

has eliminated drug agent after drug agent. The number of people prosecuted for Federal drug charges has dropped and programs have been cut. I ask you, how many times have you heard the President of the United States tell your children to "Just say 'no'?"

President Clinton's abandonment of strict, effective drug policy has led our young people down a disturbing road of skyrocketing drug use. Jokes on MTV are not acceptable and reckless disregard from the bully pulpit is inexcusable.

THE ADMONISHMENT COMMITTEE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I am amazed. I think it is time we start calling the Committee on Standards of Official Conduct the admonishment committee. Yesterday they issued admonishment No. 6 for our Speaker, and they went on to say in there, which I find really quite amazing, the committee concludes that the Speaker's conduct of allowing the routine presence in his office of Mr. Jones demonstrates a continuing pattern of lax administration and poor judgment that has concerned this committee in the past with the other five admonishments.

They go on to say: Accordingly, the committee directs you to take immediate steps not only to prevent the recurrence of similar incidents and ensure compliance with standards but to guard against the appearance of impropriety.

Now, I think everyone in America ought to ask for the same standards. When you get stopped for a speeding ticket, until you get six admonishments I guess they are never really going to do anything. I would say the way Members of Congress get treated is how an average citizen should be treated. I find it absolutely amazing that the rules can be thrown over with such great abandonment.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FILNER] is recognized for 5 minutes.

[Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

COCAINE IN SOUTH-CENTRAL LOS ANGELES

The SPEAKER pro tempore. Under the Speaker's announced policy of May

12, 1995, the gentlewoman from California [Ms. WATERS] is recognized for 60 minutes as the designee of the minority leader.

Ms. WATERS. Mr. Speaker, I come today to continue my discussion on the matter of the San Jose Mercury News article that revealed the dumping of cocaine into south-central Los Angeles by CIA operatives, cocaine that was spread among the Cripps and Bloods gang members and eventually in cities throughout this Nation.

I am spending a lot of time on this issue because I believe it is important for the citizens of this country to know and understand how this country finds itself with crack addiction, crime, crack-born babies, hospitals overloaded with overdoses of crack cocaine, turf wars, all of this devastation. Where did it come from? Who caused it? This article, or these series of articles that were done by the San Jose Mercury News must be focused on. Mr. Gary Webb, the author of the series, is a Pulitzer Prize winning journalist.

This is not a fly-by-night journalist. This is not someone who just thought this up and decided they would write something. He spent over a year investigating the leads that came to him. And what did he uncover? It is absolutely startling. Mr. Gary Webb discovered that in the late 1970's, 1979, early 1980's, two CIA operatives, Mr. Danilo Blandon and one other gentlemen found their way into south-central Los Angeles. They connected up with a gentleman, a young man named Ricky "Freeway" Ross. They began to supply him with tons of cocaine. That cocaine was cooked into crack. Those are the rocks that plague our communities today.

Prior to the introduction of cocaine by Mr. Blandon and Mr. Meneses, cocaine was not a factor in minority neighborhoods, in the inner cities. Cocaine was the drug of the elite, of the more well-to-do, of kind of the rich and the famous. It was expensive. It could not be afforded by poor people, and it was really not a factor in poor communities. It was only when the CIA operatives, working with Ricky Ross, discovered that you could cook it and you could put it into crack form, that it could be sold cheaply because you could spread it around. You could get more out of it.

And so they began to cook up the crack. They put it out into the communities on consignment. What does that mean? Prior to this time, you had to have money to get into the drug business. If you wanted to be a drug dealer, you had to go and buy cocaine. You bought it by the kilos oftentimes. But when these CIA operatives started to work with Ricky Ross, they eliminated the need to have money to invest to become a drug dealer. They put it out on consignment.

□ 0915

When you understand this consignment spread of cocaine and crack, then

you understand why they also brought the guns in with them.

We wondered in south central Los Angeles, where are these guns coming from? They were not simply handguns, they are Uzis and AK-47's, sophisticated weapons brought in by the same CIA operatives because they had to enforce bringing the profits back in.

About this time when you saw more and more guns coming into the community, you also saw more and more killings, more and more violence. Now we know what was going on. The drugs out in our communities on consignment were being put out to the gangs and others; if they did not bring the profits back, the guns were brought in so that they could enforce the control.

You got killed. People were sent out to kill others. The killings just mounted in south central Los Angeles, and people said what are they fighting about? What are these drive-by shootings about? What is this gang warfare about? And people said oh, it is about the colors; some like red, some like blue, well, you know it was about drugs. It was about crack cocaine introduced into our communities by people who brought it in with a purpose.

Why did they do this? According to Mr. Blandon, he is on record under oath testifying at a trial that, yes, he was a CIA operative but he was also engaged in funding the war in Nicaragua. He was one of those that helped form the army of the Contras, the FDN. He came from Nicaragua. He was the son of a very rich Nicaraguan. They were involved with Somoza and part of the Somoza government. When they were overthrown by the Sandinistas, they went out and formed their own army working with our Government.

They formed their own army and then they had to supply them. They had to get the guns to them; they had to feed the soldiers; they had to clothe the soldiers. They had to put together an Army. And, yes, they had a lot of support from the right wing, from conservatives right here in the Congress of the United States who set out to get the citizens of this Nation to use their hard-earned dollars to help fund that war.

That effort was resisted by many in this House, but they persisted. But long before they got any dollars, there was money flowing to the FDN and to the so-called resistance armies.

Where did that money come from? We know now that that money was coming from the sale of drugs to the citizens of America, the profits of which went back down to fund the FDN, working with Nicaraguans connected with Somoza, Nicaraguans that were embraced by the right wing of America.

America's children, American citizens exposed, crack cocaine fed into the neighborhoods in order to get money to fund the FDN and the other armies resisting, fighting against the Sandinistas.

It is an outrageous plot. It is an unconscionable plot. How would anybody

ever dream up this kind of madness? Mr. Maneses, directly connected to the Cali drug cartel, got into this country and was given citizenship, even though people in our Government knew he was a murderer.

Since when do we let murderers and criminals into this Nation? I guess we let them in when they are going to do the bidding of those who have decided they can get support by allowing criminals and crooks to come in to sell drugs to fund the Army that they want to fund.

Everybody needs to read the San Jose Mercury news series under the banner of "The Dark Alliance." This is not simply a story about allegations; these are facts, names, places, dates.

I decided once I had read it that I was going to find out more. I have developed a communication with Gary Webb who wrote the story. I am in touch with him almost daily, asking questions.

Following the Democratic Convention, after I read the information, I flew back to Los Angeles and I went to San Diego and I visited Ricky "Freeway" Ross, one of the young men who is a principal in this story, an African-American young male who sold drugs, who got his drugs from Blandon and Maneses, a young man who had a 10-year relationship with Blandon, a young man who had been to Blandon's homes both in Rialto, CA, and in Florida, a young man who knew Blandon's wife, who had done business with both of them. The young man who had a long-term relationship because he was the recipient of the many kilos and the tons of cocaine that had been brought into south central Los Angeles.

I went to San Diego. I went to the San Diego metropolitan detention facility, a Federal facility where Mr. Rick "Freeway" Ross is now incarcerated. I spent time with him and I asked him about the article. I asked him about details in the article. He confirmed that and more.

He described to me the first time he had ever seen an Uzi and how it was given to him and his friends. And then he described how they continued to bring in the arms, and they had an extensive arsenal. It went so far until Mr. Blandon and his friends even tried to give them a grenade launcher. Ricky Ross said, "My God, what do we need with a grenade launcher?"

They had everything they needed. They had scramblers so that when they talked on the telephone they could not be eavesdropped on. They had money counters. They counted money 24 hours a day. At one point in this 10-year period, they made \$54 million in 1 year. They were making \$2 million a day oftentimes, \$1 to \$2 million a day just with Blandon and this gentleman who was selling drugs.

And the story goes on and on and on naming individuals, identifying situations.

Ricky Ross is in prison not because he was apprehended during the time he

was selling all of these drugs. He is in prison now because he was set up by the man who was selling him the drugs.

Ricky Ross was contacted by Mr. Blandon years later, just a couple of years ago, asking him to get back into the trade. Ricky Ross said to me that he told him, "I do not want to get back in the trade." He was called any number of times by Mr. Blandon, who told him how easy it would be. Ricky Ross told me, he said to him, "I am trying to go straight. I am trying to build a studio. I am trying to have a cultural program. I am trying to find dollars to bring the young people in and work with them and get some programs and activities going for the many young man who are very vulnerable, young men who could be approached by drug dealers who would take a chance."

Mr. Blandon continued until Ricky Ross and two of his friends decided they were going to take another chance, and they went down to San Diego to pick up a truck loaded with 100 kilos of drugs supplied to them again by Mr. Blandon. When they got to the appointed spot, Mr. Blandon handed him the keys, they opened the truck, stepped in, and the DEA agents and others swooped down upon them, arresting him. He has been convicted and he is awaiting his sentence.

Ricky Ross should have known better. You do not get to go off without punishment when you perform these kinds of criminal acts. He should not have been involved in the trafficking of drugs. And he is going to have to do time, and so be it.

But what about Blandon? He has been selling, he is in the records if you check them. They have known about him since 1974. He is now on the payroll of the DEA. He is an informant now for the DEA.

Oh, they paid him \$166,000 in the past year. Mr. Blandon, the drug dealer who introduced cocaine in large amounts into the black community into south central Los Angeles, that spread across this Nation, now in many cities whether we are talking about Harlem or the Bronx, St. Louis, Philadelphia, in southern cities, Mr. Blandon connected to Mr. Maneses and the Cali Cartel who flew drugs from Colombia, airplanes that land in Texas, in Arkansas, right in our own country, is free. He is under the protection of the DEA. He is one of their people. He is hired by them. He is an informant.

And so I guess Mr. Blandon goes free because he can go and encourage, solicit, and get another young black male involved in selling drugs, point the DEA to them, get a bust as if he has done something, while he remains free to do what he wants to do.

It is outrageous. We have got to do something about it. The Congressional Black Caucus has decided to appoint me chair of a special task force, and we are going to move to get investigations. We have got some updating that we are going to do, and we are going to come to this floor on a regular basis and we are going to give those updates.

At this time, before continuing, however, I would like to yield to the gentleman from New York, another one that is engaged in this battle, Congressman MAJOR OWENS.

Mr. OWENS. Mr. Speaker, I want to thank the gentlewoman from California for taking up this special order.

It is very not that we understand that this is a window of opportunity; the San Diego Mercury has given us that opportunity by bringing together some very important facts by exploring some court records and doing some interviews, and they have the embryo here of a truth that is very important for our community.

I was asked a question by several reporters yesterday, Why is this matter so important now? What difference does it make? The crack cocaine epidemic is out there. What difference is it going to make if these people are punished or not?

This is not about punishing a handful of people; this is about seizing this window of opportunity to fully expose one of the ways in which the African-American community has been victimized, one of the ways in which the inner-city community has been victimized. We have been victimized in so many different ways, starting with 232 years of slavery for which nobody was compensated, that free labor, 232 years where we could not acquire property, 232 years where family structures were not permitted. You could not pass down traditions. That is just one of the ways we were victimized.

Now the colored victimization takes place in various forms. We have the victimization through neglect. They do not have any policies or programs which allow our cities to get their fair share of the tax dollar. We do not have any programs which can help cities, although cities are where most of the people in America live. We have an anticity attitude in part of the Congress, especially the other body, and then we are victimized by blunders by Government programs and Government agencies. They make mistakes that mess up programs, and then the people who are the beneficiaries of those programs, they are the ones who suffer as a result of badly run programs.

□ 0930

Here is victimization again, probably by conspiracy, conspiracy. There was an agenda that they had, an agenda which they felt was more important than the welfare of the people in the inner cities, more important than the welfare of people in the African American communities. So masses of people in the inner cities and African American communities have been put at jeopardy because they felt it was necessary to make an emergency deal in order to get funds to finance a war in Nicaragua, the Contras against the Sandinista government.

Let us just take a look at the sequence when the Contras first launched their war against the Nicaraguan Government which was in control of the

Sandinistas. At that time there was no American aid. There was no aid from this country officially, no American aid passed by the Congress.

When they first launched the war, we certainly supplied money through the various back door mechanisms that are available, through the CIA, their pockets deep but not deep enough to keep financing a war in Nicaragua interminably without some kind of new device. We certainly probably supplied money to the Contras through El Salvador, where we were funding the El Salvador Government, and the records show that the connection between the El Salvador drug trade and the key people in El Salvador with the Nicaraguan drug trade and the people involved in this story is a very close knit record. There is a connection there that comes up again and again.

So we were doing that through these back door methods, but that was not enough. They needed more money. This is then the first period of the Contra war against the Sandinistas. They needed more money. So here was an opportunity to sell drugs in the cities of America and take those profits and fund the Contras. And the CIA and American Government agents were needed to allow the Contras to get this avenue of funding from the cities of America.

We were all surprised at the swiftness with which crack cocaine came into the inner-city communities. Yes, there had been a drug problem for years, we have a problem with marijuana, a problem with heroin. It took decades for the problems of marijuana and heroin to really take a foothold in the communities. They were actually on their way out. You had a decline in the use of drugs in inner city communities at the point where crack cocaine entered.

Crack cocaine entered, and for \$5 you could get that high, and it began this spread as an epidemic which continues until this day. Probably the Nicaraguan forces are not financing it or behind it today, but what happened was they had an opportunity to fund an infrastructure. They built their own infrastructure as a result of the opportunities given them by the CIA and Nicaraguan drug connection in the early days of the distribution of the crack cocaine.

So you had that era and then you had a period where we officially, Congress, authorized money for the Contras. \$100 million we started out with under Reagan, authorizing money for the Contras, \$100 million. So we officially, openly began to fund the Contras for a period.

And then we cut that off. I was in the Congress at that time. We cut off the funding for the Contras. The \$100 million plus was cut off. It was no more. And then what happened? We had the Iran Contra deal from the basement of the White House, we know as a fact.

It is important to know that these facts because these facts have been clearly established by the special pros-

ecutor, they have been clearly established by the joint investigation and the joint hearings of the Senate and the House. They are clearly established. Nobody refutes the fact that Oliver North was the mastermind of a scheme, hatched in the basement of the White House and then carried out, which was to supply money to fund the Contras.

How did they do it then? They went to sell weapons to Iran. While public policies were protesting that Iran was an evil empire, Iran was a terrorist nation and we would do no business with Iran, the deal was being hatched in the basement of the White House to sell weapons to Iran.

And they did it. They sold weapons to Iran, and they used the profits from the weapons sold to Iran to fund the Contras. That is in phase 3. That is so well established in fact.

Nobody was punished for it. Oliver North came into the hearings and acted as if he was America's chief Boy Scout. He stood up to them and flabbergasted a set of people that should not have been flabbergasted by his tactics, but he stood up to them and said he did it and he did it for America, but it was done. Nobody denied the fact that we went so far as to develop a deal with the evil Iranian Government in order to generate profits for the Contras, to fund the war in Nicaragua.

If we did it on the tail end, there is no reason to believe we did not have the same kind of fanaticism and the same kind of extremist reasoning did not take place at the beginning. Only they did not have an Iran Contra deal. They had a crack cocaine deal that started in Los Angeles with one set. I am sure at the same time they had another set of people who started in New York, on the east coast. It was not necessarily spread from Los Angeles. They probably spread from both ends of the Nation.

But this was to earn money when there was no other means to earn money, given the fact that at the tail end they were willing to go so far, and almost got an indictment of the President of the United States, who kept saying he did not remember, and I will not go into all that. Of course Oliver North came in and was pretty much exonerated in terms of, "He did it, but so what?" He ran for Senator and almost won a Senate seat in a neighboring State here. Things were that bad.

But he did it, and we know that profits to fund the Contras was the objective. So why can we not believe, why can we not accept the fact that profits to fund the Contras was also an objective at the beginning of the Contra war, and that objective was met on the backs of the people of the African-American community, the inner city communities.

Crack cocaine, a drug epidemic unlike any that has ever probably existed in the history of the world. For \$5 you can get a high. For \$5 you can begin the process of addicting people so that

they have got to have it, and then on and on it goes to the point where they become murderers, prostitutes, they war against each other, they kill each other, shoot down innocent people. Murder on a mass scale in our big cities, and policymakers look at the cities and say there is something genetically wrong with the African-American people. You have the bell curve theory being promulgated, that they have low IQ's. There is nothing you can do about it.

All these theories are there because the truth is not known. So what Congresswoman WATERS is doing is important, to just get the truth out there, the fact that the inner-city collapse of the social order, collapse of families is partially due to the blunders of the Government, partially due to the neglect of the Government and partially due to the conspiracy, a conspiracy in which the Government has participated. Dealing drugs is probably the lowest form of conspiracy that we have seen yet that our Government has participated in.

I would like to come back later and talk about reparations and why it is important to talk about this, so we can talk about getting to the bottom of this with an investigation that the CIA director, Mr. DEUTSCH, has said he has already launched. But there will be other investigations, getting to the bottom of it, so that we can establish that a great deal of harm has been done here, a great wrong has been done and some reparations are necessary for this reason; many other reasons why reparations are necessary, but certainly for this reason.

Ms. WATERS. Mr. Speaker, I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. I thank the gentlewoman from California. I could not help as I was working in my office, to hear the gentlewoman from California and then my colleague, the gentleman from New York, speak about a topic that is moving fast across the Nation. For those individuals who are not un-American but simply are asking the question, who does the flag fly for? Who does the flag fly for? I want to commend the gentlewoman from California for her leadership and her persistence and perseverance on trying to answer the question for many young Americans across the Nation, African-Americans, Hispanics, Anglos, Asians, anyone who wants to believe that this country does work for us.

This is a frightening exposé that has come out in the recent weeks, and we recognize that this Nation has many responsibilities. In fact, in the Constitution it indicates that it has a responsibility of commerce. In the Constitution it indicates that there is a constitutional responsibility to defend the safety and sanctity of this Nation.

So certainly anyone who would argue, as MAJOR OWENS has said, and come before congressional hearings and

talk about the need for clandestine operations to protect the sanctity of this Nation, would cause individuals in Congress and others to try to be sensitive to that, to try to understand what the needs were to protect this Nation, why we needed to be in Nicaragua and why we needed to be doing clandestine operations. But behind those words by the likes of an Oliver North, behind the White House of the 1980's, controlled by the Republicans, we now find a devastating and decided and directed effort to poison the lives of young African-Americans, inner-city youths in this Nation.

I know that we can be accused of crying wolf, making hysterical calls for investigations, suggesting that this country is in the hands of those on the other side of the law.

I would hope that good thinking people would just take a moment, and I think, as the Congresswoman has indicated, and my colleague from New York, Gary Webb is not a fly-by-night writing for purposes of grandeur. This is a well researched report. That report clearly names the names and focuses us on the issues.

"Danilo Blandon is the Johnny Applesseed of crack cocaine in California," so noted in the report written in the San Jose Mercury News, "The Crips' and Bloods' first direct-connect to the cocaine cartels of Colombia." This Danilo Blandon, the first connect to inner-city gangs of crack cocaine or cocaine out of Colombia.

Remember when we begin to talk about a drug structure? There is really no drug structure that can really compare to the cartels in Colombia, cartels signifying major corporate structure, an infrastructure that permeates the entire Nation. This was their contact. Not someone down the street, not someone across the country in New York, but Danilo Blandon out of Colombia.

"The tons of cut-rate cocaine he brought into black L.A. in the 1980's and early 1990's became millions of rocks of crack, which spawned new crack markets wherever they landed.

"On a tape made by the Drug Enforcement Administration in July 1990, Blandon casually mentioned the flood of cocaine that corresponded through the streets of South-Central Los Angeles during the previous decade," in the 1980's.

"These people have been working with me 10 years," Blandon said. 'I've sold them about 2,000 or 4,000 kilos. I do not know. I do not remember how many.'" Some 2,000 to 4,000 kilos of drugs coming in from Colombia into one community then permeate, go throughout the Nation.

"But unlike the thousands of young blacks now serving long Federal prison sentences for selling mere handfuls of the drug, Blandon is a free man. He has a spacious new home in Nicaragua and a business exporting precious woods, courtesy of the United States Government."

What would we say about that? What would you say if crimes were done in Iowa, blatant crimes, and someone is set up in a fabulous house in Florida? Here we have got the story, right here, clearly exposing this situation.

Interestingly enough, this gentleman, Mr. Blandon, was paid more than \$166,000 over the past 18 months, records show, for his help in the war on drugs. The help in the war on drugs, I would imagine that may be, though this is not a time and place for frivolity or humor, his help is to direct it into communities

"Nothing epitomizes the drug war's uneven impact on black Americans more clearly than the intertwined lives," here we come with the other player, "of Ricky Donnelly Ross, a high school dropout who became L.A.'s premier crack wholesaler, and his suave cocaine supplier," remember now, direct from Colombia, "Danilo Blandon, who has a master's degree in marketing," as written by Gary Webb, "and was one of the top civilian leaders in California of an anti-Communist guerrilla Army formed by the U.S. Central Intelligence Agency called the FDN. It became known to most Americans as the Contras."

There goes the very connection that drives our message day after day. That is why as we go home to our districts, as I will leave today, and face constituents on talk shows and in town hall meetings, the cry becomes, "Why us?"

□ 0945

The cry becomes, why us? The cry becomes, who does the flag fly for? And so I am here to support the gentlewoman from California, Ms. WATERS, and Senator BOXER and join my colleagues who believe there is a better America and would want a thorough investigation.

In a meeting with the CIA Director yesterday we have both requested and received commitment for a very strong, positive, and a noncoverup investigation. The words I used was to leave no stone unturned, for that would be the only basis upon which we have a better America.

Now, let me simply say as I close, this is not an indictment across the board, from my perspective, of all agencies who are responsible for upholding the law. It does say that behavior caused actions which we would not be proud of, and so I think it is important that the CIA's Inspector General announced on August 6 that it will conduct an internal inquiry into an air base at Mena, AR, that was reportedly used in the mid-1980's to fly guns to the Contras and drugs into Louisiana. There is another location, Houston, in Texas, close to the border and also a city that may be subject to this kind of intrusion. The base, according to former national security officer, staffer, Roger Morris, was run by the CIA and DEA informant named Barry Seale, who was murdered by Colombian gun men in Baton Rouge in 1996.

And as I said, to close, Congresswoman WATERS, it is interesting to read this article and to note when we begin to think of the so-called changes in welfare and the vigorous debate that many of us raised to disagree with this welfare reform because it did not address educating and providing bridges for changes, here we are noted by this article out of the San Jose Mercury News that it was not uncommon to move 2 to 3 million dollars' worth of crack in 1 day. It was not unusual to move this amount of money, and our good friend, Mr. Ross, who is here, indicated that the biggest problem they had was counting the money.

Now we say that the new policy of many of my Republican friends, "just say no or do not do it," we have been saying that. We join you in that. That is not a drug policy. That has nothing to do with this blatant activity that causes the need for our work to ensure that this never happens again and that, as well, the truth be told for our young people.

Mr. OWENS. This "just say no" slogan; was it not originated about the same time that the other hand of the Government, the CIA, was encouraging the sale of drugs?

Ms. JACKSON-LEE of Texas. Absolutely. In the 1980's the big cry was—

Mr. OWENS. The 1980's, same time.

Ms. JACKSON-LEE of Texas. Same time, "just say no," while at the same time we had a Government orchestrating, bringing in tons and tons of drugs and at the cost of some \$2 million a day, resulting in the amounts of about 2 million to \$3 million a day.

And let me say to you, Congresswoman WATERS, I really take my hat off to you because when I see these numbers, and as you have said, we do not know where it will lead, we are talking about 2 to 3 million dollars' worth of crack in 1 day in one community, and I think that is the magnitude of what you have been saying, what we join you in saying, what I have been saying and what we need to have all of America understand.

Ms. WATERS. I thank the gentlewoman for joining us in the sharing of information in this particular hour, and I appreciate the cooperation from all of the members of the Congressional Black Caucus and particularly from those of you who would take time from your schedules to make sure we share this information with the people of the United States.

Let me just continue here sharing the information of the series because it is so important to understand why we must ask for an investigation.

We have not just asked for an investigation because we do not know what we are able to get from whom. We have asked the Justice Department for an investigation, we have asked the CIA for an investigation, we asked the Speaker of this House to get an investigation going with the Permanent Select Committee on Intelligence. We have asked other committee chairs

who we believe have some oversight to join in the investigation.

We also have a resolution, or resolutions, asking for a select committee, which we may have to have at some point if we find that we run into roadblocks.

It is important for us to go in all of these directions so that we can reap information and get to the bottom of what is going on. Let me tell you—

Mr. OWENS. Will the gentlewoman yield for 1 minute?

Ms. WATERS. Yes, I yield.

Mr. OWENS. Is it true that the Justice Department has already concluded that they do not need to investigate?

Ms. WATERS. The first response we received from the Justice Department was their preliminary inquiry did not reveal any of the facts of this article. However, they were going to start an investigation with the Inspector General, and of course when we met with the CIA Director last evening, he confirmed that that investigation had started. We talked to him about our concerns about that investigation. We said that nobody believes that the CIA, first of all, will investigate itself, and he assured us that the Inspector General was independent.

We also said to him that attempts in the past had only gotten the kind of response that said we cannot respond because of national security, and we did not want an investigation that would come back telling us that we cannot get information because of national security interests.

Third, we said to him we do not want an investigation where you come back with the report under national security interests you can only share with us and not with the public. It is important for it to be shared with the public. We discovered that the CIA Director has the authority to make that public. He also has the authority not to make it public, and this is one thing we are going to have to insist on.

Mr. OWENS. So the Justice Department will not conduct its own independent investigation; it is going to cooperate with the CIA Inspector General?

Ms. WATERS. That is right, that is exactly what is going on. When we first heard a response from Janet Reno of the Justice Department, she indicated that she could not comment because of an open case. Now what we are hearing is, oh, since the CIA has decided that indeed it would hold an investigation by way of the Inspector General, she is now saying that she supports that investigation and would await the results, the results of which we are supposed to get in 60 days.

Why an investigation, why must we insist on this? People say but you have done this before, you had investigations before. Let us take a look for a moment at what happened.

In 1988 one 1988 investigation by a U.S. Senate subcommittee ran into a wall of official secrecy at the Justice Department. In that case congressional

records show Senate investigators were trying to determine why the U.S. attorney in San Francisco, Joseph Rosanella, had given \$36,000 back to a Nicaragua cocaine dealer arrested by the FBI. The money was returned, court records show, after two Contra leaders—unbelievable—two Contra leaders sent letters to the court swearing that the drug dealer had given the cash to buy weapons for guerrillas, had been given the cash to buy weapons for guerrillas. Rosanella said it was cheaper to give the money back than to disprove that claim. The Justice Department flipped out to prevent us from getting access to people, records, finding out anything about it, recalled Jack Blum, former chief counsel to the Senate subcommittee that investigated allegations of cocaine Contra trafficking. "It was one of the most frustrating exercises that I could ever recall," said Jack Blum.

Now, Jack Blum was the former chief counsel to the Senate subcommittee that investigated these allegations of Contra cocaine trafficking. Again let me repeat. He said, "It was one of the most frustrating exercises that I can ever recall." It was not until 1989, a few months after the Contra Sandinista war ended and 5 years after Meneses, the big drug dealer, moved from the peninsula to a ranch in Costa Rica that the U.S. Government decided, oh, it is time to take some action, sort of, with a wink. Federal prosecutors in San Francisco finally charged Mr. Meneses with conspiracy to distribute, they said, 1 kilo of cocaine in 1984, a year in which he was working publicly with FDA.

So, when we talk about investigation, we know what we are going to run into, walls of secrecy, Justice Department shutdown. So we do not trust anybody.

I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. If the gentlewoman will yield, I imagine, and I just want to pose a question to you in being complete, therefore, as you mention these stumbling blocks that have occurred in times past. I recall the Select Committee on Assassinations that dealt with the assassinations of King and Kennedy, and people are still having questions about those issues, that it is necessary then to cast a broad net to try and reach every agency that might be involved: CIA, DEA, FBI, Justice Department, and then hearings.

Is that my understanding that you think is necessary after reviewing those materials with us of past investigations?

Ms. WATERS. Well, I think we have to be in this for the long haul. This is not something that is going to reap us any substantial answers in the short period of time. We are going to run into walls of secrecy; I just anticipate that. I anticipate that we are not going to be satisfied.

However, we have gotten representations of cooperation from the CIA Di-

rector. Everybody wants to cooperate, they say. The proof of the pudding is in the eating.

I think we have to be prepared to move at the right time to do whatever we have to do in order to continue, in order to approach it from a different direction, and so this is a beginning. We start with this possibility of investigation by the CIA, or rather by the Inspector General. We have gotten word from NEWT GINGRICH, who responded to me and wrote me a letter indicating that he indeed was going to proceed with the chair of the Permanent Select Committee on Intelligence, the gentleman from Texas, Mr. COMBEST, in opening an investigation. I am very pleased, and I would like to thank Mr. NEWT GINGRICH, and I would like to read that letter into the RECORD. He says:

DEAR MAXINE: Thank you for your letter regarding a recent series of articles that appeared in the San Jose Mercury News that alleged CIA involvement in the introduction, financing and distribution of crack cocaine in Los Angeles. I have asked House Permanent Select Committee on Intelligence chairman, Larry Combest, to investigate the allegations contained in these articles, and I understand he has already begun to do so. In addition, I understand the Director of Central Intelligence, John Deutch, has asked the CIA Inspector General to investigate this matter despite his own rejection of the substance of the allegations. Assuming the Clinton administration will cooperate with our efforts, I am hopeful that the chairman Combest investigation as well as the CIA IG inquiry, will reveal whether or not the allegations contained in the Mercury News articles are true or false. Thank you again for your interest in this matter. Sincerely, Newt Gingrich, Speaker of the House.

□ 1000

Let me just say to the gentleman from New York that, because of our persistence, things are beginning to happen. As you know, the drug czar came out and called for an investigation. As you know, not only do we have this letter and this movement by the gentleman from Georgia, NEWT GINGRICH, and the movement by the CIA. Civil rights organizations, the NAACP, Mr. Kweisi Mfume; mayors, Mayor Kurt Schmoke, Mayor Wellington Webb; many groups up in Pennsylvania. In Los Angeles, the county board of supervisors just passed a resolution calling on the President to get involved in an investigation.

So because of our persistence, even though the major media tried to ignore us, would not carry the stories, when we held the Congressional Black Caucus weekend, 3,000 people showed up to our workshop demanding hearings, demanding investigations. My own paper, the Los Angeles Times, did not even carry that meeting, even though a Member from Los Angeles was in the forefront of the effort.

Mr. Speaker, we finally are getting a little bit of network attention, but so far most people are not able to read about this in their local newspapers. It has not been reproduced. It has not

been paid attention to. But because of our persistence, we are finally making something happen.

Again, we are going to have to be in this for the long haul. We are going to have to organize in our communities. We are going to have to get our labor organizations, our community groups, our church groups, to reproduce this and pass it out, reproduce. We have already printed thousands of copies. People are clamoring for them.

Their local newspapers will not carry the story. Their local television stations will not carry the story. But we are getting it out, and I would like the Congressional Black Caucus to continue to develop this network, working through the churches, working through private organizations, to spread the word, to get the information out.

I would like to ask the gentleman, in a colloquy here, the gentleman from New York, to describe, if he will, even though he alluded to it and spoke to the devastation in our communities, and I have alluded to it or talked about it, and I will continue to talk about it. I do not know if people really understand what is going on in many of these cities, perhaps in parts of your own district, with crack cocaine addiction. How bad is it? I yield to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, the serious problems we face with the African-American community in most inner cities, one of the problems is no jobs. But I think more important than the fact that there are no jobs is the drug problem, which is more devastating, because the drug problem leads to criminal activity, including murder.

The drug problem decimates families. The drug problem leaves a legacy of babies. We are back to a problem of babies in the hospitals who are being abandoned, and many of these babies have problems as a result of their mothers being addicted, and there are high health costs. It devastates the community in many ways.

Mr. Speaker, we have had people on the one hand in the housing projects call for a National Guard to intervene in order to deal with the fact that the housing projects, certain projects are inundated with drug dealers. At the same time, other factions within the housing projects would be very much against it because it is their sons, their sons who are involved in the drug trade.

It is a problem that is interwoven so much into the community until you cannot separate it out. There is a lot of money flowing from the drug dealers that is held out to people for investment, and on and on it goes. They are in charge. They are the kingpins. They have an infrastructure now.

What started with the Nicaraguan trade and the encouragement of the CIA, the CIA does not have to be involved anymore. They allowed it to make enough money to build their own infrastructure, so they have an infrastructure which has a seemingly un-

limited amount of money, and they have all these gangs that they can play against each other. There are the Colombians and the Dominicans in New York, and the so-called Jamaican Posse. What is happening is that the people behind all this, they play one group off against another. When it gets too hot for one, they shift the action to another, and it just goes on and on forever.

I do want to caution the gentlewoman from California that we must keep the heat on, because the CIA is quite a formidable foe. We may have a seeming acceptance of cooperation now. They want to investigate this fully. Certainly you may be confronted with a stone wall, as you were in the case of Haiti, where the CIA actually financed the people who stopped our troops from going in early in the implementation of the President's Haitian policy, and we had to wait for months and months after that. More and more people died, because we have been stopped from initiating a peaceful process for changing the government in Haiti.

The very person who did that, Emanuel Constans, who confessed that the CIA paid him to do it, and he was in charge, was held in jail for a while in this country and now he has been released. He is free in Queens, NY, for some strange reason. They do not explain why he is released. They will not explain why the papers that were captured from this same organization when the United States troops went into Haiti, why those papers will not be released to the Haitian Government. They have a way of suddenly deciding that whatever is not in the interests of national security they will withhold.

The danger is that we will get a stone wall here if the outrage of the American people is not expressed. If we do not understand the connection between what has happened here and the present political cry that President Clinton is the cause of drugs being used by more young people now, and just do not do it, please just say no; if you are going to deal with that kind of surface political situation without going deep and thoroughly investigating this, you are really not dealing with what is not jeopardizing just the inner cities, but it is jeopardizing youth everywhere. It spreads from the inner cities all over. I hope we will pursue it relentlessly.

Ms. WATERS. I thank the gentleman for reminding us of the kind of work and the kind of time we are going to have to put in on this issue.

Let me just say this, are your warnings about the stonewalling joined with warnings that I am getting all over about the danger of being involved in this kind of issue? People are wondering about my security and whether or not I am afraid that something may not happen.

Let me just say this from the floor of Congress: I do not fear anybody. I am aware, as we look through the records, that people have died mysteriously

who are involved in investigations. But I want to put everybody on record, as we move through these investigations, that I had better not see any attempts, any attempts to violate me or anybody else involved in this work. We are not going to move with fear, we are not going to stop doing our work, because of anybody who tries to intimidate us. I just want to put anybody on record who thinks they may be able to stop us with intimidation that I have no fear.

Mr. OWENS. You have the overwhelming support of the African-American community. Our community overwhelmingly supports this effort. They want to see the truth come out. They want to get to the heart of this problem.

Ms. WATERS. That is absolutely correct. Let me also just say that, while Mr. Dole is making a part of his campaign, the priority part of his campaign, a discussion on drugs, I do not understand how he can talk about drugs and not even mention this revelation that came out August 18, 19, and 20. If you want to talk about drugs, you cannot dismiss this revelation, this series entitled "The Dark Alliance." It names names, dates, and places.

Mr. Speaker, I know what is going on. Mr. Dole is using this as a campaign issue, and they are playing with us one more time, the "just say no" kind of attitude. It is time to find another political issue to whip people up about.

I do not want Mr. Dole or anybody else playing with my community on this issue. We have been harmed enough. We have been harmed by a lack of a war, we have been harmed by the Reagan policies, we have been harmed by the Bush policies, we have been harmed by a policy that allowed the funding of a war, the FDN, the Contras, on the backs of my children, on the backs of the young people of the inner cities. I do not want anybody playing with me on this issue.

Let me just send a warning to Mr. Dole: If you stay out on that campaign trail, you ignore this issue, I am going to find you, Mr. Dole, and I am going to ask you publicly, why, then, are you not talking about the genesis of crack cocaine? Why are you not talking about the spread of cocaine in the inner city by CIA operatives under Reagan and under Bush? Why do you ignore the fact that we now have something that we can investigate?

If you are serious about why young people have increased their use of drugs, if you are serious about getting at the bottom of this, you will take up this issue. Not only will you join us in the investigation, you will tell the Republicans further, who are in charge, not only investigate it in the Select Committee on Intelligence but all the committees that have any kind of oversight, any kind of jurisdiction.

I challenge you today, Mr. Dole, to not just play with this issue, but to do the right thing and help us get to the

bottom, and help us to understand how we are going to repair the harm, how we are going to deal with the devastation, how we are going to deal with the crack-addicted babies, how we are going to deal with the guns that you support being used in this country, coming into our communities.

WHAT IS THE CORRECT DEFINITION OF "CUTS"?

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. CUNNINGHAM] is recognized for 60 minutes as the designee of the majority leader.

REPUBLICANS SUPPORT INVESTIGATION INTO ORIGIN OF ILLEGAL DRUG SUPPLY

Mr. CUNNINGHAM. Mr. Speaker, many of us do support the investigation, because a lot of the drugs, about 90 percent of them, were purported to go out of Mena, ARK, when President Clinton was Governor. If you look at the Mena chronicles, in which a lot of those drugs went out, Malek, who was then Governor Clinton's chief investigator and coroner, ruled that two children that were killed on tracks had smoked a lot of marijuana and fell asleep. The parents got upset. They had outside forensics come in, and the children were stabbed to death.

Since then, 18 people that were going to testify against Governor Clinton, Malek, the judge appointed by then-Governor Clinton, and the district attorney, who also canceled the grand jury investigation, 18 people have been murdered. Yes, we look forward to that investigation.

Mr. Speaker, I came here today to talk about something that a lot of people do not talk about. I think it is a legitimate issue for both sides, both for conservatives and liberals, on what does it really mean to cut; what is cutting and what is being cut, or the differences, at least, in definition. I would like to clarify some of those.

First of all, Mr. Speaker, in education, 95 percent of education is paid for by State and local revenues. Only about 5 percent of education in our country is paid for by Federal dollars. That 5 percent of the dollars, do not misunderstand me, is no small amount. The Department of Education, for example, has an annual budget of about \$35 billion, and that is a B, with a billion. So 5 percent is not a small amount of change.

The problem is, we are getting as little, especially in the district of the gentleman from New York [Mr. OWENS] who just spoke, we are getting as little as 23 cents out of every Federal dollar back to the classrooms. Why? Twenty-three cents on a dollar for every tax dollar. Did God create those dollars? No. He has to take it from hardworking American taxpayers. It comes to Washington, DC, and then goes back to the people that they took it from, at only 23 cents on a dollar. Why is that?

This Republican Conference identified 760 education programs in the Fed-

eral system. Yesterday in a hearing the gentleman from Virginia, Mr. PAYNE, a Democrat, and the gentleman from Oklahoma, J.C. WATTS, a Republican, introduced a bill. In the hearing there were about 15 different witnesses, Republicans and Democrats, appointed and asked to come by Republicans and Democrats.

They identified over nine programs within their communities that were working on antidrug and against juvenile justice. When the question was asked, how many of them had those programs in all of their districts, none of them had any one of the other eight in their particular district, but the one that worked, they were focusing on and they were using.

Mr. Speaker, what the Republicans have tried to do is direct the money to the local level, down to the people that have the Zip Code, that know the real problems of their particular community; not something one-size-fits-all, like the Federal Government does, and mandates that you will do this. If Head Start works, do it. If drug-free schools work, do it. But the emphasis is driving the money down to the local districts, to the school teachers, to the parents, to the school boards, to the juvenile justice groups, and letting them handle the problem.

□ 1015

The Federal Government has 760 Federal education programs. Just imagine trying to fund that. Every one of them has administrations. Every one of them has bureaucracies. Every one of them has paperwork that comes down to the States that affects the 95 percent that are raised at State and local levels, just because they have to use the funds on bureaucratic redtape, on paperwork that not only goes to their State department of education, the Governor, and then has to travel back to Washington, DC, 23 cents on the dollar, Mr. Speaker. You could not compete in business like that, and you cannot work education systems with 23 cents on the dollar.

Let me give some classic examples of how government wastes money and that the other side of the aisle says that Republicans are cutting education. Let me define the term "cut." The President's direct-lending government student loan program was capped at 10 percent in a pilot project. That 10 percent cost \$1 billion a year more, just to administer, than private lending institutions to do it. GAO conducted a study, said it is going to cost \$5 billion more just to collect those student loans.

When the Government shut down, the President says, "Hey, this is one of my cornerstones. I want government to spend the money down and have the power to give it out, and I want to do that." So at conference, we let it go to 40 percent.

But what the liberals did not see is, we put in the language that capped the administrative fees at 10 percent, in-

stead of going up to 40 percent, to restrict Government spending. We took the savings from that and we increased Pell grants to the highest level ever, grants for poor children that achieve and do well in school, but for some circumstance, they do not have the wherewithal to go to college.

I do not mind my tax dollars going to pay for that, Mr. Speaker, because there are some disadvantaged children in this world that work hard, that want a piece of the American dream, and I think that it is part of government's role to make sure that those children are taken care of.

With those savings from the direct lending program, we took and increased student loans through the private sector by 50 percent. Did we cut education? No, sir. We drove the money down to the children that need it, the poor children, in Pell grants, to the children that need the student loans to go to school.

What we cut is the liberals' precious bureaucracy here in River City, in Washington, DC, and we took those savings and we drove it to where it is supposed to go in the first place, at a much higher rate than 23 cents on a dollar.

Let me give another good example, Mr. Speaker: AmeriCorps, another great program, according to the President. Everything that this Congress has argued over in the 2 years, Mr. Speaker, is power. That is what the American people are upset about. Power to spend money from Washington, DC, so you can send it down to your local interest groups so that they think you are a great guy or a great lady, so you can get reelected, so then you have got the majority, so you have got the power.

And over here is a bureaucracy, whether it is a direct lending program, whether it is a First Lady's government bureaucracy health care system, or all the other programs that they purport, they want the power to spend the money in Washington, DC.

AmeriCorps is a classic example. They want the dollars to come up here so that they can rain them down to different people saying, "Look what good guys we are." Where does the money come from? Is there a cut?

In the first place, the money is taken from the American taxpayer. Second, the average volunteer in AmeriCorps gets \$29,000. In Baltimore, just a hoot and a holler from here, the average was \$50,000 per volunteer.

Can we do it better than that, Mr. Speaker? Absolutely. It is wasted dollars. Why? You pay somebody \$50,000 for painting a fence, or pulling weeds, that is more than many of the steelworkers, that is more than many of your teachers make. I think we can better invest that, instead of letting the Federal Government, just because they want the ability to spend the money, force it down. And, yes, we wanted to eliminate it and use the dollars more wisely.