America, characterizes One Nation, Many Peoples: A Declaration of Cultural Interdependence, a report released in June 1991 by the New York State Social Studies Review and Development Committee, as “Europhobic.” He was a member of that committee until the fall of 1990, when he requested that his status be changed to consultant. He believes that highlighting the differences in ethnic and racial themes will undermine the unity of American society. In a cutting editorial on multicultural education in The New York Times, Russell Baker notes, “It’s this year’s big fun slanging match for intellectuals, probably because it offers such rich opportunity for venting your most beastly animosities on race, sex and ethnic issues while sounding so utterly, so absolutely, so unbelievably civilized.” He claims that the question is not whose history to teach but whether or not our schools are able to teach any history at all. Throughout the Reagan years, opponents of multiculturalism swarmed through the White House corridors, including the youthful Dinesh d’Souza, who at the ripe age of 30 was holding down a $60,000-a-year position as an education adviser on the strength of his anti-multicultural diatribe Illiberal Education. William F. Buckley, d’Souza’s mentor, is also, not surprisingly, a firm opponent of the reform movement.

STAYING ON TRACK
There are no special funds set aside for multicultural education. It is old news that the Federal government does not have money for any new programs. In fact, it has cut back on grants supporting new initiatives. Administrators and schools are rechanneling existing funds. For example, textbook replacement is a routine function of schools. Instead of purchasing the textbook in use which does not provide a multiple perspective, the schools are buying ones that do. Other types of grants, such as those for developing foreign language skills, are another indirect route to financing multicultural education. In purely economic terms, the multimillion-dollar publishing industry that relies on giant school systems, such as those in Texas and New York, is peddling fast to keep up with the new vocabulary and mission of multiculturalism. Most view the movement as a business opportunity, and new titles incorporating its buzzwords proliferate. According to an editor at Harcourt, Brace, textbook director Peter Jovanovich is so intent on producing multicultural texts that he permitted his art department to darken the skin tones of an Egyptian illustration for a new anthology.

In a critical article that appeared in U.S. News & World Report, John Leo refers to the committees set up by state education commissioner Thomas Sobil as the “two dim panels.” He suggests that the panels of 1989 and 1991 were a political move for Sobil. Ravitch also labeled the 1989 committee as such. “He did this not because there had been complaints
Curriculum of Inclusion” will start historically with Africa and include the accomplishments of all major cultures. “It should be taught from the perspective that we are of one world and should teach both the positive and negative aspects of the cultures,” he says. Dr. Dabney H. Narvaez, director of the Multicultural Education Center, agrees with the teaching method. “A truly multicultural educational approach would begin with the teaching staff—in terms of their openness, cultural diversity and their commitment. The teaching, regardless of culture and race, to me, is at the very heart of it.” Her Center is part of the Equity Assistance Center, a collaborative effort involving New York University, Rutgers University and Baruch College. One of its primary goals is to provide multicultural training for faculty and administrators on the high school level. She adds, “It is teaching of what’s reflective of not only the mainstream American culture, but other cultures and not just that of the students or the community but beyond.” Both Hsu and Narvaez concede, based on feedback, that the level of self-esteem of the students who participated were raised as a direct or indirect result from their multicultural programs.

THE NEXT STOP

Multiculturalism does not just connote curricular reform. It extends beyond the schools. It is an ongoing process that starts with a curriculum of inclusion. Whatever the short-term fate of phenomena like Jeffries or d’Souza, the eventual impact of the multicultural debate is likely to be long-lasting and sweeping. For the millions of American high school students, of every ethnicity, it will mean a dramatic shift in the course of their academic careers, and in the nation’s thinking for at least a generation to come.

“We, the United States, are becoming more and more globally oriented,” Narvaez says. “In terms of what we do in business, education and just about any activity you can think of in the 21st century, it is going to have to be done with a culturally educated population.”
Animal testing raises consumer controversy

by Gary Garcia

Every year, a bevy of new cosmetics and household products appear on the market. Consumers flock to them for their novelty and their safety. But sometimes they are not as harmless as they seem. In the spring of 1933, a woman went blind after using eyelash make-up.

Cosmetics, drugs, chemicals and household products are tested for toxicity to insure their safety before being distributed to the market. According to People for the Ethical Treatment of Animals, an animal rights group, approximately 100 million animals are used in the United States each year. An estimated 14 million animals of this number are killed in order to test cosmetics and household products for safety.

The two most commonly used tests for cosmetics and household product testing are the Draize Test and the Lethal Dose (LD50). These tests have been fiercely attacked by animal rights groups for their cruelty and the certain death they bring.

The Draize Test is used to show eye irritancy. For this test six to nine albino rabbits are used because of the clarity of their red eyes. They are unanesthetized and restrained in stocks that allow only their heads to show, preventing them from removing the test substance that is instilled in one eye. The other eye serves as the control. The rabbits are checked at intervals of 24, 48 and 72 hours, and testing may go on for as long as three weeks.

However, the damage is not limited to the eye alone. "The liver is injured. The kidneys are injured. So you have several kinds of injury," says Dr. Ethel Thurston, president of Beauty Without Cruelty, a non-profit organization fighting against the use of animals in product testing.

The LD50 test uses up to 100 or more animals—mostly rats or mice, but rabbits and guinea pigs have often been substituted. The animals are forced to eat or breathe controlled doses of a substance in order to measure the substance's toxicity. The dosages given to the animals vary and the results are recorded when 50 percent of the animals die.

EXPERTS ARGUE ISSUE

Last year the Medical Research Modernization Committee published a report entitled "A Critical Look At Medical Research." In this report, the MRMC stated that the LD50 test has several major flaws. First, the extrapolation of results from rodents to humans is unreliable. Second, results can depend on variables such as age, sex and weight. Third, the information obtained from the test cannot be applied to most human poisoning victims because the quantity and type of substances ingested are often unknown.
Henry Spira, president of Animal Rights International has spent most of his life fighting for both human and animal rights. He has been involved in coalitions to stop the use of these toxicity tests. “I’m interested in the most rapid way to reduce animal pain and suffering,” says Spira.

Others have shown interest in the issue. “I think that using animals is really like living in the dark ages. It’s outmoded methodology that I think has perhaps had some usefulness in the past, but not now,” says Dr. Marjorie Cramer, a Board certified physician who is very outspoken about the issue of using animals in medical research and product testing. “Using animals perhaps helped make progress, but be that as it may, I don’t think it has any place now. The whole basic fundamental mindset is flawed.”

The United States government has recently begun debating whether the use of such toxicity tests prove helpful in determining cosmetics or household products as safe for humans. The Food and Drug Administration has said that the use of toxicity tests like the Draize are not required. “Provided whatever is tested is substantiated as safe,” points out Thurston, “the companies can choose whatever methods they want to substantiate them as safe.”

Strong opposition to the use of toxicity tests by animal rights groups have led members of the cosmetics and household product community to label them as “terrorists.” Protesting the use of toxicity, once-involved activists would march, scream and picket companies outside their laboratories, but not now. “We must protest in an organized way,” says Julie Van Ness, animal rights activist and caretaker of Argus Archives, which maintains documents, periodicals and a library on the major issues of animal welfare and abuse. “We need spokespersons who know the subject and are prepared to debate publicly.

CORPORATE COOPERATION
Companies like Avon, Revlon and Colgate-Palmolive have begun funding programs for finding alternatives to toxicity tests. Still, there is strong opposition from others. “Proctor & Gamble and L’Oreal still believe in using toxicity tests,” says Thurston.

Although campaigns have been waged against these companies, cooperation is still lacking. According to a spokesman for Cincinnati-based Proctor & Gamble, all testing is done under strict compliance with Federal laws to ensure product safety.

Some believe that companies feel pressured to change from their routine and have feelings of censure. “Labs are set up in a certain way, staff is hired in a certain way, scientists are trained in a certain way and they all have to change,” argues Van Ness. “They’re being pushed and they don’t like it.”

Others feel it’s not disapproval but difficulty in adapting to change. “I think that it is basically a self-perpetuating system and it is very difficult for people to change,” says Cramer.

Yet, there has been cooperation from cosmetic companies which activists feel is a step in the right direction. Regardless of the success achieved by animal rights organizations, the final goal is to stop the use of animals and find alternatives for toxicity tests. The Johns Hopkins Center for Alternatives to Animal Testing in Baltimore, Maryland is among the leaders in this campaign.

AN ENDEAVOR FOR CHANGE
Recently, there have been landmark discoveries in the search for alternatives. One such breakthrough is the Eytex test, in which human cells are mixed with chemicals. The results will indicate which chemicals are harmful to humans.

Other toxicity tests have been suggested. Among them are human studies where humans are used as the ultimate experimental animal. Human volunteers have been used in the testing of cosmetics. Lower organism bacterial tests have been used to make early decisions in the developmental stage of new products. As Thurston points out, “Most non-animal tests are cheaper than using animals.”

The search for alternatives is bound to cut down on the use of animals in toxicity tests. But the day when cosmetic toxicity tests are abolished is still a long way in the future, according to experts on both sides of the laboratory counter.
The Road to European Unification
Central Europe holds the key to the future
by Erik Kolb

If you think the Japanese are a threat to America’s position as an economic superpower, you are in for a surprise. The Europeans are here.

A Peat Marwick survey released early this year reports that new European investments in 14 key U.S. regions dropped by 16 percent in 1988 and by an additional 35 percent in 1989. However, European companies remain major players in the U.S. economy, controlling over 63 percent of the $426.5 billion in foreign investments in the U.S. at the end of 1990. The slower capital flow partly reflects weakness in the U.S. economy, but also suggests an increasing preference among European investors to participate in the growth of an economically unified Europe.

According to analysts, the percentage of European investment in stateside businesses will drop even further, and by the end of 1993, Europe’s percentage of U.S. business may drop as low as 25 percent. This bleak outlook is colored by three major milestones on the road to European unity that occurred in the past year. In early October, the 12-nation European Community and the seven-nation European Free Trade Association signed a pact that would, in effect, create the world’s largest common market. In December, the EC followed up by agreeing to create a common monetary, defense and political policy by as early as 1996. In addition, the EC held a conference with Poland, Czechoslovakia and Hungary in late November, and planned to extend their common market plan to include these three countries as well. These factors would make it the largest economic superpower in the world, and the unsettling fact is that it would be virtually self-sufficient, answerable to no one.

FORGING THE FUTURE

Early last October in Brussels, Western Europeans agreed to create one vast common market. The pact, known as the European Economic Area, attempts to closely coordinate the highly diverse economies of Belgium, Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain, and the seven neighboring Western European countries that belong to the European Free Trade Association, including Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland. It would force the EFTA to incorporate 30 years of EC legislation—over 1,400 pages of laws and regulations—into their books.

The agreement is a milestone in the creation of a new Europe. “It opens the way to creation of the largest and most integrated common market in the world,” says Finland’s Foreign Trade Minister Perti Salolainen. It aims to abolish many of the barriers that now keep goods, people and services from flowing freely throughout Western Europe. The nearly 400 million consumers of this vast new market are promised benefits ranging from lower prices and greater choice to easier travel.

The EC’s single market program, which goes into effect later this year, increases the geographic size of the Community by more than 50 percent. EFTA’s population of 31 million is less than that of Spain, but its people boast a per-capita income of $19,000, nearly twice the EC average. EC legislation, long bogged down by British opposition, could get a boost from the labor-friendly Nordic countries. All EFTA nations will insist on tough environmental standards, forcing the EC to speed its painfully slow enactment of such laws. The deal also calls for the EFTA to contribute two billion European Currency Units’ worth of low-cost loans and grants to development of the poorer EC regions.

Switzerland, putting aside 700 years of fiercely independent foreign policy, announced it would take steps toward entering the EC. Austria and Sweden, having already applied
for membership, are expected to begin negotiations next year. Finland and Norway will probably join the rush. Some East European countries say they fear being left behind, but EFTA and EC leaders argue that pooling forces will make it easier to help the East.

The pact could also attract investment from the U.S. and Japan. In a recent survey of 10,000 chief executives in the U.S., KPMG Peat Marwick International found that 28 percent planned to invest in Eastern Europe while only 14 percent were considering EFTA. Most are still wary of political instability. “We might find some more U.S. and Japanese companies looking at the EFTA countries in a new light as a place for investment,” says Francine Lamorello, senior manager at KPMG in Washington, D.C.

The pact has many important provisions. Products, capital and services can move freely throughout Western Europe starting in 1993, avoiding customs duties, discriminatory taxes and quotas. Goods can be stopped at borders for security, safety and health reasons. As for workers, starting in 1993, individuals should be able to live, work and offer services throughout the 19 nations. Professional diplomas will be recognized throughout the area. In agriculture, EFTA countries will keep their own farm policies, but both sides will work to liberalize agricultural trade. As for environmental issues, the EC agreed with Austria to cut truck emissions by 60 percent over 12 years and with Switzerland to switch the bulk of its goods transport to railways. The agreement is yet to be ratified by all EFTA countries, including a referendum in Switzerland, so it could be months before its full impact is assured. “There will be winners and losers,” says Frank Vibert, deputy director of the Institute of Economic Affairs in London. “But the momentum toward economic integration is unstoppable.”

MAASTRICHT MILESTONE

Despite the pressure caused by the two most significant players, Germany and the United Kingdom, EC leaders reached a milestone agreement in Maastricht on a treaty to create a single European currency by 1999 and give the EC far-reaching responsibility in defense and foreign affairs. The EC gains a greater role in setting pan-European labor law and social policy. The policy exempts Britain, which had previously threatened to scupper the entire treaty because of fears that such social-policy measures could damage competitiveness. The leaders also settled various contentious environmental, immigration and other rules, giving the EC greater power to establish common pan-European policies.

The leaders agreed to establish a single European currency by January 1, 1999, with a common monetary policy to be established by an independent European Central Bank. In several stages starting in 1996, EC countries that meet tough economic standards will throw out their domestic currencies and join the single currency.

The EC averted a potentially protectionist industrial policy by agreeing to make aid to specific industries subject to a unanimous vote of EC members. John Major, British prime minister says, “I believe the agreement we have reached is a good one. It fully reflects British interests. I shall have no hesitation recommending it to the Parliament or the British people.” However, British officials said they would block any efforts that would damage the “level playing field” of EC markets. Denmark won’t join until it holds a referendum on the issue, and Britain obtained an “opt-out” clause that will allow it to keep its currency indefinitely, though many economists expect both countries to join eventually. Dutch Prime Minister Ruud Lubbers pragmatically added, “The history of Europe shows that even when one or two countries lag behind, they’ll follow eventually.”

Though it dropped language calling for a “federal” Europe, the EC foresees an “ever closer” union of states. That’s particularly important to a unified Germany, Europe’s only real economic superpower, which insisted on a political union as a condition of agreeing to monetary union. The EC took steps to bolster the Western European Union, the nine-nation defense organization, as the main arm of a common EC defense policy. WEU will operate in conformity with NATO, but will develop a specifically European defense identity. French President Francois Mitterrand said the defense accord is in keeping with the Franco-German plan to eventually set up an EC army.

The agreement on a single currency and a European Central Bank marks the biggest concrete step forward in the EC’s unity project. The currency could become reality as early as 1997 if seven or more countries meet tough standards on inflation, currency stability and deficit spending, and they are all committed to tossing it away by 1999. In 1996, seven nations will have to have met the basic criteria, and a majority of the 12 nations must vote to proceed with the single currency plan. If this doesn’t happen, an automatic process
begins that will result in the economically robust nations accepting the currency in 1999. To speed the process, the EC has agreed to an aid package for its poorer members to help bring their economies up to snuff.

CENTRAL EUROPEAN NECESSITY

While the EFTA members have concluded an agreement to lift all trade barriers with EC nations on January 1, 1993, the EC is talking about admitting Poland, Czechoslovakia and Hungary around the year 2000. In January, the EC will begin negotiating similar pacts with Romania and Bulgaria. The EC is banking on the experts who believe that Central Europe is the most promising growth market of the '90s. By combining their EFTA agreement with that of Central Europe, the EC is greatly enhancing the growth prospects of all three, thereby making their unification dream more of a reality.

The deals with Central Europe promise to be far more significant than those with the EFTA. Major companies in the EC and EFTA already do a thriving business in each other's markets. Since Central Europe now consumes minuscule amounts of Western goods, it amounts to a rich terrain for new business. Scott Vicary, an analyst with the London investment firm of James Capel, believes Central Europe will start growing slowly in 1993, then sprint ahead at up to an 8 percent annual rate toward the end of the decade. "That's roughly the same growth rate West Germany achieved after World War II," he comments.

The EC presented Poland, Czechoslovakia and Hungary with an improved formula for free trade. Slated to take effect in early 1992, the agreement calls for almost totally open borders between the EC and Central Europe within 10 years. They have 10 years to scrap their quotas and tariffs, which average between 15 and 20 percent, but the EC will dismantle its barriers far faster. The holiday on duties and quotas for consumer goods, electric motors and other manufactured goods will become permanent.

The main concession by the EC came in steel, textiles and agriculture. The 18-year-old limit on steel imports from Central Europe will cease in 1992, and the 5 percent tariff will stop in 1995. The EC plans to phase out restraints on textile imports by 1997, years before it lifts restrictions for its other partners under the Multi-Fibre Agreement. Exports of farm products, just 17 percent of Central Europe's sales to the EC in 1990, will get a substantial boost. The EC pledges to remove tariffs on meat, fruit and vegetables by 60 percent over the next three years, and to increase quotas by 50 percent in five years.

Central Europe offers two main resources. It has a cheap, well-educated work force and vast low-cost agricultural production. Its workers earn Southeast Asian wages but boast a near Western European level of education. Though wages will hardly stay low forever, factory workers in Czechoslovakia right now earn $2,500 per year on average compared with the $23,000 that their counterparts earn in western Germany. Well-trained engineers, scarce in Western Europe, are plentiful east of the Elbe River. Scientific education is especially strong in Hungary and Czechoslovakia.

Although Germany can lead Europe out of a recession, it's highly vulnerable to shocks from the East. To pay the heavy price of unification, the German government raised taxes and shouldered a large budget deficit. Simultaneously, it reined in prices by tightening credit, which triggered higher interest rates across Europe, slowing growth in all EC countries. Some analysts believe that the collapse of the Soviet Union along with the struggling economies of Central Europe will force more immigrants west into Germany, and cause the same results as German unification. Since Europe cannot withstand another blow like that, especially on the verge of continental unity, the EC hopes to avert it by taking a slight dip in its economy now and reaping the rewards when Central European growth begins.

The EC is hoping that an EFTA and Central Europe combination is the right formula to achieve the desired results. While it has hurdled many obstacles to European unity, the results are still unknown. What they have is a framework for unification and nothing more. Failure could mean that the EC will have lost nearly a decade, but success will provide a sweet payoff to insiders and canny outside investors alike.
In the fantasy land of comic books, there is no such thing as a recession. Judging by real-life record prices and booming volume, the sluggish economy has had no affect on the soaring prices of valuable comics.

In August of 1990, a single-book record sales figure of three million copies was established with the sale of Marvel Comics' Spiderman #1, written and drawn by the industry's hottest young talent, Todd Macfarlane. This was big...
news in a business accustomed to Marvel Comics’s standard United States distribution of between 400,000 to 500,000. The unprecedented volume resulted in an increase in production for most of Marvel’s titles, prompting a similar move by rival D.C. Comics, an affiliate of Time Warner.

But in the ’90s, sales records for comic books do not last long. In June of 1991, Marvel Comics X-Force #1 doubled the previous record by posting sales close to seven million copies at $1.25 a pop. Since they cost just pennies to produce, the profits are as super as the heroes. X-Force #1’s reign at the top did not last long either because in August of 1991, Marvel Comics X-Men #1 sold nearly ten million copies.

While most of the media business went into hibernation, the comic brigade was out in full force. In January, over 5,000 collectors and professionals piled into the second floor of Manhattan’s Ramada Hotel for a trade show and the word recession was on no one’s lips. The comic industry was quietly creeping up to the $500 million mark worldwide in total sales.

TWO AT THE TOP
For the past 30 years, the comic book arena has been dominated by Marvel and D.C. Independents have failed to capture a stronghold in the industry.

Marvel Comics and D.C. have waged all-out war since Marvel’s inception in 1961 and there are no signs of a cease-fire. Spiderman, Captain America, the Hulk, the Fantastic Four, the X-Men, Wolverine and the Punisher help give Marvel the edge in market share with 38 percent. That figure is rising. Marvel currently has 56 of the industry’s Top 100 titles, to D.C. Comic’s 36. Investors fell in love with Marvel stock, which appeared on the market at $16.50 in July 1991 and hit $42 within six months after the company reported third quarter profits of $6.7 million that were triple the previous quarter, and sales up 59 percent to $38.2 million.

D.C., which has been around since 1938, has Superman, Batman, Wonder Woman, Robin, the Swamp Thing, Lobo and the Flash in its lineup and a market share of 30 percent. The industry lead has changed hands repeatedly over the past few years. The other 32 percent of the market is carved up by Archie Comics, Harvey Comics and over 100 independent labels with distributions between 5,000 and 100,000.

WHEELING AND DEALING
“My business is better than ever,” says Vincent Mileto, the owner of Captain Comics, one of the Bronx’s largest comic shops. “I have tripled my regular order on books, and I still can’t meet the demand for them.”

According to Mileto, sales of new comic books have increased 50 percent and show no signs of losing altitude. “It used to be that I sold 100 issues of one title at 75 cents an issue, but these days, I’m selling 200 issues of the same title at the new market price of $1.25 per issue,” says Mileto. He notes that 75 percent of his business is in new comic sales and the recent price jump from 75 cents to $1.25 has not hurt. “I’m doing three times the business I was doing seven years ago in volume, in 1985, when the books were just 60 cents.”

The rise in popularity has led to historic boosts in distribution by the big two, including the introduction second and third printings. This has sparked controversy among collectors because the increasing number of books avail-
able will decrease the value of some later collectibles.

SUPERSTARS AT AUCTION
The most dramatic signs of the robust state of the comic business are headline-grabbing record prices for vintage books sold at auction. "I used to throw my books away when I was a kid, and now I regret it," says Joseph Landolfi, a Manhattan bartender and avid collector. Angie Caputo's son had original Batman and Superman issues from the 1950s. "I never thought these things would be worth money, so I threw them out," she says. She's sorry she did. A Golden Age book is dated from 1938-1960. Every one of these books demands a premium as the most sought-after back issues in the industry. During this period, D.C. Comics led the industry exclusively with titles like Batman, Detective Comics, Superman, Action Comics, Flash Comics, Green Lantern Comics and a bloody array of horror and science fiction comics. If you are interested in any book from this time period, be prepared to pay a minimum of $100. The average price of old science fiction titles increases at the rate of fission.

Over the last five years, the biggest jump in back-issue prices has occurred in the Silver Age of comic book collecting. The Silver Age is considered to be any comic from 1961 to around 1973. This is also referred to as the Marvel Age of Comics and Marvel books of the period are in higher demand than D.C. issues. For small-time collectors starting out, this can be a great investment. "I have one comic book, and it's worth twenty bucks," says Gerard Brown, a 24-year-old produce manager who is typical of the new breed of collector.

The rising prices of Silver Age books are driving up the cost of all post-Silver Age issues. This can be attributed to the rise of new comic book sales. As the old back issues rise in price, the young collector with a limited budget is limited to buying only new issues. Once the new issue hits the stands, the next week it becomes an affordable back issue, with a slight mark-up. This is keeping the dealers and shop owners on top of the market. For some, the lure of comics remains their entertainment value. "To me, comic books are the ultimate form of literature. They pack great stories with awesome art, and that's worth a buck," notes Daniel Gesslein, a student and collector in New York.

THE FUTURE
The vintage material is quickly becoming the target of a speculator's market and this is adding to the industry's growth. The hobby hasn't lost its appeal but the kids of the '90s have been taking better care of their books. There are six conditions that a comic book is graded in and the lesser the condition a book is in, the lower the amount the collector can expect to retrieve for the item.

The six grades of a comic book are poor, good, very good, fine, very fine, and near to near mint. There are many reasons that place a comic in any one of these categories. The Comic Buyer's Guide, one of the industry's leading reference publications, has set the definitive grading system. C.B.C., as it is called, stipulates that any book that has sharp edges, pages like new, a cover that has full lustre and is perfectly centered with no signs of aging is a Mint book and a comic book dealer can receive as much as 120 percent of the current guide price. Most books found in pristine condition look as though they have never been read by anyone.

A book in fine condition is one that has only slight signs of wear but has obviously been read a couple of times. It can garner about 80 percent of the guide price and 70 percent in very fine condition. A top drawer collector is a popular issue with minor markings and some slight discolorations. Just to show the possibilities, consider the record-setting price commanded by Detective Comics #27, featuring the first appearance of Batman. The vintage book was knocked down at $50,000 at a Sotheby's auction last fall. POW! What a market!

SILVER AGE PRICE JUMPS SINCE 1985 FOR KEY SILVER AGE ISSUES

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All Prices Taken From The Overstreet Guide, 1985 and 1992. All prices vary by condition.
COFFEE CLASHES

The Java Market Heats Up

by Philip Dressner
Illustration by John Tan

It's a big pot, and though it's piping hot everybody seems to want to be in it. The coffee market has never been warmer, with corporate titans battling it out for consumer support and Latin American countries at each other's throats over export regulations. With world coffee production for 1991-92 a heaping 100 million bags of 132 pounds each, up from 95.3 million in 1990-91, it is clearly a big business and getting bigger. The industry has not been affected by the recession because consumers still drink coffee despite poor economic times. The world drinks over a billion cups a day.
TRADE WARS BREWING

The largest producer is, not surprisingly, Colombia, where a bumper crop in 1992 depressed coffee futures on world markets through most of the spring. But analysts note that Brazil has posted serious gains to capture a fifth of the world market. One major reason for the bearish behavior of the futures market is bitter squabbling among producer nations over export limitations. They met last April to try to patch together a quota agreement after three years without a working policy.

Much of what Latin America produces goes through the grinder and ends up in the United States. The ground coffee industry represents a $3.5 billion-a-year segment, 75 percent of the U.S. market. Americans consume upwards of eight to 10 cups per day, which adds up to nearly a third of all the coffee produced in the world. The largest producers are Philip Morris, Kraft General Foods, Swiss-based Nestlé and Proctor & Gamble.

CORPORATE BLENDS

All of these corporate giants are into a wide variety of businesses, and many are involved in the takeover game in a big way. Nestlé recently made a move for the beleaguered French water bottler Perrier. The major takeovers started back in 1988 when PM bought Kraft. General Foods hadn’t come up with a new brand in years. For tobacco-centered PM, coffee represents only 5 percent of annual revenues. Now PM boasts the largest market share at 34.8 percent, trailed by P&G at 31.3 percent and Nestlé with 13.5 percent. On the strength of mounting revenues, PM’s Big Board issue was strong through the bull run, hovering around $70 a share through most of the spring after posting considerable gains in the fall. Sales for Maxwell House, PM’s largest selling brand, began to slip three years ago, and the company spent close to $100 million last year to regain some of the market share lost to P&G’s Folgers. The General Foods sector of PM is based in White Plains, New York and owns such hot properties as Tang instant breakfast drink, JELL-O and Post cereals.

Nestlé also has its fingers in a number of pies. It is probably best known for its candy, including Nestlé’s Crunch and Alpine White, Quik instant chocolate and strawberry drink mixes, Nescafé, Hills Brothers and Taster’s Choice, their top-selling coffee brand. Taster’s Choice, its first instant coffee, hit the stores in the early 1950s. Beverages account for 30 percent of all of Nestlé’s sales. It ranks as one of the largest purchasers of cocoa in the world, with an average purchase of 220,000 tons per year.

Another of the diversified players is Proctor & Gamble, which owns Folgers and is based in Cincinnati, Ohio. Recently, P&G purchased the Max Factor cosmetic line from Ronald Perelman’s Revlon for $1.2 billion. P&G’s name is on Pampers diapers, Snuggle fabric softener, Dawn dish detergent, Pringles’ potato chips and Ivory soap. Folgers overtook Maxwell House’s market share in the mid-1980s when the coffee wars were beginning to heat up. The fight has been fierce, waged with coupons, multimillion dollar ad campaigns and periodic price slashes. One big error was Maxwell House’s attempt to mount a comeback with “Special Blends” varieties. The concept never really took, and PM was forced to scrap the idea. International Blends, another PM idea, never sold well either. Sanka remains one of the most popular instant decaffeinated brands pitted directly up against Nescafé and Taster’s Choice.

TASTER’S CHOICE

According to Consumer Reports, Taster’s Choice 50 percent Colombian Supreme ranked second out of 16 entries for the best tasting coffee. Its fourounce package sells for an average $4.05. Nescafé rated ninth, and sells for $3.72. Hills Brothers placed third and costs $3.29. Nescafé Mountain Blend held fifth place with an average eight-ounce selling for $5.06. Maxwell House finished fourteenth. An average four-ounce sells for $3.58. Sanka was number one, with an average four-ounce selling at $4.04. Folgers Mountain Grown Crystals came in 10th and sells for $3.73.

The history leading up to the current billion-dollar blitz of marketing and corporate strategy is long and varied. A thousand years ago, traders from Arab nations brought samples from the coffee forests in Ethiopia back to Yemen on the southern tip of the Persian Gulf. The Venetian traders conveyed it to Europe, where it caught on in the late 1500s like wildfire. As every schoolchild knows, coffee played an integral part in the founding of America. In the Boston Tea Party of 1773, it was the alternative to tea due to the colonists’ boycott against the British, who had just raised the tea tax.

The real test is played out at the local delis and corner groceries in big cities, where consumers decide who is on top. Instant coffees barely rank in this market. At Chae Shim’s Natural Deli and Grocery in Manhattan’s Madison Square neighborhood, the average traffic adds up to about 250 cups of Colombian Supreme per day. Weather is an integral factor, and on a cold day, Shim can fill 300 cups. He also carries packaged coffees, which stand idly on the shelf in our fast-paced society. His little shop is a long way from the massive corporate headquarters of Philip Morris, but Shim is on the frontlines in the great ongoing coffee conflict.

Much of what Latin America produces ends up in the United States.
that quantitative success demands sacrifices in quality. Serious music folks who worry about the homogeneity that links Mariah Carey to Luther Vandross to Whitney Houston are concerned that the further development of U.C. is going to be shaped by the bottom line. Pop music, like any other business, depends on supply and demand. Record companies support the product that reflects the proven tastes of the consumer. David Miles, director of finance for the Black Rock Coalition—"a non-profit networking and support organization for like-minded individuals"—is among those who are concerned about the autonomy of U.C. A guitarist and vocalist for the group Jupiter, featured on the BRC's compilation album, Miles deplores the dominant thinking about merchandising music. "Just dress up some jigaboo with some gold chains and play some jungle music behind them and we'll sell it," he sneers. For Miles, rock is no better. The entrenched motto for rock producers: "If it was successful before, then it will be successful again."

**MOVING TARGETS**

With communications conglomerates putting a stranglehold on the music industry, the interests of small independent labels are in danger of being stifled. Giants like Time Warner and Sony are swallowing up U.C. labels such as Polygram and Tommy Boy as soon as sales show signs of taking off. The economic key to the trend is distribution. As demand increases, labels seek out distribution contracts to accommodate it. David Geffen is a perfect example of the phenomenon. When sales for Geffen Records artists went through the roof, Geffen negotiated a distribution deal with Warner Elektra Asylum. The profits were so huge that when his contract was up for renewal he could go to the highest bidder, which turned out to be MCA Records at a cool $500 million.

However, this is rarely the fate of U.C. producers. Small rap and R&B labels may consistently turn a profit, but they cannot afford to break into the big-time distribution ranks where expansion can be exponential. If they are gobbled up as subsidiaries, the parent often restructures by downsizing staff and bringing in executives who are more attuned to quarterly reports than quarter notes. Miles complains that the new corporate personnel recognizes nothing but the sound of money. He remarks, "They don't know LL Cool J from LL Bean. They just know how much."

Sincere, the national director of rap promotions at Polygram Records, understands the need for the independents.
URBAN CONTEMPORARY IS GIVING RHYTHM & BLUES AN IDENTITY CRISIS
to seek aid from the major labels. He points out that larger labels can increase the independent's presence in the market with regional promotions, allowing Public Enemy to be known in South Dakota as well as the South Bronx. The big boys also enhance the smaller labels' integrity. Noting the Top 40 stance that is being taken by the major labels, Sincere declares, “The idea of success for U.C. is to cross over, but nine times out of 10, you’ll lose your street base if you cater to pop stations.” The street base is the listenership that originally and most fervently supports the music, and determines which radio stations will be playing those records. He feels that Top 40 radio will increase record sales but will break the position in the U.C. market by tuning out the street base.

FROM STREET TO SUITE
Sincere has heard both sides of the record. Before taking his post at Polygram, he was promotions director at Wild Pitch Records, a “street-level” rap label whose artist Main Source took the number one spot on Billboard's rap charts with the single “Looking at the Front Door.” Sincere says, “The 'indie' level can go to the street because it is closer to it.” Rap, for example, needs the street because that's where it is promoted. College campuses and club deejays are the all-important arbiters of taste and purveyors of the sound, so it is vital to stay in contact with them. He cites house music as the perfect example of a musical trend that continues to thrive in its original atmosphere. The contrast between his old working style at Wild Pitch and the button-down life at Polygram is dramatic. Sincere observes, “It's political now at Polygram, and in order to do the same thing I might have done on my own at Wild Pitch I would have to go through more red tape.” To combat this problem most independent labels will continue to function with some degree of autonomy as far as signing acts and promoting their artists goes. They still rely on financial backing from their benefactors.

Despite the internal transitions within the industry, there has been no shortage of artists trying to break into the big time with innovative sounds and images. For all of them the motto might as well be “More is better,” in the words of D-Most, lead singer of The Image. D-Most says artists need to take control of putting together the complete record product by synthesizing their singing, songwriting and producing abilities. The pot of gold is so well-publicized that it daily beckons to a host of young artists, some with neither talent nor savvy who never get anywhere, some with just the talent who will never see the end of the rainbow, some without the talent but enough hustle to make a few bucks and those with the talent and the hard competitive edge they need to make it.
THE PRICE OF PEACE

New UN Chief Boutros Ghali has a wealth of problems to solve—on a shoestring

by Fred Asong Eno

For the first time in its 46-year history, the United Nations is headed by an African, an Arab and a career diplomat. He is Boutros Boutros Ghali, and he has several formidable obstacles in his path, including how to assure global peace in an age of shrinking budgets and brush-fire conflicts.

Ghali, who until his appointment December 3 was deputy prime minister of foreign affairs of Egypt, took office as Secretary General of the United Nations January 1, replacing former Secretary General Javier Perez de Cuellar who stepped down after a 10-year reign.

The new Secretary General takes over at a time when global expectations on the role of the UN have greatly heightened. Among the recent developments are the collapse of the Cold War, which had split the organization along ideological lines for half a century, and successful mediation efforts in trouble spots such as the Western Sahara, Cambodia and El Salvador. The 69-year-old Secretary General, who is also an international lawyer and author, has to determine whether the UN can attain its original goals of defusing threats to peace and addressing global problems that individual countries cannot solve on their own.

Upon taking office Ghali moved quickly to reinforce his credentials as a peacemaker by implementing a program that will be pivotal during his five-year term: The promotion of human rights and democracy in the developing world, and increasing sensitivity to global environmental concerns. Immediately afterwards, he dispatched Under Secretary General James O.C. Jona to Somalia to assess the dire situation in that war-torn country. Civil war has left thousands dead and many more destitute following the ouster of Somali strongman Siad Barre last year.

But his peacekeeping skills are being sorely tested. He still has to grapple with the conflict in Yugoslavia, where he has indicated that at least 10,000 UN peacekeeping troops will be needed. He is conferring with Security Council members on how many troops should be sent to El Salvador, where a cease-fire agreement brokered by Perez de Cuellar brought an end to nearly eight years of bloody civil war between left-wing guerillas and the right-wing government.

Questions persist about whether the UN, in its current financial situation, can provide the new Secretary General with the necessary moral and material support he will need to accomplish his task. Experts predict that the annual cost of peacekeeping in Cambodia will be $1.9 billion, in Yugoslavia $634 million and the Western Sahara $140.9 million. The United States Congress is pondering the appropriation of an additional $810 million for its share of the bill for force, but in an election year pundits predict that Americans are going to balk at picking up 30 percent of the tab as in years past.

The budget tension at the UN is palpable, but so is the optimism that comes with the arrival of a new Secretary General. “The opportunity is there to push the organization’s authority forward,” says Sir Brian Urquhart, former Under Secretary General in charge of peacekeeping, now with the Ford Foundation. Urquhart, in an interview with The New York Times, wondered if Ghali has “the nerve, the habit of authority to exploit his chances.” Ghali’s efforts will be hampered if financial contributions by certain member states are not paid up in the course of the next year.

One issue that will suffer from a tight budget is the environment. Maurice F. Strong, the Canadian Secretary General of the UN’s Conference on Environment and Development to be held this June, estimated that developing nations would require $125 billion annually to pay for new environmental initiatives. Known as “earth increments,” the proposals call for increased funding to Third-World countries from sources besides the newly established Green Fund.

The funds will be hard to obtain in this age of fiscal crises. Strong asserts that the money needed for such programs is $70 billion more than the developing countries now receive in assistance. In addition, the current economic climate makes such an increase unlikely. After speaking with several representatives from developing nations, however, Strong says they would accept initial commitments of $5 to $10 billion a year from the industrialized nations to implement these environmental measures.

Another issue that may hinder Ghali’s performance is racism. Bhaskar Mennon, editor of the U.N. Quarterly and correspondent for the Times of India, says there is a strong undercurrent of prejudice within the UN system that might thwart Ghali’s best intentions. “Remember, most Western nations, particularly those in the Security Council, were not sympathetic to the idea of having an African serve as Secretary General for no apparent reason,” claims Mennon. However, he adds that Ghali’s redoubtable qualifications and Egypt’s impressive contributions during the Persian Gulf
War gave him an edge over the other five candidates proposed by the Africa Group for consideration by the Security Council.

A Caribbean diplomat who spoke on condition of anonymity was even more forthright with regard to the issue of race. "Some European nations and the United States were just not willing to allow a black man, or a Sub-Saharan African, to become the Secretary General." However, Professor Ibrahim Gambari, Nigeria's ambassador to the United Nations, was more cautious. "I am satisfied the Africa Group and the OAU got its wish by having a respectable African lead the organization. He is one of us, and beyond our own immediate concerns, we shall support him in all his endeavors as Secretary General," Gambari says.

CUTTING RED TAPE
Even before taking office Ghali had made it clear that he intended to execute some administrative reform within the UN system. He was responding to the concerns of some member states—among them Nigeria, India, Indonesia and Mexico—that the structure of the secretariat needed a major overhaul. With its world-famous bloated bureaucracy, in which some take orders directly from their individual governments and others work for the Secretary General, the UN could use serious management consulting. Over 25 top officials need approval from the Secretary General for everything they do, and rivalries and delays are rife.

The new plan is aimed at streamlining the system, placing day-to-day operational responsibility in the hands of four Under Secretary Generals. Instead of spending so much time resolving internal squabbles, the Secretary General will be able to devote himself to global matters.

With high expectations focused on the UN's role in the post-Cold-War era, the sticky point of countries—including the United States—not paying their dues on time becomes all the more conspicuous. The U.S. leads the delinquent list, owing a whopping $500 million. Payment is voluntary, and agencies like the World Health Organization and the United Nations Educational, Scientific and Cultural Organization have already taken the funding hit, and the cutback in operations has been dramatic. UNESCO has not recovered since the withdrawal of the United Kingdom in 1987.

Whatever innovations Ghali may have in store, he will have to tackle the prickly problem of making members ante up their dues first. More than a hundred other members of the 166-member organization owe at least part of their dues, and the organization is already more than $1 billion in the red.

THE NEW GLOBAL ORDER
While Ghali will be working with a more cohesive Security Council, permanent membership on the Council and the veto power that comes with it remain in the hands of a small group. China is the only other non-Western nation with a permanent seat on the Council, along with Great Britain, France, the United States and Russia, which inherited the former Soviet Union's seat. There is increasing pressure from non-aligned nations to expand the Security Council's permanent seats.

There is also talk in diplomatic circles of the ever-more powerful—at least economically—Germany and Japan jockeying for greater power, or of offering permanent seats without a veto to populous states like Nigeria, India or Brazil. However, Britain, France and the United States object to changing the charter. Such are the headaches of top-level diplomatic musical chairs.

Although Ghali has dealt with the most complex negotiations in the Middle East, he now has an even more monumental task before him: World peace.
Beer Mavens Battle for Supremacy

by Jeffrey Calov
Illustration by Brian Robinson

The United States beer industry, after a three-year hangover of lackluster sales, perked up in 1990 with a 5.9 million barrel gain in beer consumption, reaching 189.7 million gallons. This reflects a 3.1 percent increase in beer per-capita consumption, the first rise since 1986. The rebound stems mainly from a record-setting increase in light beer sales and the success of new brands. The top three brewers, Anheuser-Busch, Miller and Adolph Coors, gulped all of the 5.9 million barrel gain, tightening their stranglehold on the industry.

As the beer industry awakened, Congress passed legislation which increases the Federal excise tax on beer 100 percent. The tax went into effect on January 1, 1991, doubling the levy from $9 to $18 a barrel, or 16 to 32 cents a six-pack. “The passage of this act will cut beer volume by two percent,” says John C. Maxwell Jr., an analyst at Wheat First Securities Inc. “This will increase the price of a case of beer after retailer markups at least two dollars.”

THE KING AND ITS FOLLOWERS
“The King Of Beers” literally began as a lowly manufacturer of suds. History has been kind to the firm ever since. A small Bavarian brewery went bankrupt in 1852, transferring $90,000 in debt to soap manufacturer Eberhard Anheuser. He assumed full control of the troubled St. Louis brewery and extinguished the debt by making supply brewer Adolphus Busch a part owner in 1863. Busch later married one of Anheuser’s daughters, and became a full partner in 1873.

The Budweiser brand debuted in 1880, and with bold advertising went national. Today it is the largest brewer in history. A-B set industry records with beer volume reaching 86.5 million barrels in 1990. Its brands include 11 naturally brewed beers, a non-alcoholic brew and three high-quality imports. More than four out of every 10 beers sold in the U.S. are A-B products. The company derives 78 percent of its sales and 94 percent of its profits from beer.

The second of the top three brewers is Miller, acquired by tobacco producer Philip Morris in 1970. The Milwaukee
brewery was ranked seventh before the acquisition. Philip Morris initiated the sophisticated marketing revolution for the beer business, a marketing scheme perfected in the cigarette brand wars.

Miller produced 43.5 million barrels in 1990. Miller Lite, the country’s second best selling beer, accounted for more than 45 percent of the premium low calorie market. Brewing accounts for 8 percent of sales and 3 percent of the profits. Miller produces a team of six quality beers, a non-alcoholic beer and a wine cooler.

Colorado-based Adolph Coors was established in 1873 and ranks third in the U.S. beer industry. Coors strengthened its domestic expansion with the acquisition of a Memphis brewery from Stroh’s Company. The company sold 19.3 million barrels, up 9 percent from 1989. Coors produces seven light dry beers and five quality beers. In addition, 70 percent of sales and 71.4 percent of the profits were attained through beer sales.

NEW BREW

Light beers, led by Miller Lite, Coors Light and Bud Light, gained stature in the beer wars, growing 12.5 percent and accounting for one of every three beers sold. “Light beers will swallow half the beer market by the end of the decade,” says Robert Rechholtz, executive vice president for marketing at Coors. However, not all light beers prevailed. The only light beer in the top 25 brands to lose volume was Old Milwaukee Light. The brew was victimized by Stroh’s financial problems, which constrained its marketing budget and disheartened distributors.

Dry beers also gained ground, confounding skeptics. A-B introduced Michelob Dry in 1988, creating an entirely new product. In 1989, its first full year on the market, the brand was honored by the American Marketing Association as one of the 10 best new consumer products, the first time the award was given to a beer product. Dry brew is a longer, natural process in which more malt and rice are converted to fermentable sugars to avoid aftertaste.

However, Miller Brewing and Coors aren’t rushing to the market with competing brands. Coors has claimed that the dry business came at the expense of Budweiser and Bud Light. Budweiser’s defense is that sales figures for individual brands aren’t released.

A-B finished 1990 with a net income of $842.4 million. It is also the second largest bread producing company in the U.S. and owner of entertainment parks such as Sea World. The stock as of December 31, 1990 traded on the New York Stock Exchange at $43 per share. Four months later, the stock jumped to $53.875 and had a $1 dividend.

Philip Morris, owner of Miller and Kraft General Foods finished 1990 with over $354 million in income. Of that number, beer accounted for $285 million. PM traded at $51.75 by the end of 1990 on the NYSE. The close of the stock as of April 4, 1991 was $68.25, offering a $1.72 dividend.

Coors, the third largest brewer, posted profits of $38.9 million in 1990. Coors also has branches in technology, ceramics and aluminum. The stock trades on the over-the-counter market and closed out 1990 at $20.50. By April 1991, it reached $21.625.

Both A-B and PM enjoyed large jumps in their stocks during the recession and the Persian Gulf War. Coors wasn’t able to follow the leaders, but its stock maintains a trading position in the low $20s.

FOREIGN KEGS

It’s no surprise to importers that the imported beer category is in a decline. Factors include the move to moderation, price-resistance and the growth of domestic boutique brands. Importers now account for about 5 percent of domestic volume. According to the Beverage Marketing Corporation, volume has slipped by about 20 million cases a year.

Heineken tops the import market at 26 percent. Corona, introduced in Mexico City in 1925, follows with 14.4 percent and sales in 1989 were in excess of 15.5 million cases. Other foreign beer imports include Molson, Labatt’s and Moosehead. Molson has 11.2 percent of the market, while Labatt’s picked up 6.1 percent and Molson collared 5.0 percent.

Two Germanic brews appear in the top 10: Dribeck Importer’s Beck’s at number four with a 12.9 percent and St. Pauli Girl at number 10 with 2.4 percent. The rest of the top 10 brews include Amstel Light, distributed by Heineken, with 3.6 percent, Tecate at 2.6 percent and Fosters with 2.4 percent.

Special notice should be given to the three-year track record of Ireland’s Guinness Gold lager, which reportedly grew more than 200 percent since its debut in 1989. Its dark partner, Guinness Stout, experienced a 10.6 percent increase while Guinness Stout Draft increased 17.1 percent in 1989.

INDUSTRY OUTLOOK

Beer executives believe that non-alcoholic brews are candidates for growth in the 1990s. For example, sales of Miller’s Sharp and Budweiser’s O’Dou’s doubled last year.

The continued growth of light and dry beers and stronger acceptance of bottled draft beers could signal a decade of greater product segmentation. “This will be the toughest year ever to figure what is the right marketing mix. If anybody’s first, it’s probably by a six-pack. It’s that close,” says Emanuel Goldman, an analyst at Paine Webber. The light beer race is so tight that both A-B and Miller are claiming top spot for market share. Miller Lite shipped over 19 million barrels last year, while Bud Light topped 12 million, Natural Light had 4.3 million, Busch Light Draft had 2.8 million and Michelob Light sold 2.1 million. Since 1980, light beers have gone from 13 percent of the total beer market to 30 percent. Price discounts and advertising are expected to continue to vie with intensity in the market. The marketing mix may be difficult to determine. However, whatever the brand of brew, beer will continue to be consumed throughout the world.
Sweet Smell of Success

Profits are in the air for the home fragrance industry

by Dana Campbell
Illustrations by Lisa A. Bressi

When interior designer Claire Burke of Minnetonka, Minnesota began giving away sachets stuffed with rose petals, cinnamon bark, lavender and sweet herbs, little did she know that she would launch a revolution in home fragrance. After the interior designer’s friends started asking if they could buy them, she and her husband invested $10 in potpourri ingredients, stuffed them in repository jars and sold them in the local gift shop.

Nowadays, Burke’s business, Claire Burke, is owned by FMG Tsumura, the American subsidiary of Tsumura of Japan. According to industry analysts, they sell more than $70 million worth of home fragrance a year. Hundreds of small companies around the country are starting up in imitation. Home fragrances have developed into a $350-million-a-year industry. Fragrances add a delicate scent to a home. They are not in the same category as room fresheners that cover up the smell of cigarette smoke or pet aromas in the home.

“Until the 1980s, the home fragrance industry was chiefly a mom-and-pop operation. But as aging baby boomers began raising families and spending more time at home, they began looking more intently for products that would make the home environment more pleasant and enjoyable,” says Susan Rosenthal, director of fine fragrance marketing for International Flavors and Fragrance Corporation. It produces scents for fragrance companies around the country. Now big companies like S.C. Johnson & Sons and the Mennen Corporation have bought into the home fragrance business.

Home fragrance is a growing market dominated by two companies. They are Claire Burke and privately held Aromatique in Heber Springs, Arkansas, which earns about $44 million in sales. In the next two years, the Fragrance Foundation, a Manhattan-based industry association in New York, estimates that purchases of home fragrance will grow to $500 million.

DOLLARS AND SCENTS

In the beginning stages of the home fragrance industry, potpourri makers simply gathered pine cones, acorns and sweet gumballs in the nearest woods. They would combine scents in a hot bath with a few sticks of cinnamon and some dried orange and lemon peel. The mixture was stirred and tossed into bowls covered with decorative ribbon. When manufacturers started getting a little more sophisticated, they added dyed wood chips and sawdust, not only for their ability to retain the fragrant oils that give potpourri its scent but also because sawdust is cheap.

Suddenly, potpourris began to look more like stylish collections of pretty painted wood carvings. Smart consumers figured why pay $10 for a bag of perfumed wood from Macy’s or Saks when they could buy one for $3.95 at Kmart or Wal-Mart. So makers of more expensive potpourris started enhancing the refinement of their products.

“We never used anything like colored sawdust or scented wax chips in our products, but we never had to make that clear until a few years ago when all these potpourris with cheap materials began coming into the market,” comments Marva Kalish, the American distributor of Woods of Windsor, a line of home fragrances imported from England. These fragrances were sold in lingerie, bridal and other specialty shops.

Most exclusive home fragrance lines like Woods of Windsor and Rigaud use only botanicals—dried flowers, leaves, pods, seeds and other plant parts. For its less expensive lines, FMG Tsumura has established a stunning new high-tech factory in Shakopee, Minnesota, while Rigaud potpourris are packaged by hand to create one-of-a-kind displays.
One of the major suppliers of botanicals for potpourris, Indian bakuli pods, Pakistani red rose buds, Bulgarian sloe berries, French lavender flowers and other exotic dried flora, is the privately held Lebermuth Company in Mishawaka, Indiana. These botanicals fill a 40,000-square-foot warehouse. According to Alan S. Brown, vice president of the company his father founded in 1974, Lebermuth’s sales have tripled in the last seven years.

**PLUG-IN PROFITS**

Giant consumer products company, S.C. Johnson & Son Corporation in Racine, Wisconsin, the manufacturer of Glade air freshener products, is marketing a plastic cartridge filled with a gel that heats up and releases a scent when plugged into an electrical outlet. Recently, Windmere Products introduced a new plug-in system that allows the consumer to choose between potpourri, citrus and floral bouquet scents and control the amount of fragrance released.

“Using plug-in systems filled with attractive scents looks to me like an important development for the future. It’s a quite sophisticated compact little unit and easy to use,” remarks Annette Green, vice president of the Fragrance Research Fund. This business is responsible for studying how fragrance affects people’s behavior and mood.

Scentex Corporation of Chicago and Aromatics Industries of Rancho Cucamonga, California are two mass-market home fragrance companies. They have just introduced microwave potpourri. The Mennen Corporation, which owns Aromatics, came up with the idea to promote microwave potpourri when sales of simmering potpourri started declining, says Frank Asbury, a company spokesperson. Simmering potpourri is a flower-based fragrance that is added to water and brewed in a scent pot placed over a candle.

“Microwave potpourri is exciting because it’s the same idea as simmering potpourri but without the hassle. You just drop it in the microwave, heat it for 35 to 40 seconds and toss it in a bowl,” Asbury explains.

**UPSCALE AMBITIONS**

According to fragrance experts, the explosive growth of the perfume and eau de toilette market in the 1970s ignited the millions of simmering potpourri pots throughout middle America during the 1980s. Right now, this phenomenon is branching into other areas as well.

Bertram Berman, founder of Hopewell Farms in Manchester, Ohio, cultivates the geraniums used in various fragrances. The proliferation of bath shops owned by large retailers like The Limited Corporation as well as high-toned Caswell and Massey has made shower gels and body lotions a welcome addition to home fragrance product lines.

“Bath products are hot as they’ve never been before,” observes Berman. Early next year, Rigaud is planning to offer a perfume that is based on an old formula discovered when FMG bought the company from its family owners. “Rigaud really began as a house of fine perfumes, so we’re returning to our roots. Our candles already contain a high concentration of perfume oil, so it just seemed like a natural opportunity,” notes J. Russell Walker, vice president of marketing for FMG Tsumura.

Agraria, a small home fragrance company based in San Francisco, has always insisted that stores display their potpourris and room scents near the floor space reserved for perfumes and colognes instead of relegating them to the home section of the store.

“We knew that someday we would be doing a cologne and customers would establish a connection between our home and personal fragrances,” says Maurice Gibson, one of Agraria’s founders. He adds that the company is changing its country-kitchen image associated with most potpourris in favor of one with more glamour. They have launched a line of elegant foaming bath gels, soaps and a spray cologne.

Recently, Aromatique also introduced a line of bath products ranging in price from $2.50 for a five-ounce bottle of moisture mist to $17.50 for a bottle of body lotion. Even though they are displayed in Saks Fifth Avenue with the company’s home fragrances, the shower gel, soap and body lotion smell of apricots, mint and heather rather than the spices and sweet flowers featured in Aromatique’s room sprays.

“I don’t think you want to smell like your house. The idea is that we wake you up to Aromatique fragrance in the morning and put you to bed at night,” observes Patricia Upton, who founded Aromatique when a friend who owned an antique store asked her to devise an interesting display. Since then, she and other entrepreneurs in the fragrance area have enjoyed the sweet smell of success.
not just for women

ever have American women had so much opportunity before them—and so many concerns. Twenty years ago, with the women’s movement still in its infancy, women had to fight for access to the workplace. Now it’s a seat in the boardroom that matters. Today, women make up more than 50 percent of the work force, but less than 1 percent of top management. They know they can pursue any career they choose, combining it with a family or not, but that there is still a price to pay for “having it all.”

As the articles in this special section show, the victories won by women have been bittersweet. The majority of jobs held by women are in low-paying professions such as clerical work, retail sales or domestic help, like the Caribbean immigrants in “Island Paradise?” Women in all professions at all levels face sexual harassment in the workplace. Some working mothers may find that they must choose between careers and family for lack of outside support to care for their children, while others attempt to improve their economic standing by balancing work, family and higher education. And for the effort, struggle and hard work, women still only make 72 cents for every dollar earned by a man, as the page of facts that ends this special section points out.

While these articles may seem to pertain only to women, they affect men as well, and, indeed, society as a whole. Passing the Family and Medical Leave Act would mean both men and women would have more time to spend with their children, and business would have employees who could freely concentrate on their jobs. Men, too, can also be victims of sexual harassment in the workplace, and business leaders who fail to recognize this issue are leaving the door open to lawsuits. Men also struggle to balance work, family and schooling, and businesses benefit by having better educated employees. In short, the goals women strive for—mainly equality and self-advancement—are goals men strive for, too. Easing the path for women paves the way for everybody, and in a recession we could all use a smoother road to success. —Patricia Calvo
Sexual Harassment in the Workplace

It’s a matter of reality for many women

by Patrice Pagano

Illustrations by Brian Robinson

Last year’s furor over Professor Anita Hill’s accusation that Judge Clarence Thomas sexually harassed her when she was an employee at the Department of Education and the Equal Employment Opportunity Commission led to strong reactions from both men and women across the country, and forced employers and employees to take a new look at the troubling issue of sexual harassment.

Despite heavy media coverage and intense public and private analysis, society doesn’t seem to be any closer to a solid definition of sexual harassment than it was 30 years ago when Title VIII of the 1964 Civil Rights Act barred sex discrimination in the workplace.

Sexual harassment is nothing new. It’s been an issue ever since men and women began to work together. But the conflict became more heated and prominent in the ’60s when women started entering the work force in droves. In 1959, women made up 33 percent of the work force. The numbers of working women grew steadily. In 1991 they comprised 45 percent of the work force.

It has only been recently that sexual harassment has come into the forefront, and women have begun to fight against it. As Gloria Steinem
wrote in 1983, "A few years ago, this was just called life." Sex discrimination complaints to the EEOC rose from 31,500 in 1985 to 33,000 in 1989 and harassment complaints rose from 5,000 to 5,600 in the same time period. Those statistics don't reflect the unreported incidents of sexual harassment. A New York Times/CBS News Poll found that 38 percent of women suffered some form of sexual harassment at work, but only 4 percent reported the incident.

UNWELCOME ATTENTION
The EEOC defines sexual harassment as "unwelcome sexual attention, whether verbal or physical, that affects an employee's job condition or creates a hostile work environment." But what that phrasing means to men and women, and how it's interpreted by the courts, is often unclear. Indeed, one of the biggest obstacles in combating sexual harassment in the workplace is that men and women often see things differently. Barbara Gutek, a professor at the University of Arizona, in a survey of 1,200 men and women found that 67 percent of men would find a sexual proposition flattering, whereas only 17 percent of women would. By contrast, 63 percent of women would find a sexual proposition insulting, but only 15 percent of men would.

So would the comment "Hey, great legs" be considered sexual harassment? It would if the woman felt it was, and felt it created a hostile work environment for her. According to Brandeis law professor Deborah Stone in the Liberal Quarterly, The American Prospect, "The only just criterion in a harassment case is whether the woman felt she had the freedom to resist without taking career risks. Is that unfair to men? Are men supposed to be mind readers, you ask? Well, yes."

TRADITIONAL ROLES
Sexual studies over the past decade have shown that sexual harassment is more common toward women who work in settings traditionally dominated by men. Such fields include construction, automotive engineering, technology and medicine. A 1988 survey of federal workers found that the most frequently harassed workers were single or divorced women between the ages of 20 and 44, with jobs in conventional male
settings, usually with male supervision. In addition, a 1989 survey of 100 factory workers found that female machinists—a job commonly held by men—were harassed more frequently than those working on the assembly line, a traditional female factory job. Dr. John Gottman, a psychologist at the University of Washington, told the New York Times, “Sexual harassment is a subtle rape, and rape is more about fear than sex. York Times she claimed, “Professional men don’t go around

SHADES OF HARASSMENT
Styles of harassment differ between blue-collar workers and white-collar workers, according to Louise Fitzgerald, a psychologist at the University of Illinois. In an interview with The New York Times she claimed “Professional men don’t go around putting condoms in your desk as can happen in a blue-collar setting. It’s more likely to be something like what happened to a female lawyer I know at a large international firm. As she was sitting at a conference table with other executives, all men, she said, ‘I have two points,’ and one of the men said, ‘Yes, you do and they look wonderful.’” Women may try to side-step uncomfortable situations, but often resent male insensitivity to their positions in the workplace. “Women have been working out problems every day within the family,” notes Patti McAllister, a food and beverage director in Los Angeles and a mother of two. “At work we have to do things in a manipulative manner so that it will be accepted by the fragile male ego. I think it’s scary to men that we have all these responsibilities.”

Perception plays an important role in sexual harassment. Men feel that they are just flirting or being friendly. “Women are often unclear in their dealings with men. It’s hard to know what women want,” observes Roger Morales, an executive chef in Los Angeles. In fact, about 25 percent of sexual harassment cases are seductions gone wrong. But many women feel that they shouldn’t have to tell men at work what they want. Barbara Howell, a chef in New York City, has a unique way of handling the unwanted attention. She says, “I just do my job and tell them to ‘bug off’ if I have to. After working with men in the kitchen for over 10 years, you realize that some men don’t know any better. That’s just the way they are.”

DEFENDING YOURSELF
A woman who is being harassed can file a complaint with the EEOC, but if the case is resolved in the woman’s favor, she is only entitled to back pay and job reinstatement. Another option is to sue the company, but fighting back is not always in the woman’s best interest. The legal process is long and cumbersome and it can be years from the first complaint to the final verdict. In the interim, the woman is in legal limbo. Attorney Judith Valadek told The Wall Street Journal that she advises many women who have made sexual harassment complaints against supervisors or fellow employees not to bother suing, and she tries hard to settle those cases before they go to trial. She comments, “I don’t like to litigate them, because I think the burden to the woman is greater than any sense of vindication can compensate for.”

“At work we have to do things in a manipulative manner so that it will be accepted by the fragile male ego.”

Another way to deal with sexual harassment is to leave the job. At her first job in the garment industry, Laura S., a 23-year-old buyer’s assistant, was fondled by her male boss. After several encounters she notified her supervisor, but then decided to keep quiet, fearing recriminations. “Other women in the office had problems with him,” she remarks. “I just wanted to get out. My supervisor said she would give me a good recommendation, and I started looking for a new job. How could I start trouble so early in my career?”

Yet resigning from a job is not always a practical solution even if the woman wants to leave. As Michel Paulidi of Hunter College said to The New York Times, close to 90 percent of women who have been sexually harassed want to leave, but can’t because they need their jobs.

An opposite approach to dealing with sexual harassers may not be to compensate the victim, but to educate the harasser. Raising men’s consciousness about what is and is not appropriate behavior in the workplace, and getting men and women to talk openly about sexual harassment, may lessen the gap between the sexes.
A Matter of Control

Black women emerge as the new entrepreneurs

by Rhonda Reynolds

After spending more than a decade doing legal investigative work for a prominent St. Louis attorney, Dorrie Katrina Wise decided to forge into the tight-knit world of construction. Wanting to specialize in iron and steel, Wise barged into the ironworkers union days after quitting her job, and within three months was working on an assembly line building cars for General Motors. A demotion?

"An investment," says Wise. "Most people of color start from the bottom up. I wanted this business so I needed to learn how to create before I could acquire." After spending eight hard but educational years as an ironworker, Wise launched DKW Construction in 1988, backed by just $20,000 in personal savings, but a lot more in determination.

Today her St. Louis firm specializes in steel construction and employs 30 ironworkers and 10 permanent employees. Wise recalls being considered a joke by clients who were used to dealing with the white men who dominate this arena. However, Wise impressed them with her knowledge and ability, and often walked out of meetings with the contract in hand. A testament to her exceptional performance, DKW grossed over $2.7 million in 1990, and she expects sales to surpass the $4
million point in 1993.

"Black women make an undercounted and significant contribution to the economy," says Delores Ratcliffe, president of the Association of Black Women Entrepreneurs. During the Great Depression, there were 65,000 black-owned businesses nationwide. There are currently 424,165 according to the United States Census Bureau. About a third of those businesses are owned by black women. "In this economic recession the interest in women and black entrepreneurs has been ignited," says Ratcliffe.

"Women’s businesses, especially minority-owned women’s businesses, are demanding their role in the market, but it’s still a big brother’s world"

OWNERSHIP: THE BEST OPTION

Entrepreneurship is common among black women because breaking through the glass ceiling is even more difficult for them than for their white counterparts. The Bureau of Labor Statistics reports that there are only 425 black women in executive, administrative or managerial positions compared with 5,303 white women at those levels. Black women, who are on average 10 years behind white women in line for promotions, have been forced to pull their resources together and take matters into their own hands. For black women, according to Ratcliffe, "Entrepreneurship is often not an alternative but the solution to their economic survival."

And they are successful at it. According to the National Association of Women Business Owners, firms owned by black women have a 51 percent success rate. "Women’s businesses, especially minority-owned women’s businesses, are demanding their role in the market," says NAWBO President Barbara Madro. "But it’s still a big brother’s world."

In addition, women and blacks have been concentrated in the retail trade and service industries. The Small Business Administration estimates that women make up 55 percent of the service industry. However, they have managed to build a foundation in construction. Women-owned construction firms quadrupled in gross income, rising to $20.3 billion from $4.6 billion between 1982 and 1987.

ENTREPRENEURIAL SPIRITS

One of the most accomplished entrepreneurs is Shellee Davis. In 1987 she set out to become the first black female business owner authorized by Xerox Corporation to sell their business equipment. By 1989, her company, Britt Business Systems, was recognized by Xerox as the top revenue producing facsimile machine and typewriter dealer in the Midwest. Davis started the operation with $50,000 borrowed from her aunt. With Xerox’s minority dealer commitment behind her, she joined forces with her brother-in-law, a former Xerox account executive, and opened a second office. Last year, with solid clients like Anheuser-Busch and AT&T, Britt produced a healthy $750,000 in sales.

Davis’s firm recently acquired authorization to sell Panasonic business equipment. Diversification offers a safety net. "Now I can offer clients an array—they definitely do not need to look for a vendor elsewhere. I have products with a range of prices to suit all budgets," says Davis.

Wendy Abernathy Labat launched her business in 1984 with the true entrepreneurial spirit. She did not know a thing about distributing office equipment, but recognized it was a hot field in the expansion-driven ’80s and she had confidence in her sales abilities. Labat started Southern Belk Business Systems on the premise that it would be "small and conservative, but professional." In the first year, sales were a modest $60,000. In 1991, sales exceeded $800,000.

In hard economic times, small businesses with less capital resources often suffer financially. Still, it can be difficult for businesswomen, especially black women, to be taken seriously. Cynthia Reed, a former fiduciary tax accountant, started Branches Medical in 1989 with her brothers and $30,000 in combined savings. Much of the first year was spent convincing manufacturers to allow Branches to represent them. "It was difficult to acquire confidence from others. There are not many minorities in this field. It took a while for people to take us seriously," says Reed. Yet, Reed overcame that obstacle. Last year, her firm grossed $700,000 in sales by representing 70 manufacturers of health care products.

In retail, a more traditional medium for minority business,
there were 66,229 firms owned by blacks, with receipts at approximately $5.9 billion. Women owned 796,692 retail businesses with revenues totaling $85.4 billion.

DESIGNING A BUSINESS

One of these designing women is Barbara Ann Bates, who owns one of the nation's swankiest boutiques. The store, aptly called Bates, is located in the tough Chicago market, and Bates' clothes are featured in 15 selected boutiques in addition. The company boasts a 60 percent celebrity client base, including Los Angeles Dodger Darryl Strawberry and pop star Whitney Houston. Bates, who has always had a flair for style, got her start designing clothes for co-workers while employed as a secretary. A $28,000 loan from a pleased client turned backer gave Bates the motivation and freedom to take the plunge and start her own business.

Other black women with ingenuity have started businesses that fill a waiting niche. Dianne Gayle-Dory's Concepts produces industrial incentive products, from acrylic sculptures to designer teddy bears to exotic desk sets that bear a company's or association's logo.

Jean Patton, image consultant and author of *Color to Color*, also started an unusual business—offering private classes in makeup and image enhancement for women who want to climb the corporate ladder. "The media message to black women was that we were not beautiful. I took that misinformation and created a resource for women of color to excel by investing in themselves," notes Patton. Image consulting has proven an ideal business for minority women because the number of women of color in the image industry versus the number in corporate America seeking these services is disproportionate. Patton's schedule is swamped with such women, wanting the services of a woman who is attuned to their needs.

The consensus is that women-owned companies will continue to be the fastest-growing sector of the economy. It is estimated that by the year 2000, women will own 37 percent of all small businesses. Black women are sure to play a major role in this growth. As Patton says, "They mean business."
Bringing Up Baby

Who will come up with a fair parental leave policy first—government or big business?

by Patricia Calvo

Illustrations by DiAnne Rubin

After the birth of her first child, Mary Crowley quit her job at Hearst Publications because her employer wouldn't hold her position open longer than six weeks, two of which she needed to take prior to delivery because of high blood pressure caused by the pregnancy. She was working for a smaller publishing company without a formal leave policy during her second pregnancy, but was able to negotiate a palatable leave with her boss. "I was happy with the results, but not the process," says Crowley. "Although it worked out, I would rather that there was a policy in place, so I could have planned my leave better."

When Janice Martin* was hired as an elementary level teacher in Connecticut, she wasn't told about the school system's liberal maternal leave policy—six to eight weeks off paid by combining sick time, and the option of taking up to three years off unpaid with a guarantee of getting an equivalent level position in the hierarchy upon return. "At the beginning of each school year, I'm given a statement as to how much sick time I'm entitled, how much I've used, and how much I have left over. But I wasn't given any information about the maternity leave policy until I filed for it," notes Martin.

*names changed at the sources' request
BIRTH OF A LAW
This ambiguity about policies has become important enough to lead to the creation of the Family and Medical Leave Act. The bill would provide a minimum of up to 12 weeks of unpaid leave to men and women for the birth or adoption of a child, to care for a sick child or parent, or if the employee is seriously ill, with the continuation of all benefits during the leave. The proposed legislation applies only to companies that employ more than 50 people, exempting about 95 percent of all businesses but covering 44 percent of the work force. Vetoed by President Bush in 1990, FMLA was revised to exclude the highest paid 10 percent of company employees, and was again passed by Congress in 1991. While the Senate vote supplied the two-thirds majority to override a presidential veto, the vote in the House fell short.

Opposition to FMLA from business is strong, mostly because executives argue that they should be able to create their own policies without government intervention. The Bush administration, threatening another veto, stated that leave policies “can best be achieved voluntarily” and that mandated leave will “reduce the flexibility necessary to meet the needs of a changing work force and undermine the current trend toward flexible benefit policies.” John Motley, a lobbyist with the National Federation of Independent Business, told Pension World, “A voluntary approach allows the employer to fashion the benefit to the individual needs of the employee and to the demands of the business.”

Surveys have found that businesses large and small do offer some type of parental leave. According to a study by the Bureau of Labor statistics, about 41 percent of employees working in companies that employ more than 100 people are eligible for parental leave, mostly on an unpaid basis. Another study of 837 employers by Hewitt Associates indicated that 41 percent offered unpaid leave, and another 2 percent offered paid leave. The Families & Work Institute compared leave policies in four states before and after state-mandated parental leave legislation had been passed, and found that just 25 percent of employers had formal policies. In practice, however, 83 percent of the companies gave women time off after the birth of a child, even before the laws were passed.

But compliance with existing laws is erratic, and taking maternal leave poses risks. Researchers at Wright State University in Ohio found that new mothers were more than 10 times more likely to lose their jobs after taking leave for childbirth than employees taking medical leave for other reasons. During Martin’s first pregnancy, the status of her job was touch and go. At that agonizingly uncertain time, she didn’t have tenure, and was on a one-year contract. “All along, my principal kept telling me not to worry about it, that I would be rehired. I told her I was pregnant in April. The next day, she told me there might not be a job for me next year,” complains Martin. She was rehired, but they didn’t tell her she had a job until the middle of July. “Usually you know by the end of the school year,” she adds.

LABOR PAINS
Flexible or unclear policies can cause anxiety. Martin had a bladder condition that required her to stop working two weeks before delivery, and she took off six weeks after the birth. She has enough accumulated sick leave to cover all but three days of this time. The school system has a sick bank, which provides employees with extra sick days in case of emergency. The personnel department at the board of education told her she wasn’t eligible for the sick bank, but the union said she was.

According to Martin, “When I reapplied to personnel, a representative called my doctor’s office without my knowledge to see if I really did have a medical reason to leave work prior to delivery. My doctor’s nurse told me the representative insinuated I was lying.” Martin says she spent a lot of time trying to figure this out. “When you’re pregnant, you’re pretty emotional. I should be avoiding stress. But they don’t make it easy. Nothing’s clear, no one communicates with me in writing, so there’s no record of what anyone has,” says Martin. Connie D’Angelo*, a co-worker of Martin’s, also needed to apply for time from the sick bank because of a pregnancy-related medical condition. “Personnel goes out of their way to make you crazy. They try
The Cost to Business

Opponents of the Family Leave and Medical Act say that federal mandates for parental leave would place undue burdens on businesses large and small, and seriously threaten the financial health of many companies. Does the evidence support those claims?

Not according to a report from the General Accounting Office. If FMLA is passed in its present state, the cost to businesses would be about $236 million dollars a year—that’s about $4.35 per covered worker.

A study by the Families & Work Institute, a non-profit group in New York, further dilutes the argument that FMLA would create hardship for businesses, financial or otherwise. The study involved 604 companies in Minnesota, Oregon, Rhode Island, and Wisconsin, and compared the effect of state-mandated paternal leave laws before and after they went into effect. Ninety-one percent of the companies surveyed reported no problems in complying with the legislation. Seventy-three percent of the businesses did not experience any increases in health insurance costs, 81 percent saw no rise in unemployment insurance, and 71 percent found no increases in training costs. Nor did the states’ legislation increase the number of women taking parental leave, or the amount of time they were away. Nearly 79 percent of pregnant women took leave prior to the passage of the laws, and about the same proportion took leave after the mandates, taking, on average, 12.6 weeks before the laws were enacted and 12.1 weeks after. But more new fathers took advantage of the new laws, with 22 percent taking leave, up from 19 percent after the laws were passed. Fathers took less time off than mothers, however, averaging 3.7 days before the legislation, and 4.7 days afterwards.

In fact, FMLA might actually save employers money and frustration. Companies with offices in many states, for example, would be spared the burden and expense of complying with a variety of state laws. According to Connecticut Senator Christopher Dodd in a debate on the Senate floor, “The business lobby will tell us what they think family leave will do to business if this bill is enacted. We have heard from dozens of business people who know the effect because they already have policies in place. They say that family leave actually saves them money in reduced turnover, absenteeism and hiring and training costs.”

Aetna Life & Casualty Insurance Company found that family leave policies saved them money. Before they instituted a six-month leave policy, they had a high turnover rate in their 70 percent-female work force, and they found that replacing an experienced employee cost 93 percent of the worker’s first-year salary. Since the implementation of the policy, Aetna’s retention rate climbed.

every underhanded trick in the book,” says D’Angelo.

HATCH-IT JOB

Opponents of mandated family leave policies insist that benefit flexibility is what employees really want. Senator Orin Hatch of Utah said in a Senate debate on FMLA, “When employees are questioned about which type of benefits they really want, overwhelmingly, they choose flexible, cafeteria-style benefit programs over an inflexible, unaccommodating, no-choice benefit plan.” Mary Tavenner, a lobbyist for the National Wholesale Distributors, told the subcommittee on Labor Management Relations of the House Education and Labor Committee, “As an employee, I want the continued flexibility our current system now offers in order to give me my own flexibility to negotiate other kinds of benefits that I will undoubtedly need in the future. If FMLA is enacted, my ability to negotiate those benefits will undoubtedly be hampered because my employer could be hamstrung by yet another federal requirement.”

THE DADDY FACTOR

Flexible policies may also leave businesses open to ever-more-costly legal action. A National Academy of Sciences analysis of three years of Equal Employment Opportunity Commission cases found that 25 percent of maternity-
lated cases resulted in findings of pregnancy discrimination or were settled in favor of the plaintiff. The greatest discrepancy in most leave policies is that they are offered to new mothers, but not to new fathers. In 1990, a Federal appeals court ruled that the Pittsburgh Board of Education illegally discriminated against a male teacher by not allowing him to take the one-year parental leave offered to women.

**BABY STEPS**

Many states are not waiting for the Bush Administration to mandate leave for workers with new children, but are taking matters into their own hands. Thirty-one states and the District of Columbia have some type of family leave policy. Many have policies that are similar to FMLA, but others offer workers virtually no protection at all. For example, in Illinois, state employees are granted one year of parental leave (or leave for serious family "dilemmas"), but there is no guarantee of job reinstatement. Missouri’s law is even vaguer. State employees are granted “equitable birth and adoption leave,” but with no job guarantees. Only 20 states specify the amount of time an employee is guaranteed, ranging from six weeks to four months. In New York, public and private employers must provide “short-term pregnancy disability leave” for birth and adoption.

Many states specify that only women are entitled to this leave. In addition to state legislation, the Pregnancy Discrimination Act, passed in 1978, states that employers who have disability plans must extend them to pregnant women, and that leave must be paid if the employer compensates other disabled workers, or if there is a State Temporary Disability Insurance Program.

**MATURE POLICIES**

Family leave policies are much clearer—and much better—in other countries. The United States is the only industrialized country besides South Africa that lacks a national family leave policy. According to a survey by the International Labor Office, other countries offer generous paid time off, paid for by the government or the employer, and then the option of taking more time off with less pay or unpaid. In Finland, workers get 35 weeks off at full salary; German workers get 100 percent of their salary, but only for 14 to 19 weeks. The French and the Swedes provide 16 and 38 weeks off respectively, at 90 percent pay. Employees are paid 80 percent of their salary for 22 weeks in Italy and 12 weeks in Japan. Canada guarantees 15 weeks off at 60 percent pay.

Passing FMLA would even out the inequality of family leave policies in the United States, and provide a guide for employers who want to be more generous, like the Control Data Corporation in Minneapolis. Lawrence Perlman, president and CEO, instituted at least five months’ leave at 65 percent of regular pay, and in some circumstances even longer periods at 60 percent of pay. At AT&T, employees can take up to a year off, unpaid, but with continuation of health and dental benefits for six months. IBM offers male and female employees up to three years off without pay, but with benefits. And Pacific Life and Casualty employees have the option of taking six months off, also without pay. In all cases, pregnant women are entitled to six to eight weeks paid disability leave.

The adoption of clear-cut policies can also help foster employee loyalty. “I love my job. I come in early, I take work home—I’ve earned the three days I’m asking for many times over,” says Martin. "It’s not so much the money, but the principle of the thing." In a speech given before the subcommittee on Children, Families, Drugs and Alcoholism of the Senate Labor and Human Relations Committee, Barbara Blum, president of Adams National Bank in Washington, D.C., said, "I feel strongly that benefits like family and medical leave lead to happy, productive employees."

Perhaps the most important thing that a national family leave policy can do is provide for a brighter future. “You keep hearing that kids are the number one priority—yeah, as long as they’re not yours,” says Martin. But as Monika Bauerlein writes in The Utne Reader, “That’s why other countries have family policies: not to distribute handouts to those who should really cope by themselves, but to help people do the one thing that is guaranteed to help society survive—raise the next generation.”

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Every morning at six, as baby Andrew's cries echo through the quiet of the comfortable brownstone, Carolyn rushes from her bed to give him a bottle. Meanwhile, his parents turn over in their beds for their final hour of sleep.

Carolyn is no ordinary baby-sitter. She is a domestic worker from Barbados and one of thousands of women who have come from the West Indies to the United States in search of the better life promised them on their television sets. Instead, these women find themselves working long hours for atrocious pay, being taken advantage of by their employers and facing a dubious future. Many of these women feel trapped in jobs they intensely dislike. At the center of their struggle is the elusive green card which allows them to work and live legally in the United States.

These immigrants fill roles left vacant by working American women—taking care of the house and looking after children. Women like Carolyn are a godsend to middle-income families because they provide cheap labor. Their salaries range from $125 to $300 per week.

EARNING THEIR KEEP

The schedules of these working immigrants extend far beyond normal working hours in many cases. Domestic work has always been denigrated as not being real work, but according to these women, it's as real and as taxing as laying bricks.

Carolyn works a 24-hour day. "I take care of the baby early in the morning. I put him to sleep. Then I have to clean the house and do the laundry. I have to do this every day," she recounts.

Yet the efforts of these women often go unnoticed and unappreciated by their employers. One day Carolyn's boss, Susan, made lunch and left the kitchen in disarray. "I asked her..."
if it was against her religion to clean up; she got offended but I didn't care," says Carolyn.

Indeed, many West Indian women spoke of the exasperation they feel when, after hours of cleaning, their employers come home to an immaculate house and in a short time mess it up again, leaving dishes in the sink, clothes on the bathroom floor and dirt stains on the carpet. The "maid" is expected to reclean the house, causing feelings of humiliation.

The relationship between the employer and the worker is often strained. Broad social issues, such as differences in culture and socioeconomic status, combined with the volatile history of black and white relations cause tension. As sociologist Judith Rollins comments in her book Between Women, "The relationship between domestics and their employers is extraordinarily complex, but at its essence, it is one of exploitation."

Meager salaries and the laborious, menial tasks associated with gender, race and lower class serve to reinforce the traditional master and servant relationship. An employer's attitude toward the employee cements the role of the employee as the subordinate.

NO HOME COOKING

Stacy, a 35-year-old Grenadine, recalls what was for her one of the most humiliating experiences of her career. She would not eat with her employers at home, but they would consent to take her out to dinner. "When their friends would come over to the table to chat, I sat there feeling like a black fool, like their showpiece," she says.

Carolyn, too, found herself humiliated by the way her employers treated her. Although they were generally cordial, there were subtleties that reminded her of her place in the household. One of Carolyn's most vivid memories was of a Thanksgiving when the husband's parents were coming to visit. "They wanted me to give my bedroom to his parents. I said, 'No way, I would not sleep on the couch.' So I packed my bags and went home for Thanksgiving," she recollects.

But all the duties of the job—cleaning, picking up, diaper changing and the trips to the park—and the subservient position just skim the surface of the trials of domestic work for these immigrant women. What keeps them in low-paying humiliating positions is their goal of getting a green card.

Being undocumented—not having a green card—puts these women at the mercy of their employers. In order for an immigrant to obtain a green card from the Immigration and Naturalization Service, it must be established that the immigrant will not be a "burden" on society. A relative or a U.S. citizen must give assurance that he or she will be responsible for the immigrant's welfare. Customarily, when an undocumented immigrant worker enters household service as a domestic, the employer takes on the responsibility of sponsoring the worker for a cherished green card. The sponsorship can be withdrawn at any time, and many employers do not hesitate to threaten their employees with the withdrawal of their sponsorship for legal residency.

THE GREENMAIL THREAT

Immigrants without a sponsor face deportation and prohibition from reentering the United States. If they leave before securing a green card, undocumented immigrants have to seek other sponsorship, even though they have given several years of service to their employer. According to the INS, some 10,000 West Indians were deported in 1989. With this in mind, most women stay with their jobs, good or bad.

Stacy recalls her last months on the job as being very tense. Her employer threatened to withhold her green card when it arrived in the mail. She explains, "She gave me extra work to do. Then she would say, 'As soon as your green card comes, I know you'll leave.' She wanted me to switch from my lawyer to an immigration lawyer who lived in the neighborhood, after I had spent thousands on my lawyer. She would tell my lawyer not to call the house."

In spite of her employer's threat, Stacy received her green card with her junk mail. "I think she mistook the brown envelope for junk mail also," Stacy laughs.

The green card is so vital to these women because they cannot find work that pays a satisfactory salary in their own countries. These women have made great personal sacrifices to make better lives for themselves in the United States. They leave their children and families behind in order to become better providers. It is not uncommon for them to stock barrels with food, clothes and toiletries at least twice a year to send home to their families in the West Indies.

In addition to job pressures, there is the loneliness. Carolyn remembers, "It was really painful leaving my nine-year-old daughter, Charlene. Most of my salary went to paying telephone bills." Stacy said she will never forget her youngest son.
at the airport in Grenada. "Randy was screaming and crying, 'Mommy, I want to go with you,'" she says.

When the green card finally arrives, many of these women take it as their ticket to get away from abusive situations. Stacy quit her job shortly after obtaining her green card, leaving without saying goodbye. Her employers called frequently, asking Stacy to return, but she would not.

Carolyn's relationship with Vicky, seven, and Marissa, four, and Andrew's sisters, could never be described as successful. The kids would come home and wreck the house after I'd spent all day cleaning," she said. "When their parents went out to dinner, they would cry as though I beat them when their parents left."

But in many cases the relationship is smooth and beneficial to both child and babysitter. In a small but quaint bedroom in a Gramercy Park apartment, two women chat quietly about their everyday workload and exchange baby stories. But around their feet the kids have now become their own. Shirley, an Antiguan and Barbara, a Trinidadian, meet every afternoon so that the wards, Kelly and Jack, can play together. Jack grins mischievously as he points to the mess he's made with his pretzels. He pokes Barbara. "Mommy, vac," he says. Barbara explains that she uses a hand vacuum to clean his mess. But how does he explain the fact that he calls her mommy? "He's only 18 months now and learning to speak so mommy is the easiest for him to say," she explains. Jack, however, only calls her mommy when they are alone. She reaches for him and they embrace.

Somehow, in a timeless way, issues of race and class become mute when it comes to a relationship between woman and child. "I love Kelly as though she is my own," says Shirley. "I don't see her color and I think that as young as she is, she knows how I feel about her."
Back To School
Working mothers hit the books
by Barbara Hernandez
Illustrations by DiAnne Rubin

When Gail Chin* was accepted by her local community college in 1985, she was as excited as any freshman could be. Everyone seemed supportive, from her family to the large mid-Manhattan bank she works for that offered to provide tuition reimbursement. But Chin still had qualms. She was worried about how her three children would fare while she was in school two or more nights per week. If combining a job with marriage and kids was hard to achieve, how, Chin wondered, was she going to manage college life as well? Though it took more than five years, Chin graduated with a degree in business administration. "I could never have done it without my family backing me up and helping me," she says.

Chin is just one of the growing number of employed women with children who are going back to school—many for the first time. With thousands taking up the challenge, even the advertising industry is picking up on the trend. A recent Dow spot dramatized a mother picking

*all names were changed at the sources' request
up her diploma with her children cheering her on, just like Marlene Lewis. She's a secretary in a mid-sized law firm and mother of a teenage daughter and seven-year-old twin sons, she began pursuing a bachelor's degree in management shortly after her divorce. She hopes it will help her get promoted to office manager. Lewis estimates it will take her a full six years to graduate. She relies on her daughter, also a college student, who has a part-time job and helps out with household expenses. Lewis worries about spending as much time with her kids as she used to, but they are remarkably able to accept the situation. "I'm doing this as much for them as for myself. It will be worth it," she says, adding with a confident laugh, "Good things come to those who wait."

Having experience alone means nothing without a diploma, as Maria Roth* discovered. After 20 years of accounting experience, she had worked her way up to become the clinic administrator of an outpatient clinic at a large metropolitan hospital. When her job was eliminated last year due to budget cuts, Roth found it was hard to find a job without a degree.

Sharon Cohany, an economist with the Department of Labor, states that women make up approximately 45 percent of the total United States labor force. "Over 70 percent of married mothers with children under the age of 18 work outside the home for pay. In 1960, it was only 26 percent. Women have joined the work force in increasing numbers because most families can no longer survive on one salary," Cohany explains.

Women continue to dominate such fields as administrative support, nursing and teaching in the primary grades—all of which tend to be "dead end," low-paying jobs. According to Fortune, less than one-half of 1 percent of women in the work force are in top-ranking positions, and there are only two women CEOs in the top ranks of corporate America, both of them in their positions as a result of family ties. As a result, two-thirds of women and children live below the poverty level hoping to get the education to qualify for real careers.

Many women without a degree find themselves in a position similar to Chin's. She started as a clerical worker and secretary 20 years ago and her career, an exercise in frustration and humiliation, remained stagnant for several years. Eventually, she was promoted to various administrative positions in the International Credit Administration division. But, she asserts, "These were not upward moves but departmental ones. Without a degree, it wasn't going to happen." Today, however, more and more women are realizing the importance of a college education: 55 percent of U.S. college students are women.

SCHOOL DAYS, SCHOOL DAZE

Juggling school, work and kids can be a daunting task, but working mothers bring maturity, responsibility and determination to student life. The typical working mother-student is married, older, works during the day and attends classes in the evening. Gary P. Hentzi, a professor who teaches both day and evening session students, says of working mothers, "They are motivated, mature and have the patience and willingness to adapt to their situation."

Yet working mothers face unique problems as students. "There's not enough time in a day to do everything that needs to be done," exclaims Lewis. Most mornings, she's up by six and doesn't get to bed until midnight. "It's hard being a single parent but my daughter and I share the housework and she looks after her brothers when I'm not around," she says. The Lewises have an ideal arrangement. Mother works during the
day and attends classes at night, daughter Connie is a day student and has a part-time afternoon job. "Sometimes the only time we see one another is on weekends," Lewis adds.

Chin had the support of both her employer and her family. She was able to use her lunch hour to study. Her daughters would help their younger brother with his homework. Roth's husband took on many of the household duties, including preparing dinner. "The average person can't afford outside help so cooperation is very important if you want to get anything done," she says.

Oddly enough, it's not the balancing act that employed students find intimidating but the classroom threshold. Hugo Morales, an administrative counselor at Baruch College/CUNY, says, "Their primary concern is 'fitting in' with the rest of the student body. These women are typically in their late thirties or early forties. Some of them believe they will not be able to relate to the typical student in their late teens and early twenties. I tell them that the average student is no longer a young, middle-class male and they will have no problem finding others in their situation."

FROM A'S TO A RAISE
Fellow employees and supervisors are generally enthusiastic about continuing education. Larger companies, which have the funds to provide tuition reimbursement, are particularly encouraging. "Most like to promote from within," says Eileen Narbut, director of human resources at Cahners, a Manhattan-based media giant. According to National Business Employment Weekly, graduates with work experience fare much better in the job market.

On the other hand, the smaller firms can view educational ambitions as a threat. Lewis recounts one incident last year after she started school. "My supervisor was pretty upset. He demanded to know what was so bad about being a secretary and who did I think I was," she recalls with anger. "I was furious. I explained that what I was doing was for my own betterment as well as the company's. He was afraid I would leave the firm if I didn't get promoted." But it was his hostility that drove her away, Lewis notes. She left to work for a smaller law firm with a more congenial atmosphere.

POINTS OFF FOR LATENESS
Successful as these graduates are, they have discovered a down side to postponing their education. Most waited until they had more money and the time to devote to their studies, and that usually meant waiting for the kids to get older. "I waited until my youngest child was nine years old and didn't need me with him as much," Chin recalls. Working mothers' careers tend to lag behind those of women who completed their schooling prior to entering the workforce and, particularly, before starting their families. They must compete with other employees who have been at the same job for much longer and already have that all-important college degree.

But many of these working mothers were well aware of the course their lives were taking and had made a conscious decision to postpone their education. "I don't believe anyone can have a successful marriage, career and raise their children properly, all at once," Roth says.

Lewis agrees, "It's just too much to handle without going crazy. Realistically, it's not possible, as more and more women are finding out. I don't believe that I'm settling for less. I'm doing my best, given the constraints on my time and my obligations."

Chin has found a positive side to waiting until she had kids before getting a degree—the pride of her children. "When I started out, my son wanted to know why I was doing this. Now he brags about his mother the college graduate and future bank vice president," she laughs.
1. Percentage of top executive jobs at large companies held by women: 3
2. Percentage of women in the work force in low-paying sales or clerical jobs: 60
3. Amount women in the U. S. earned in 1991 for every dollar earned by men: 72 cents
4. Amount earned in 1981: 64 cents
5. Projected date for closing the wage gap: 2017
6. Percentage of male DuPont employees who said they'd be interested in flexible work schedules to spend more time with their families: 56
7. Percentage of U.S. companies that offer paternity leave: 30
8. Percentage of men who take it: 1
9. Amount the average man would earn if he got a dollar for every sexist thought he had in the past year: $139.50
10. Percentage of African-American women who are employed as domestics: 65
11. Percentage of women who limit what they do for fear of attack: 73
12. Percentage of men who do: 45
13. Percentage of women who prefer a male boss: 54
14. Percentage of women who prefer a female boss: 15
15. Percentage of men who prefer a female boss: 12
16. Number of women raising children alone: 10,000,000
17. Number of women who received child support from absent fathers: 4,000,000
18. Percentage of male medical school faculty members: 78
19. Percentage of female medical students: 36
20. Average percentage female MBAs earn less than male MBAs the first year on the job: 12
21. Amount greater a white woman pays for a new car than a white man: $150.00
22. Amount greater a black woman pays for a new car than a white man: $900.00
23. Percent underweight the average fashion model is: 16
24. Number of states in which it is legal for a husband to rape his wife: 30
25. Number of states that have laws mandating arrest for domestic violence: 10
26. Rank of battery as a cause of injury to women: 1

Sources: Backlash 24, 25, 26; Esquire 9; Ms. 10, 11, 12, 20, 21, 22; The New York Times 18, 19; Savvy Woman 23; U.S. News & World Report 2, 3, 4, 5, 6, 7, 8, 13, 14, 15; Wall Street Journal 16, 17.
Corporate Anthropology

Anthropology means exotic far-off places, primitive tribes, Margaret Mead and, of course, *National Geographic*, right? It also means business. A recent survey shows that since the late '80s, a large percentage—15 percent and growing—of newly graduated anthropologists are becoming corporate consultants in such untraditional areas as marketing and consumer behavior, organizational culture and international business.

During the '40s and '50s, anthropologists made significant contributions to industrial research into hierarchies, union work ethics and racial harmony. By the '60s, however, anthropologists were shunning the corporate world, which they found exploitative, in favor of expanding departments and research into remote regions of Indochina and Africa.

Today, corporations are discovering a myriad practical uses for industrial anthropology in advertising, aerospace, automotive, computer, transportation, telecommunications and even ceramic companies. Susan Skolmal, of the American Anthropological Association, says, "Anthropologists have recently been able to create their own positions in the business world by marketing their skills in areas such as observational techniques, market research, data analysis and studying cross-cultural behaviors."

An estimated 15 percent of the nation's 30,000 or so anthropologists now work in business, up from 2 percent in the '70s. The AAA estimates that the number of graduates entering business is growing at a solid annual rate of 3 to 6 percent. By the year 1993, approximately 50 percent of all new anthropologists will get their first jobs in business, where earning potential is substantially higher than the $50,000 or less anthropologists earn at universities, says the AAA.

The strength of anthropology lies in marketable skills like data analysis, observation and cross-cultural behaviors. In marketing, for example, corporate executives can no longer depend on traditional research methods such as focus groups and surveys used by sociologists and demographers. Through participant observation, however, anthropologists help marketers understand how a product is—or is not used. Anthropologists study their subjects for an extended period of time, become part of the group, working alongside them, socializing and listening. Since the anthropologist does not rely solely on what people say, but on observation of actual behavior as well, determining the underlying causes of problems becomes much more likely.

Moreover, anthropologists are involved in other aspects of corporate culture according to National Association for the Practice of Anthropology journals and other association publications. They advise corporations going through a merger on how to integrate different corporate cultures. They also help firms build employee loyalty, avoid social blunders when moving into the treacherous waters of international markets, grasp the "native view" of employees and develop artificial-intelligence programs.

—Elizabeth Scordalakis

Condom-Mania

Some people have walked into Adam Glickman's Condomania thinking he sells condoms. Make no mistake—Glickman is no realtor. "I sold 100 glow-in-the-dark condoms in two days, and I'm out of the strawberry-flavored ones," says Glickman.

In this age of AIDS and pro sports sex scandals of Olympic proportions, condoms are all the rage. With brands such as "Excita," "Fantasy," "Lifestyles," "Ramses" and "Trojan-ENZ" flooding the market, customers are able to sample lubricated, nonlubricated, colored, ribbed, nonribbed or flavored condoms made of either latex or sheepskin. Single condoms range in cost from 69 to 89 cents. They are
also available in packs of 12 and 36, with prices ranging from $3 to $11. Condom sales have increased every year since 1986 and there are no indications that the trend will dissipate.

If the trend does continue, it will owe much of its success to aggressive advertising. For example, condom advertising rose 1,000 percent between 1985 and 1987. With safe sex becoming a health priority, medical experts ranging from C. Everett Koop to the American Medical Association have become advocates of condom use. In addition, the New York City Department of Health, the Minnesota AIDS Media Consortium and other groups have launched pro-condom advertisements with frank slogans such as "Bang! You're Dead" and "Don't Go Out Without Your Rubbers."

However, slick promotional gimmicks can backfire. One of the most controversial condom advertisements belongs to clothier Benetton. The "United Colors of Benetton" condom ad featured condoms of many pastel colors and tried to suggest an international theme—condoms used worldwide. But in this "conservative climate," the ad has been banned by several well-known magazines, including Cosmopolitan, Mademoiselle and Self.

Just how safe are condoms? The Food and Drug Administration tests the percentage of leaking condoms by filling the condoms with water.

From a sampling of 321 batches, which is 78,238 condoms, about 20 percent of the batches failed. In order for a whole batch to fail, there must be more than four bad condoms per 1,000.

The FDA says that the average rate of leaking condoms has been 3.3 per 1,000. "Current tests can tell us whether a membrane meant for contraception is intact. They're quality tests," says Alan Anderson, an FDA deputy director. "Now we're looking at what they tell us about HIV transmission."

The rubber trade has bounced between highs and lows in the past decade, and this is one of the peak periods. "Nowadays, being socially concerned is hip, and using condoms is socially conscious," points out Glickman. With Magic on its side—former Laker star Magic Johnson, who retired when he tested HIV-positive, currently an AIDS activist—the condom industry has a great deal of growth potential.

—Kim Yvette Weber

Through The Looking Glass

Once upon a time, well actually in May 1990, Mauro Juszczak sat on a big easy chair and entered Wonderland. He didn't fall down a rabbit hole, but he did have help from his father-in-law, the former owner of Manhattan's trendy Think Big store, where three-foot crayons and giant frisbees have delighted children of all ages for many years. Robert Malkin is a collector of anything on a larger-than-life scale, including an easy chair big enough for five adults, the main prop used by Juszczak in his wacky business of entertainment photography.

Perception was nothing new to Juszczak, who has an MS in psychology, and Marjorie, who has a BS in psychology. "Very few people get in the chair and not feel something," points out the 36-year-old Juszczak. "I'm amazed at how often people act like little kids when they're in the chair." Juszczak tried a few different media before setting on Polaroids. In May he set up shop at the Westchester County Fair and had an instant hit in his hands.

Juszczak's first booth was a room decorated with giant props including pencils, baseball bats, soda cans and a gun. The novelty of his idea brought in clientele of all ages. Only one particular segment of the market posed a problem—the single male. "I think they're intimidated and were afraid to look funny," Juszczak often heard. "Giant baseballs and footballs couldn't get them to relax, but..."
as soon as I added giant beer bottles and boxing gloves, that did it.”

As an added service to his customers, Juszczak sent dozens of photos to Polaroid for enlargement. The volume he generated was quickly noticed by the film company. In August of that same year, John Callan, director of entertainment imaging of Polaroid in Cambridge, contacted Juszczak. In November 1990, the International Association of Amusement and Attractions offered him a booth in amusement parks. At the association’s trade show, Big Shot had a display under the Polaroid banner and from then on, the film company has provided promotional support.

Juszczak emphasizes that his success is due to society’s need for entertainment in hard times. He claims that even with the recession, he has been able to turn a slight profit. With his retiree of 15 chairs, he took an estimated 55,000 photos in 1991. His prices are reasonable—$6 for the first shot, two for $10 and three photos are only $15.

Franchising is another major source of income. For $10,000, you can order your very own chair, along with the props and a Polaroid camera. He has sold eight packages so far. And Juszczak is working on a top-secret project in conjunction with Polaroid for the Westchester County Fair in May 1992.

As news of his success spreads, competition becomes a factor. Juszczak guards the process and cost of manufacturing the chairs to avoid imitations. Any time a chair is engaged, the activity is covered by a $1 million liability insurance policy.

Born in Great Britain but raised in Brooklyn, Juszczak is the father of three. Amanda is 14 years old, Kimberly is two and a half and Melissa is 14 months younger. The family lives in Whitestone, New York.

In less than two years, Juszczak has expanded his business from the county-fair circuit to night clubs, malls and amusement parks. On March 28, Big Shot makes its debut at Six Flags Great Adventure, using cowboy props that look like they are straight out of the Will Rogers Folies. Curiouser and curiouser, Alice might say—but the cash is more real than any Cheshire cat.

—Charissa N.C. Kwan

Dirt Magazine

A teenage guy has no source of information on getting rid of zits, dealing with girls who dumped him, personal problems and being a foot shorter than all the girls in his class,” claims Bobbie Halpin, publisher of Sassy magazine, the ultimate authority on similar questions for girls for the last three years. Now Halpin is hitting the male 15 percent of Sassy’s readership with a twin magazine, Dirt, which targets boys aged 14 to 19.

If the name is any indication, Dirt will give the lowdown on teenagers. “With a name like this, it is bound to provoke different ideas through guys’ heads,” observes Halpin. The magazine was christened by a group of 14-year-old Manhattanites.

The editors figure young men need guidance and practical information. “To hold attention and gain trust, a magazine needs to relate to its readers’ interests on a personal basis and do it with style. Dirt does this,” Halpin says. According to the Rand Youth Poll, male teens spend their money on hobbies, video games, snacks and movies. The new magazine will cover these topics, plus sexuality, school, work and all the latest trends. The premier issue, due out in April, will profile street gang members and focus on human rights, politics, the environment, electronic equipment, celebrity scoops and fashion basics.

Dirt hopes to fill a gap in male-oriented publications. As marketing experts have already discovered, the 20 million-plus male teens in this country represent a gold mine. The only other magazine geared towards this particular audience is Boys Life, a Boy Scout journal that steers clear of hard-hitting issues.

To boost interest, 2,000 copies of Dirt, which originally appeared as a supplement in the September 1991 issue of Sassy, were distributed at trade shows such as The Magic Show (men’s apparel), NAMSE (men’s sportswear) and FFANY (footwear). Sassy’s fall ’91 back-to-school retail events in malls and stores also gave readers a chance to pick up Dirt. Publication will begin biannually, then depending on its success, quarterly and eventually, monthly. Issues will cost $1.50 and circulation will begin at 650,000.

Advertisements will be heavily fashion-oriented. The cost of four-color and black-and-white ads will be $19,910 and $13,740 respectively. Male-only product advertisers will receive a 10 percent discount.

Dirt is published by Lang Communications but Halpin hopes to create a base for it in New York. Many of the members of the twentysomethings, predominantly male staff have worked together on the much-acclaimed but now-defunct Homeboy, a magazine dedicated to biking and skateboarding, and/or on Sassy. They believe the time is right for a magazine like Dirt and are confident of its future success.

—Karen Shasian

MAY 1992
**Out of Africa**

When you enter Robertson African Arts on West 22nd Street in Manhattan, you are transported to cities like Abidjan or Lagos where traders and enthusiasts go to buy West African masks, costumes and decorative objects. Although art dealers are by nature private and cautious, Robertson’s gallery serves as both home and gallery. His loft overflows with miniature works of art and books on African art. African music is piped into the gallery.

On an average day Robertson dons a plaid workman’s shirt and jeans as he busily organizes, plans and oversees the details for his annual non-profit show, his effort to expose African art to youths.

Robertson wants to abolish the misconception that African artistic expression is untrained. He asserts, “Their artistic production is quite advanced and developed.” He hopes that by introducing African American youth to African art they will have more pride in themselves and a greater understanding of their culture.

Born near Mandeville, Jamaica in 1943, Robertson’s appreciation of art comes from memorable field trips with his older cousin Herman to the countryside. He calls Herman an “adamant artist” who helped him learn to look at the beauty of his environment. Robertson came to America in 1949 and enrolled in Cardinal Hays parochial high school. Proud of his heritage, he says, “I am a flag waver—we taught African Americans about themselves.”

In 1974 Robertson opened his first gallery in SoHo. He had $20,000 in savings to carry the business for three or four years. He accumulated the money and business acumen during his tenure as director of the Minority Business Development Program of the Urban Development Corporation. For cash flow Robertson sold the works of 17 jewelry designers who used African designs. “The jewelry ties into the artistic purpose of the gallery,” he notes. Robertson first journeyed to West Africa to buy art in 1975. He did not even know where to find reputable dealers. In the African market, sellers, middlemen and buyers often operate with incomplete knowledge of the system’s mechanics. He learned while collecting. There is always difficulty in establishing authenticity and Robertson has to depend on his own judgment. He buys from known dealers because their expertise lessens the risk. A large number of pieces Robertson purchases are collected by professional traders who often wander from village to village searching for art. He does a substantial amount of buying at auction in London and Paris.

Students returning to college in the cities will often bring pieces with them from their villages. Traders in general are linked by family and ethnic ties to others in West Africa. Each has his own network of supply and distribution. Robertson’s collection includes ceremonial costumes such as Egungun from the Yoruba peoples of Nigeria and Benin and headpieces, jewelry, masks, furniture and cloth from the Ivory Coast and Nigeria. The prices of his pieces range from $200 to $8,000.

Like many art dealers, Robertson’s training is in another field. He holds a BA in sociology and an LLB in law from St. John’s University. He has taught graduate level courses on African American history and culture at Concordia Teacher’s College in Illinois and conducted lectures on African history and culture at Chicago’s DuSable Museum of African History.

Robertson’s favorite piece is a headpiece worn by an Igbo woman during annual festivals. The headpiece is topped by a crucifix and Christian saints. Robertson explains, “Africans adopted modern power symbols. Their culture are always adapting and incorporating new ideas.” This is the kind of discovery and insight that makes his job more than monetarily rewarding.

—Nicole Roussos

DOLLARS AND SENSE
Profits in Bloom

Like Hoboken's favorite son, Frank Sinatra, fashionable florist Barbara Ayoubi is doing it her way. Don't expect her to deliver typical floral concoctions on Secretary's Day. "I'm not an FTD florist," Ayoubi states emphatically. "They mainly use mums, carnations and lilies. I'm located on an off street so I do something different to attract people."

The difference is evident even before entering Ayoubi's Farsi Gardens, located on Newark Street directly behind Hoboken's City Hall. Chinese wisteria and ivy frame the large front window. Blue hydrangeas, roses and impatiens bloom out front. The place looks transplanted from Soho. In Hoboken, Sobe-style goes over.

That Ayoubi has parlayed her distinctive taste into a thriving business comes as no surprise. Her vocation was foreshadowed by her early love of color and of things verdant. Ayoubi lived with her Aunt Ida in Fort Lauderdale. She recalls, "We had beautiful avocado, orange and lemon trees in the backyard." Particularly vivid is her recollection of Aunt Ida's library, which was painted dark green, inspiring her to paint her shop "Farsi Green." Then there was Ayoubi's childhood passion for coloring books. "I used to color and color and never go out of the lines," she recalls.

At 13, Ayoubi moved to Hartford, Connecticut to live with her sister. New York City and the Fashion Institute of Technology beckoned. "I would have done anything to go there," she says. She was awarded a scholarship to FIT, where she pursued a double major in pattern-making and fashion merchandising. Graduation was followed by a three-year stint in Europe working as a photographer's stylist. She was ready to take on New York again in 1983.

At 3:30 Monday morning, Manhattan's flower market, located on Avenue of the Americas in the high 20s, is in full swing. Ayoubi is there bright-eyed and bushy-tailed. "I'm always so excited and happy to be up," she says convincingly. "You meet everybody and share your 'freakouts' with them." Ayoubi now makes her purchases quickly, but remembers a time when she would arrive at five in the morning and stand around until seven waiting to plunge in. The wholesaler take care of the big spenders first. Like a modern day Eliza Doolittle, she found the wholesale market exasperating. "They used to make me cry," she says. "The flower market is really rough because it's mainly men."

Ayoubi faced her biggest challenge in raising the $3,000 needed to open the shop. Like many African American entrepreneurs, she found getting a loan difficult. "In Hoboken, no bank would give me anything," she claims. "I wrote a letter to the Small Business Administration and tried to get aid from them and I got nothing." After getting the runaround from a few other organizations, Ayoubi decided to charge the costly items like the refrigerator to her Visa/Mastercard. "I bought plywood, a hammer and nails and built the counter, put up shelves and track lights and painted," she says. Through a marketing survey done at the Hoboken Path station, Ayoubi learned that people were willing to buy the upmarket expensive flowers. Farsi Gardens was in the black a year after it opened.

The future augurs well for Farsi Gardens as it enters its third year. The neighborhood is experiencing a renaissance, according to the ever-optimistic Mayme Jurkat, the director of Hoboken Advantage, a non-profit booster organization for local business. Jurkat notes, "Hoboken is a little more recession-proof because businesses are concentrated in food and personal services." Right by Farsi Gardens an organic produce store and a restaurant are set to open this year. At 35, Ayoubi is an avowed optimist. Sitting in front of the shop one evening she discussed her plans. "I am going to serve cappuccino and iced tea out here," she says. "I still have to get the sink and other equipment, but I know it's going to work." With Ayoubi's kind of get-up-and-go, it won't take much caffeine to get started.

—Donna Sells
The One-man Band

Babu Thomas smiles easily, talks quickly, and runs around an awful lot. He has to. As TV producer, broadcaster, announcer, head of advertising and creator of the first Malayalam station in the United States, he’s a one-man operation. But that is just his weekend schedule. The rest of the week, this medical technologist manages to work full-time, raise a family and take an active role in several organizations that promote Indian cultural life in the U.S.

His father, Pothan Thomas, was a famed violinist in India and the two performed together. His father hoped he would become a musical star. Thomas pursued that goal for two years. Instead he became a medical technologist.

While it wasn’t his full-time profession, Thomas joined several theater and music groups. He won competitions as a speaker, musician, actor and instrumentalist. In 1983, he came to New York after living in Bahrain for two years.

In 1987 he became president of the Kerala Samajam of Greater New York, where he helped establish the only school in the U.S. to teach Malayalam to second-generation Indian-Americans. Malayalam is the native language of Kerala, a state of 20 million in Southern India who are often called Malayalees.

The idea for the TV show came in 1984. Thomas recalls, “I performed on some Hindi programs that were broadcast by ‘Vision of Asia’ on Channel 47, and they came out well. But I noticed Malayalee groups were not getting the same exposure and nobody was coming forward to change that.” While working with a Guyanese cultural group, he discovered Channel 44.

At Channel 44, whose studios are in the East 22nd Street facilities of Metro Access, every show pays a fee to be broadcast. On November 5, 1989, five years after its conception, the Malayalam TV show went on the air. Thomas says, “People were discouraging because I was doing it myself and the show was expensive to produce. Malayalees also never believed they would be represented on television.”

The program now reaches an audience of 40,000 Keralites in the tri-state area, he estimates. It costs about $1,000 a week to produce. The production pace is rapid. Time is limited since more than one show uses the studio. While he worked on his show with a Channel 44 editor, there was a Haitian affairs program being broadcast live. The Greek show stood outside with props, awaiting their turn on the airwaves.

At 2:30 p.m., there is a half hour of Hindi music culled from Indian films. From 3:00 to 4:00 p.m., Thomas broadcasts news, community events, Malayalam music and interviews with Indian newsmakers visiting New York.

He used to pay all costs out of his own pocket. Ad revenue now pays nine-tenths of the bill. “People realize that TV is the best medium for advertising since television can reach more people at a single time than anything else.”

Thomas has begun to expand to other channels. His program has aired on UHF Channel 54 as well as Channel 44 since 1989. In December of 1991, it began appearing on Channel 38, Channel 44’s sister UHF station that reaches upper New York, Saturdays at 9:30 p.m. In March 1992, Thomas’s show aired on TKR Cable Channel 20 which reaches the Westchester, Connecticut and Rockland markets. Thomas hopes to reach at least 1,500 Keralite families. He hopes it will also pay off, since Thomas pays $300 a week of his own money to keep his programs on the air.

His reason for going on cable is to get better reception for areas that may not be reached by UHF Channel 38 which covers much of the region that Channel 20 on TKR Cable does. “I did some shows for ITV and I doubt they reached 5 percent of the people. Since Channel 44 and 38 are free, it is a better choice,” says Thomas.

His show is an investment. “As a business, I expect a payoff financially,” says Thomas. Then, taking a page from John F. Kennedy, he adds, “You haven’t ask not what you can do for yourself, but what you can do for your community.”

—Tom Bob

DOLLARS AND $HIFT
If you want something, you have to set your goal and go for it. Nothing comes to you. If you want something so bad, you have to go after it. It's your dream and you are the only one who can make your dream come true,” John Stearns, former New York Mets catcher, said during a grammar school baseball awards night. Since then Thomas J. Churchwell of TJC Production has lived by these words. Now 21, Churchwell has written, directed, produced, edited and starred in five films. His movies carry his own trademark which is the Churchwell crest shield with two swords and the letters TJC.

Churchwell started acting when he was very young. At the age of nine, he tried out for the movie The Champ and narrowly lost to Ricky Schroder. However, he prefers directing because “it’s your vision, what you wrote and wanted—bringing your story to life.”

During his sophomore year in high school, Churchwell borrowed a friend’s video camera to make his first movie, Warmaster. After he completed the movie, he convinced his father to buy him a video camera. Although he knew he could do a much better job with a film camera instead of a video camera, his movies have high production values despite the limited equipment he has.

Churchwell was rewarded for his hard work. He won first prize at the Young Filmmakers Festival for best film in Queens. An article in New York Newsday called him the “Spielberg” of Franklin K. Lane High School. The following year he won second prize.

He made his second film, Intrigue Warmaster, after receiving a lot of positive feedback regarding the first movie. His growing audience wanted to know when a sequel to Intrigue Warmaster would arrive. His third picture, Fear of Pain, happened to be his first horror film which he feels is old-fashioned and geared towards adults. It is a suspense flick involving an escaped mental patient, a house owned by a vampire and five vacationers who stop at the vampire’s house when their car breaks down. Most recently Emerging Past and Warmaster III have been on the market. Emerging Past is a suspense and action movie in which he used different camera angles. In fact, he went to Georgetown to film the same stairs that were used in The Exorcist for a quick-paced flashback scene. Warmaster III is his final Warmaster movie and the first without blood. It is a combination of comedy, suspense and action.

Churchwell would like to combine his three Warmaster movies into one long film when he goes to Hollywood. He does not believe in numbered sequels. Each movie should be able to stand on its own and not be a part of a previous movie. His ultimate ambition is to remake all his demo videos into full-length films once he establishes himself in Hollywood. The competition, he realizes, is fierce.

Although all the films are his ideas, he does not want to be “The Boss.” He looks for teamwork and constant input from the actors. When asked which film he likes best, he responds, “It’s very hard to say because it’s like a parent with their children—they love every one of them in their different ways.”

Churchwell hopes to win an Academy Award. He believes if a studio would give him $100,000 to make a movie, he could make a box office success under budget, saving money by getting friends to volunteer. While he feels he has accomplished all that he has set out to do, another goal he wants to accomplish is to make the whole world smile.

Churchwell wants to be known for his talent. He has sent his movies to several agencies and producers on the West Coast. He plans to move out there and look up many of these contacts. One producer, Jeanne Kirkwood, told him, “When you come to California, look me up and we will talk.”
Iceberg

Can a computer company that once held less than 10 percent of the market share and only recently emerged from bankruptcy put a scare into IBM? Storage Technology Corporation, a Louisville, Colorado-based maker of multiple computer devices, has entered the big leagues with a new product called “Iceberg” and it already has Wall Street and the competitors doing double takes.

Iceberg is an innovative system that stores massive amounts of computer data on 5 1/4-inch disk drives that are just over half the size of the standard 10-inch platters. The secret to the storage system is the division of data into 125,000 lines of microcode that provide enough duplication for reconstructing information in the event that one disk fails. StorageTek is hoping it will vault them into the position of a multinational computer power.

StorageTek specializes in cost-effective computer storage solutions. With a customer base of only about 300 domestic and international companies, and a spotty record in the disk-drive market, they are an unlikely computer superpower. The company expects to bring in $50 million from sales of Iceberg alone in 1992, with 2,000 machines out on a trial basis. Last year’s sales topped the billion-dollar mark, at $1.14 billion, for the first time in the company’s history, largely on the strength of another invention, a jukebox-like tape cartridge library. In the past year, profits have risen from $47.7 million to $69.3 million, and that is before Iceberg hit the market. Analysts, who were courted by the company with exuberant presentations on Iceberg, love the way StorageTek has managed to double its earnings per share since 1990. All of Wall Street was impressed, judging by the leap in price from around $40 a share to nearly $80 in the month after the news about Iceberg broke.

After filing for bankruptcy in 1987, StorageTek went into hibernation to rethink its position in the market. Throwing discretion to the wind, they re-entered the computer market by jumping over the competition. Ryal R. Poppa, the chairman of StorageTek, knows he has a hot one on his hands with Iceberg: “The tape library made me a rich man, and Iceberg will make me a very rich man.” Poppa has 447,000 shares.

Iceberg, competitors admit, was the best-kept secret in the computer industry. Market rivals IBM, Hitachi, Fujitsu and EMC have been astonished at how StorageTek managed to creep up on them. For the first time in the history of the company StorageTek will be the lead supplier and manufacturer of the number one product in the computer storage industry. EMC claims to have something that produces the same result. Can Iceberg sink its Titanic competition? Will StorageTek stay afloat in the rough waters of the computer business? Stay tuned.

—Sharon Ingram

Cancer Therapy Products

Cancer therapy products, a $1.26 billion market, range from treatments that aid in fighting the disease to anticancer agents that help the patient cope with the side effects of the therapy. Sales in the U.S. are expected to climb within the next three years, particularly for the anticancer agents. As improvements in the latter generation of products are made, sales are expected to more than double, hitting $3.46 billion in 1995.

According to an extensive study by Frost & Sullivan, a New York-based market research firm, “A significant market for radiochemoprotectants, as well as radiochemosensitizers, is expected to emerge in 1992-1993.” The drugs represent a crucial breakthrough since most of cancer patients are treated with a combination of chemotherapy and radiation, and dose toxicity has always been a major drawback. Another factor driving up sales is reflected in the American Cancer Society’s latest statistics, which show that the
ELF Emissions

Across the United States, everybody is receiving a daily dose of man-made radiation. The responsibility to protect us from this radiation falls into the hands of the Environmental Protection Agency and the Food and Drug Administration, yet they are doing little to nothing to stop it. The reasons for this inaction are complex, and the nature of this radiation is wide-spread and elusive. Therein lies the controversy surrounding extremely-low-frequency (ELF) emissions.

ELF emissions come from numerous sources. From powerlines to household appliances to video display terminals, this type of radiation is so vast that for the EPA or FDA to take any kind of action would have severe effects on the electronics, computer and power utilities industries. This doesn't even account for all the jobs tied into these fields or the monetary figures involved in taking action.

When in the course of human events society becomes sophisticated enough to develop technology that exceeds its ability to understand or assess, government has the responsibility to provide guidance and, if needed, regulation regarding the use of that technology. The EPA draft document cites over 40 studies relating ELF emissions to possibly negative impact on human health, yet the International Radiation Protection Association has an interim standard for ELF emissions thousands of times in excess of the field strengths questioned in many studies, including the EPA study. The field strength guidelines issued by the IRPA are the ones followed by the manufacturers of ELF emitting products. Further policy or guidelines are unlikely because, in implementing the policy, the federal agency would have to indict ELF emissions emitted by power substations and power lines.

During the House hearings in July 1991, one of the speakers was asked to estimate the cost of removing ELF emissions from areas of likely human impact. The answer was that it would take $5 billion to bury or remove power lines, or otherwise lessen human exposure to ELF fields in Florida alone. Senator Albert Gore Jr., a Democrat from Tennessee and chairman of the Senate Subcommittee on Science, Technology and Space, is in a delicate and precarious position, torn between a strong record on consumer issues and the requirement to meet the economic interests of his constituents—he hails from a state that is home to the Tennessee Valley Authority, which earns $5 billion a year in revenues in electrical power generation and employs about 26,000 workers.

"We're in that intermediate time period between when you first really suspect that something is going on and when you have a real good handle on it," says Dr. F. Alan Andersen of the FDA. The FDA, which regulates...
devices that emit radiation, isn't waiting for legislation. One official wants computer manufacturers to dramatically reduce ELF emissions now. The FDA's stance is an attack to some in the computer industry, but not to IBM and Apple. The FDA and a panel of experts recently briefed the computer giants on its plan to lower ELF emissions.

Meanwhile, video display terminal manufacturers were outspoken at the executive level with their concern over the ELF issue. These companies seem to genuinely want to develop VDT's that will ameliorate ELF emissions. It could also be that no manufacturer wants to go into open court with a jury listening for months to expert testimony about the public impact of ELF emissions on human health. No company wants to try and defend itself against such an issue.

—Erik Kolb

Voice Messaging

You dial a customer service number for information and you are greeted by a message that says, "You have reached XYZ company. If you have a touch-tone phone and know the extension you want to reach, press that extension now." New telephone-related technologies such as voice messaging systems are everywhere these days. Voice messaging systems are computer-based systems with the capacities for the input, storage, archival, editing, retrieval and transmission of information.

Businesses large and small can increase productivity while still offering personal touch to customers, vendors and staff. A recent American Telephone & Telegraph nationwide industry poll found that 75 percent of customer calls are never completed due to callers' inactivity to get required information, 50 percent of all business call are "one-way" calls (callers want account information or directions), 67 percent of all calls are less important than the tasks they interrupt and 40 percent of all long-distance attempts result in dead-end calls.

The Complete PC, a computer peripherals producer in San Jose, California, offers two automated attendant/voice messaging systems to small businesses. The company's Complete Communicator retails at $399. When attached to a personal computer and telephone, it will answer calls, take messages, transfer them to a hard disk and forward the call to other telephones. The Complete package retails at $699 and comes with a fax and a modem for sending information and documents. AT&T, in an attempt to maintain its position as the number one seller of answering machines nationwide, has launched a campaign to sell the idea of voice messaging to consumers. The company's executives say that they could offer voice messaging systems for between $200 and $300. The company also says that the price is above what the consumer market will bear. Internal Auditor magazine in 1990 predicted that by the end of the decade, voice messaging systems sales will grow to $1 billion. Venture Development magazine predicts that the industry will reach $3.8 billion in revenues by 1994.

Automated attendant systems usually function as primary and secondary receptionists, message centers, or receptionists for overflow calls. Most systems can handle call-processing functions for an unlimited number of callers. Higher-level systems offer greater sophistication and flexibility. For example, an extension could provide a bulletin board of informational messages the company wishes to pass on to its customers.

Voice messaging is plagued by certain problems. If a system is adopted by a select group and not by another, this could result in inefficient communication between groups with unequal capabilities. Over-reliance can result in a delay in decision processes. If a user allows messages to collect and chooses to respond to them en masse, important decisions may not be made at the time they are needed.

Voice messaging systems should be carefully designed to minimize the possibility of unauthorized access. Managers can establish a logging system that will monitor activities and pinpoint failures. The easy access of voice messaging systems can be their own worst enemy.

In a typical system individuals access their mailboxes by using a password or keyword. Since only a code is required to get into mailboxes, anyone with a touch-tone phone can retrieve information. The problem of lack of privacy is further exacerbated when a line is shared. Some users never change their codes. Instead, the code is passed from one employee to another. Many companies have incorporated systems that require all users to change their codes at a predetermined time.

The answering machine is no longer the last word in recording messages. The industry is counting on digital technology to accelerate sales. Answering machine manufacturers are trying to attract customers by improving the design of their products. This year AT&T introduced its $139 Digital Answering System 1337. It is the size of a paperback, uses microchips for messages instead of a tape cassette and allows immediate access to messages. AT&T hopes it will prove the answer to its marketing prayers.

—Nicole Rouseau
THE END OF LAISSEZ-FAIRE
By Robert Kuttner
304 pp., New York
Alfred A. Knopf, Inc., $22.95

The continued pursuit of laissez-faire capitalism as an ideal policy, even as world markets push toward globalization and the cry of communism is reduced to a whimper, will cause serious damage to America’s long-term economic health. This is the thesis of Robert Kuttner’s well-argued and solidly researched The End of Laissez-Faire, in which the iconoclastic columnist examines the impact of the policy on the United States throughout the Cold War era, and predicts what will happen if America continues to pursue it. If no one else reads this book, President Bush should.

Kuttner, a highly respected economic correspondent for The New Republic and a columnist for Business Week, claims that the election of Ronald Reagan in 1980 consummated the marriage between laissez-faire and anti-communism. He reasons that U.S. policymakers’ insistent focus on geopolitics, rather than on geoeconomics, resulted in devastating long-term costs to the American economy.

Instead of signalling a new “golden age” of laissez-faire, Kuttner contends that the fall of communism and increasing globalization also spell the end of the free market. The rise of communism halted the end of its economic foil, so it stands to reason that the fall of one would precede the fall of the other. His view is that Reagan’s ideology of high military spending and low taxes exacerbated the problems caused by America’s growing budget and trade deficits. The book delivers a thought-provoking challenge to what Kuttner calls the orthodox view that savings rates, budget deficits and the declining value of the dollar were the only main causes of the recession. While he does not deny their impact, Kuttner attributes the recession to a variety of other factors as well.

The End of Laissez-Faire is primarily concerned with examining U.S. economic policy after the Cold War. By playing a more active role in its own economy, the U.S. government can overcome some of the instabilities of its free market stance, such as its vehement opposition to protectionism. The easing of trade barriers, Kuttner argues, is of greater benefit to foreign interests than to American business. Early America flourished under a tariff system, and the post-Civil-War era was a protectionist one. Kuttner feels this was one factor that allowed the country, along with Germany, to surpass Britain as the leading economic power before World War I.

Kuttner’s big problem lies with what he calls capitalism’s utopian variation. The Great Depression, he says, was proof that a free market system is not self-regulating, and government has to ensure national interests by stepping in when it is needed.

—Rafael A. Olmedo
under the influence
The Unauthorized Story
of the Anheuser-Busch Dynasty
By Peter Hernon and Terry Ganey
461 pp., New York
Simon & Schuster, $24.95

Adolphus Busch became a millionaire during America's Gilded Age. Personifying the rags-to-riches success story, Busch became the brewery version of the robber baron, wielding a strong influence over American presidents and foreign heads of state such as Kaiser Wilhelm II of Germany.

Busch got his start in 1858 peddling brewing supplies in St. Louis, the nation's beer capital. On a sales call to Eberhard Anheuser's brewery he met and eventually married Eliza "Lilly" Anheuser, the boss's daughter. Shortly after, he began his sordid second career as a salesman for one of the worst beers in the entire country. Despite Anheuser-Busch Company's rotten reputation, Busch pushed Budweiser, the first pasteurized beer. By 1879 the sign over the door read Anheuser-Busch Brewing Association.

Adolphus's eccentric son August A. Busch (1865-1934) took the helm at the turn of the century. August maintained an extensive collection of zoo animals, including Shetland ponies, rare white Jerusalem donkeys, goats, lambs, deer from India, Europe and Japan, two elephants and an angry bull that nearly killed him. The zoo was housed on the former farm of President Ulysses S. Grant. He took many of his animals along on his annual retreat to Cooperstown.

Despite his bizarre tendencies, August Busch was a formidable businessman who helped the financially crippled Brewing Company through one of its darkest hours: Prohibition. When their non-alcoholic Budweiser failed, they began selling barley malt syrup and yeast. They also did a flourishing trade with Al "Scarface" Capone in Golden Gates, devices used to tap kegs.

The reits to the Clydesdales were passed on to August "Gussie" Busch Jr. (1899-1989), who acquired controlling interest in the St. Louis Cardinals franchise and turned it into a promotional vehicle for the King of Beers. His aggressive marketing strategies propelled Anheuser-Busch to the industry's top spot, which it holds today.

A flamboyant playboy, Gussie had three wives and fathered 11 children. Gussie's offspring often met disappointing and even tragic ends, such as the sudden demise of his favorite daughter, his son's arrest for the murder of a friend and his first son August A. Busch III's aggressive takeover of the company in a 1975 palace coup d'etat.

Auggie's band of MBA marauders dragged the company into the world of global conglomerates. Auggie pushed for computer-based planning, upgraded plants and one of the most expensive advertising campaigns launched in history.

Under the Influence captures the behind-the-scenes drama of one of America's great families. "The progeny of Adolphus didn't drop the ball or sell their birthright, for few industrial giants are still run by the descendents of the rough-edged buccaneers of the Gilded Age," write the authors.

Denied access to Anheuser-Busch employees or archives, Hennan and Ganey used newspaper clips, court records, hearing transcripts, presidential libraries and personal interviews with a handful of family members willing to risk the wrath of August A. Busch III by spilling the beans. The result is a compelling, often rambunctious, and always entertaining detailed history of the Busch empire.

Far from the unreadable density of the typical Robert Caro, 1,400-page biography, Under the Influence is a well-organized, thoroughly researched effort, which despite minor editing flaws and the authors' tendency to indulge in puns, goes down pretty smoothly. It is indeed a welcome addition to the business bookshelf that intertwines corporate history with juicy family tragedies, skeletons in the closet and the humorous side of the Busch clan.

—Michael E. Keely

Dollars and Sense
Ethnic Press

The world of Latino newspapers was stunned by the execution-style slaying of Manuel de Dios Unanue, former muckraking editor-in-chief of El Diario/La Prensa, highlighting the dangers faced by journalists in the ethnic press.

Police say De Dios, 48, may have been killed because of his outspoken editorial stance on drug trafficking and terrorism. De Dios was shot twice in the back of the head on March 11 by one of two assailants while sitting at the bar of the Mesón Asturias restaurant in Queens.


De Dios also reported on the independence movement in Puerto Rico. A 1976 investigative piece detailed the pro-statehood government’s efforts to discredit pro-independence forces through a campaign of misinformation. A week after the article appeared, two independence activists were ambushed and killed by Puerto Rican police. Some say it was planned as a means of silencing independence forces. De Dios testified last February in the continuing Cerro Maravilla case, and named one of his sources for the article, Colonel Desiderio Cartagena, a top official in the Puerto Rican Police Department.

Born in Camagüey, Cuba in 1943, De Dios’s passion for journalism arose during the oppressive Batista regime. De Dios lived in Spain and Puerto Rico before coming to the U.S. He started as a police reporter for El Diario in 1977, rising to the position of editor-in-chief in 1981. De Dios left the paper in 1988 after it was sold by Gannett Newspapers. He took a turn as a radio commentator on the AM station WJIT, now called Radio America.

Investigators say the possible suspects in De Dios’ murder include drug traffickers, the CIA, the DEA and terrorists. De Dios is survived by his wife, Victoria Sánchez, and his 2 1/2-year-old daughter, Melody.

—Ivan Cintron

Law Firms

Already reeling from the downturn in business brought on by the recession, big corporate law firms are feeling the squeeze from another quarter: Government regulation.

Part of the fallout from the S&L crisis is an unprecedented fine levied against a prominent white-shoe firm that has lawyers everywhere worried. On March 2, the Office of Thrift Supervision filed $275 million in administrative charges against Kaye, Scholer, Fierman, Hays & Handler. In addition, an order barred Peter M. Fishbein and three others who worked on the Lincoln Savings & Loan Association bailout from practice that involves federally insured banks and thrifts. Kaye, Scholer’s assets were frozen by OTS, and eventually a settlement of $41 million was reached in the case.

Other prominent firms have bitten the dust, to the surprise of many in the industry who were overconfident. Manhattan-based Webster & Sheffield dissolved its partnership in May 1991, and 24 senior partners hit the streets. Among the notable departees was former Mayor John V. Lindsay. In a legal feeding frenzy, several pieces of Webster & Sheffield’s operations were swallowed up by other, apparently more stable Manhattan firms such as Mudge, Rose, Guthrie, Alexander & Ferdon.

—Charissa N.C. Kwan
Puerto Rico

A December referendum on Puerto Rican sovereignty, called after a U.S. move for a special election on the island’s status failed, seems to have nudged Puerto Rico closer to statehood. The measure, which would have amended the island’s constitution to declare sovereignty, was defeated by 544,887 to 544,143.

The drive to secede was pushed by Governor Rafael Hernández Colón, whose governing party, the Popular Democratic Party, favors enhanced commonwealth status. In an unusual move, the PDP joined forces with the Puerto Rican Independence Party to promote the sovereignty vote. The pro-statehood New Progressive Party opposed the election, characterizing it as an attack on making the island the 51st state.

The U.S. bill that would have allowed Puerto Ricans to vote for a change in status—statehood, independence or enhanced commonwealth—died Feb. 27, 1991 in the Senate’s Committee on Energy and Natural Resources after a two-year battle in Congress. Although the voters rejected sovereignty, Congress opposed the referendum, saying the results were not legally binding.

In addition, the Puerto Rican legislature passed a law making Spanish the official language. Statehood supporters claimed the law would alienate the U.S. and would aid backers of commonwealth and independence. The other two groups countered that provisions in the law establish English as a second language, and protect business and other English transactions.

The United Nations also had its annual say on the issue. On August 16, the UN’s Decolonization Committee called for an early, binding referendum on the island’s status. According to polls conducted in October 1991 by the Spanish-language newspaper El Nuevo Dia, 41 percent of the Puerto Ricans surveyed favor statehood, 36 percent prefer commonwealth and 6 percent support independence.

—I.C.

Secession Obsession

Maybe Staten Islanders had the right idea last year—just the wrong borough.

Even as a 13-member charter commission continues to look into forming a separate City of Staten Island, three state legislators from Queens introduced secessionist legislation of their own in February.

Governor Mario M. Cuomo, who is from Queens, says he doesn’t expect the new bill to ever come to his desk. Mayor David N. Dinkins also opposes the movement, saying that he would resist the efforts of any borough that wanted to secede.

With a population of 2 million, two major airports, a number of commercial strips and industrial parks, a major league baseball team and 16 percent of the City’s property tax base, Queens has enough resources to make independence work. Even Staten Island Borough President Guy V. Molinari agrees. “Fiscally, it would appear to be a lot more viable than Staten Island,” he told New York Newsday. Dan Singletary, an activist for the Staten Island secession movement, says Queens will make the City sit up and take notice, if it hasn’t already.

Queens Borough President Claire Shulman has not endorsed the secessionist agenda, and it doesn’t seem likely that she ever will. Still, she told one city newspaper, “There are days when this sounds very attractive.”

New York City has only existed in its current united form since 1898. An 1894 plebiscite approved consolidation by a vote of 176,000 to 131,000.

—Rafael A. Olmeda

Corporate Crime

Placing a collar on corporate crime is still proving elusive. With prosecutor Rudolph Giuliani retired from the fray, crime still pays.

Negotiators for toppled junk bond king Michael R. Milken announced that an accord had been reached with regulators, investors and the creditors of Drexel Burnham Lambert, the brokerage he ruined. The $1.3 billion settlement agreement calls for Milken to contribute $900 million, his former colleagues $300 million and Drexel’s insurance companies $100 million, leaving Milken with a cool $500 million. Although Milken is still serving a 10-year jail sentence, he will emerge from prison in less than seven years still a millionaire.

But for Salomon Brothers, crime definitely did not pay. Since the brokerage house was nabbed in a treasury auction scandal last year, it has suffered considerable damage. While other major investment banks like Bear Stearns, Merrill Lynch, Morgan Stanley, Shearson, Lehman Brothers and Goldman Sachs reported a combined fourth quarter profit of $550 million, Salomon took a $29 million haircut. Although the securities unit did not report a loss for the quarter, its pretax profit of $27 million clearly reflected a stumping trade revenue.

As if that were not enough, the company is also suffering from a serious case of brain drain as many of its best traders and rainmakers have decided to join other investment banks.

—Edward Asano
WHO'S WHO ON STAFF

Percival Ariola (senior editor) is a junior majoring in finance and minoring in political science.

Edward Asante (associate editor) is currently working on the news desk at The Wall Street Journal. He won an award from the New York Association of Black Journalists and the New York Financial Writers' Association Scholarship.

Lisa A. Bressi (art director) is a graduating senior in graphic communication and an intern at Colors, the Benetton magazine. She has also worked as art director of The Ticker, Baruch's newspaper.

Patricia Calvo (senior editor) is a senior majoring in business journalism and an editor for Rebus, a Manhattan-based publisher.

Prudence B. Chase (associate editor) is a business journalism major minoring in women's studies.


LuzZoraida Figueroa (assistant art director) is a graduating senior with a major in graphic communication who interned as a designer of promotions with WPIX 11.

Heather R. Green (associate editor) is a graduating senior in corporate communications who interned with a rap music label and works at the Bank of New York.

Barbara Hernandez (associate editor) is a graduating senior majoring in English who writes for Emergency Medicine Magazine.

Michael E. Keely (associate editor) is a graduating senior majoring in journalism who has written for The West Side Spirit.

Charissa N.C. Kwan (managing editor) is a graduating senior majoring in journalism and working as an editor at Real Estate Advisory Group in Manhattan.

Cheryl A. Marshall (photo editor) is a junior majoring in business journalism and minoring in photography.

Sally Neale (art director) is a junior majoring in graphic communications who has interned at Reliable Design Studios, Inc., a Manhattan-based graphic design studio.

Rafael A. Olmeda (associate editor) is the editor-in-chief of The Ticker and will intern at New York Newsday this summer.

Ray Ortega (designer) is a junior majoring in advertising and a consultant to Baruch's business communications computer lab.

Patrice Pagano (associate editor) is a junior majoring in business journalism.

Vilma Peguero (designer) is a junior majoring in graphic design and minoring in psychology.

Zelphia Phillips (assistant photo editor) is a junior majoring in journalism and minoring in graphic communications. She is the photo editor of The Ticker and photographer for Lexicon, Baruch's yearbook.

Rhonda M. Reynolds (writer) is a senior majoring in business journalism who writes regularly for Black Enterprise Magazine.

Richard D. Roberts (associate editor) is a graduating senior majoring in marketing and minoring in journalism.

Brian Robinson (illustrator) is a senior majoring in advertising and minoring in graphic communications.

Jean Roth (associate editor) is a sophomore in the CUNY Baccalaureate Program majoring in journalism and a mentor for the TARGET Education Program, a Princeton-based tutorial program that aids public schools nationwide.

DiAnne Rubin (illustrator) is a graduating senior majoring in business communications with a specialization in graphics. She is an intern at Manhattan-based Reliable Design Studio.