must take action to make the fix permanent before the current budget resolution expires.

I hope my colleagues will support me in this endeavor and cosponsor this important legislation which will ensure access to loans for all of America's students.

CHIQUITA BRANDS INTERNATIONAL

HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 2001

Ms. WATERS. Mr. Speaker, Chiquita Brands International has played a historically controversial role in Latin America. Beginning from its inception as the United Fruit Company, Chiquita has assisted in the overthrow of democratically elected governments who refused to yield to its economic demands. Other allegations against the company include producing false documentation, intimidating potential competitors and bribing government officials in order to maintain its hold over Latin American banana production.

During the Clinton Administration, Chiquita also became embroiled in a well-publicized legal standoff with the European Union. The litigation resulted from the company's claim that the banana regime of the European Union, which attempted to protect small-scale producers in Africa and the Caribbean, would lead to business losses for Chiquita in the European banana market. In response to Chiquita's complaints, the White House challenged the European banana regime in the World Trade Organization (WTO).

Despite such strong-armed tactics, Chiquita has not been able to maintain market share nor profitability in the 1990s. Since Chiquita has never been a proponent of open competition and fair play at any time in its history, the company's claims that built-in competitive advantages for small producers hurt large producers seems especially dubious. Chiquita must begin to accept responsibility for its economic and strategic failings, rather than assigning blame to those who would assure a competitive market.

The attached article on Chiquita's irresponsible behavior was co-authored by Ernest Hartner and Randall Johnson, Research associates with the Washington-based Council on hemispheric Affairs (COHA), an organization that is committed to addressing issues associated with democracy and human rights throughout the Western Hemisphere. COHA's researchers have often spoken out about U.S. policies and practices toward Latin American countries. The article, which appeared in the June 18, 2001, edition of COHA's biweekly publication, The Washington Report on the Hemisphere, examines Chiquita's dubious history in Latin America.

I request unanimous consent to include this article in the CONGRESSIONAL RECORD.

CAPITOL WATCH: CHIQUITA BANANA'S HARD DAYS

The long battle between Chiquita Brands International and its many foes may be approaching an unanticipated ending. The company's recent financial restructuring indicates that a declaration of bankruptcy could occur in the near future. Chiquita has long attracted fiery criticism from human rights groups, labor unions and small-scale competitors over accusations of unethical and anti-competitive over accusations of unethical and anti-competitive business practices. Nevertheless, news of the company's financial difficulties came as a surprise to its detractors, who have often tended to see it more as a gun-toting mafia than a traditional corporation. Chiquita's possible demise should serve as a cautionary tale for companies seen as chronically operating outside the law, rather than acting as good corporate neighbors.

A SUSPECT HISTORY

Through its 120-year existence, Chiquita has been a leader in the world's banana industry. The company's long presence in Central and South America has emphasized political manipulation, dirty tricks and a history of labor exploitation. First created as the United Fruit Company in the 1880's, Chiquita historically has sought to take advantage of the systematic corruption and tainted operating conditions to be found, or to be created, in such countries as Costa Rica, Guatemala, Honduras and Colombia. While still known as United Fruit, Chiquita went so far as to arrange the overthrow of a democratically-elected government in Guatemala which has refused to yield to its self-serving economic demands. More recently, in the Otto Stalinski affair, Chiquita financed an alleged assassination attempt, produced false documents, and bought judges and hot-shot Washington lawyers in order to secure its dominance over the local banana industry. Preceding the 1990 Banana War, rival banana exporter, the Fyffes Group, alleged that Chiquita illegally undercut agreements that it had made with independent banana suppliers. Fyffes' Stalinski accused the company of filing a fraudulent warrant and corrupting local judges and other officials to carry out its will, resulting in the confiscation of his company's banana shipments. Chiquita claims that the warrant was filed only as a cautionary measure, in light of Fyffes' defaulting on mortgage payments owned to it. The warrant was later invalidated, but not before Fyffes had suffered serious financial losses. Beyond lost banana shipments, Stalinski also accuses Chiquita of financing an attempt to kidnap him, with the intent of doing bodily harm, using a false arrest warrant and paramilitary forces.

ROOTS OF FINANCIAL TROUBLES

Despite attempts to manipulate the global banana market in recent years, Chiquita has found it increasingly difficult to maintain market share and profitability in the late 1990's. While other banana producers such as Dole and Del Monte successfully adapted to changes in EU trade policy, Chiquita became embroiled in litigation and various schemes to buy influence in high places. On Chiquita's behalf, the White House Trade Office filed suit with the WTO against the EU's Lomé agreement, an accord developed to guarantee its former colonies preferential access to European markets and lucrative aid packages. The morning after the complaint was filed, Chiquita's CEO Carl Lindner expressed his thanks to the Clinton administration was a $500,000 donation to several Democratic state committees' coffers. This donation represents only one in an unprecedented series of gifts made to U.S. political candidates, without regard to party affiliation. In fiscal year 1994, perhaps in an effort to hedge his bets, Lindner was the second largest soft money contributor to political campaigns, with $525,000 given to Democrats and $430,000 given to Republicans.

Secretary of Commerce Mickey Kantor continued to defend Chiquita's interests before the WTO in the face of allegations that contributions made by Lindner had influenced his actions, and that Lindner had, in effect, purchased a foreign policy. Chiquita and U.S. officials worked actively to eliminate Lomé preferences, with the WTO ruling in Wasington's favor, but in the end succeeded only in securing a partial compromise. The quotes first introduced by Lomé gave way to a first-come-first-serve policy that was later replaced by a partial distribution of EU banana licenses. During this period, Chiquita experienced a severe financial crisis that has led to its impending financial restructuring.

Chiquita's economic difficulties date back to 1992, several years before the signing of the Lomé agreement. The eagerness of Chiquita's Lindner to assign responsibility for its losses to the EU quota system should come as no surprise, given his traditional reluctance to operate within the confines of a competitive market. Traditionally, Chiquita has ruthlessly sought 'sweet-heart' deals with host countries leaders, which allowed to it to gain domination of the local banana industry, ofter after arranging for the purchased cooperation of local officials.

'STRONG ARMED' BUSINESS TACTICS

Despite some questionable cost-cutting measures aimed at maximizing profit margins, such as the use of fertilizers profit margins, such as the use of fertilizers banned in the U.S., anti-union tactics and the alleged corruption of judges and government officials, Chiquita still has been unable to sustain the economic growth experienced in the 1980s. The record profits of that decade were exhausted through Chiquita's single-minded devotion to protecting its banana turf, excessive legal expenses, and a series of poor management decisions. Instead of diversifying its product line, as Dole did by expanding into such new product lines as freshcut flowers, Chiquita chose to increase its involvement in the European banana market by making a determined assault against the relatively minor concessions made to the English-speaking Carribbean islands. It spent millions of dollars on refrigerated ships and advertising campaigns which sought to strengthen its hold in Europe, but saw little returns as a result of few changes in banana importation policy. This resulted in the heavy debt burden that leads many to predict Chiquita's downfall.

Chiquita has never been a staunch proponent of open competition and fair play, as evidenced by the accusations of bribery, fraud and kidnapping. The company filed suit against the EU alleging the 'preferential' treatment of small-scale banana producers. Chiquita adamantly views the guarantees established by Lomé, as an attack on the WTO's free trade provisions. In an attempt to account for its financial decline, Chiquita has focused attention upon problems caused by Lomé, rather than accept responsibility for its failed economic strategy.

SUPPORT FOR HARBOR INVESTMENT PROGRAM ACT

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 2001

Mr. BORSKI. Mr. Speaker, today I am introducing, along with Ms. Dunn and 24 Members of Congress, the "SHIP" Act, or Support for Harbor Investment Program Act, to repeal the harbor maintenance tax and provide an alternative source of funding to maintain our Nation's harbors and waterways.

I am fortunate to serve as a representative of a major East Coast port city, and I am well aware of the importance of continued reliable financing of our Nation's harbors and waterways. Every year, hundreds of billions of dollars of goods enter and are moved through this country by means of our water system offering a cost-effective and environmentally friendly alternative to other means of transportation.

As our economy increasingly moves toward globalization, we will face a corresponding need for safe, efficient, and modern port facilities and waterways to sustain such growth. Expanded use of larger shipping vessels and increased ship traffic at many of our Nation's ports will require a significant investment in increased channel depth and capacity.

The export provision of the Harbor Maintenance Tax (HMT), the system that currently provides financial resources for this maintenance, was deemed unconstitutional in a 1998 Supreme Court decision and the European Union has since challenged the import provision as an unfair trade practice and is considering bringing a complaint to the World Trade Organization regarding the tax.

This is why we are introducing the SHIP Act today—to provide an alternative funding source to maintain our Nation's harbors and waterways. This legislation repeals the HMT and restores the 200-year Federal obligation to adequately fund operation and maintenance of the Nation's harbors with funding from the general revenues of the Treasury.

It is only appropriate to fund the construction and maintenance of our Nation's harbors and waterways through the general revenues in light of the nationwide benefit that comes from a safe and efficient port system. To that same end, GAO reported that $22 billion in these general revenues are a direct result of our ports and navigation system. It is evident that we must return this responsibility back to the federal government.

The existing Harbor Maintenance Tax puts our maritime industry at a competitively disadvantage. The tax increases the price of goods sold in the U.S. and diverts cargo Canada, which does not have a similar tax. At a time we should be working to attract new commerce to our U.S. ports, and take advantage of our waterways to relieve congestion, we are hindering their ability to remain competitive, attract business and aid in relieving congestion. The time to repeal this unfair and detrimental tax is now!

Mr. Speaker, it is important to provide our ports with safe, efficient, and modern port facilities and waterways. We must work to return this responsibility to the federal government as it was for over 200 years. The SHIP Act collaborates the support of groups as diverse as the American Association of Port Authorities, the American Waterways Operators, the National Grain and Feed Association, and others.

I want to thank the bill's current cosponsors and supporters and urge all Member to support this important piece of legislation.

CURRENT CRISIS IN HOME HEALTH CARE SERVICES

HON. WILLIAM D. DELAHUNT

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 2001

Mr. DELAHUNT. Mr. Speaker, I rise today to call to your attention an issue of great concern to me and the constituents throughout my southeastern Massachusetts congressional district—the current crisis in home health care services.

As you are well aware, in 1997 Congress approved the ''Balanced Budget'' Act (BBA). This legislation sought to slash Medicare benefits by $115 billion—the largest reduction in Medicare payment rates in the program's 35 year history.

I opposed this ''reform'' bill because I thought it recklessly threatened the quality and dependability of health care for Medicare recipients. Regrettably, it has fulfilled these fears—resulting in $240 billion of cuts, $124 billion more than originally intended.

The BBA has resulted in a 53% drop in federal reimbursements for home health services in Massachusetts—well over $350 million in lost Medicare revenue. 31 Massachusetts home care agencies have closed—and other on the South Shore and the Cape & Islands have limited services to homebound patients.

It is clear that the ''unintended'' consequences of BBA has had and continues to have a devastating impact on our health care system. And now Congress is backpedaling, trying to address the immediate consequences of the BBA, while searching for comprehensive approaches to the long-term solvency of the overall Medicare program.

In this light, I would like to share with my colleagues an editorial from the Cape Codder newspaper that followed a month-long series of articles outlining critical steps in addressing the challenges in home health care. And I hope this will serve as a useful source of guidance as we continue these deliberations.

[From the Cape Codder, July 6, 2001]

ASSURING HOME HEALTH CARE

For a month, Jennifer Brockway has been reporting on one of the more frightening prospects facing an increasingly older Cape Cod population: the specter of rising health needs and the drastic decrease in home health care aides.

This gap between supply and demand will threaten thousands of us who want to grow old in as independent a fashion as possible. We want to avoid hospitals, nursing homes and assisted living facilities. That's why so many retirees are moving here in the first place.

Those struggling to right a sinking ship offer a wide array of solutions. But, as Brockway reported, remedies will require action by both state and federal governments, as well as the health care industry itself.

Our month-long series identified the following steps as crucial:

The long-term community—home health care and nursing and rehabilitation homes—must form a united front.

Medicare and Medicaid reimbursement rates must be increased to reverse damage caused by the 1997 Balanced Budget Act and compensate for rising health care delivery costs.

Home health aides must be paid a wage allowing economic self-sufficiency. They currently earn about $10 an hour, $7 less than what's needed to afford a median-priced home on the Cape.

Family health insurance must be made affordable for all direct-care workers.

Training programs for direct-care workers must be increased and expanded to the home care industry.

An active recruitment program must be instituted to capture the high school students, immigrants, and older adults re-entering the workforce.

Opportunities for career advancement in direct care must be encouraged.

Home health agencies must allow greater involvement of home health aides in agency operations and patient care decisions. Aides should be made to feel like respected stakeholders through acknowledgment of their skills and contributions.

As with most complex issues, there is no magic bullet. Solutions require crossing many jurisdictional and geographic boundaries. It means forming unique alliances.

And unless other problems facing Cape Codders—inadequate housing, childcare and transportation—are addressed simultaneously, the current challenges facing home health care indeed will become a crisis.

IN HONOR OF 17 LEXINGTON AVENUE, THE SITE OF THE FIRST FREE INSTITUTION OF HIGHER EDUCATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 2, 2001

Mrs. MALONEY of New York. Mr. Speaker, I rise today to recognize 17 Lexington Avenue, the site of the Free Academy, the first free publicly funded institution of higher education in the United States. Baruch College now carries on the proud tradition of public education at this location.

The Free Academy was approved by New York's legislature in 1847. Townsend Harris, a strong advocate of publicly funded educational opportunities, advocated a school that would ''Open the door to all—let the children of the rich and poor take their seats together and know no distinction save that of industry, good conduct and intellect.''

The original building was designed by James Renwick, Jr. who went on to design St. Patrick's Cathedral. Gaslights, warm-air heating and drinking fountains made the building modern and luxurious, yet he managed to keep the final cost $2000 under budget. In January 1849, the Free Academy held its formal opening, admitting its first class of 149 students.

The exquisite building that originally housed the Free Academy became too small for the growing business campus. In 196, using the proceeds of a $1.5 million bond offering by the City, the college built a 16-story structure that housed a new library, science labs and accounting classrooms. Since its opening, 17 Lex has welcomed generations of talented students, students with limited means, but unlimited dreams. Scores of prominent and successful business leaders have been educated in the building, which came to represent the place where they began to achieve the American dream.

In 1866, the Free Academy became known as the College of the City of New York, popularly called CCNY or City College. When