

dent Reagan—and then perhaps never.”

Committee probes Drexel Burnham securities violations

The House Energy and Commerce Committee continued its investigations into Drexel Burnham's "junk bond" operations. Although junk bond manager Michael Milken invoked his Fifth Amendment right not to testify, Drexel Burnham's chief executive officer, Frederick H. Joseph, did not. Mr. Joseph testified before the committee on April 29, defending his firm against allegations that its junk bond department repeatedly shortchanged its bond-buying customers in order to enrich its employees.

His arguments did not seem very convincing to the panel members. As Rep. Dennis Eckart (D-Ohio) expressed it to Joseph, "The public perception is that what you have done doesn't pass the smell test."

Much of the day's questioning concerned dealings by the so-called insider accounts in Drexel-managed offerings by Textstyle Corp. and the Beatrice Cos. unit of BCI Holdings Corp. Partnerships, including Drexel employees, bought more than \$235 million in Beatrice's April 1986 offering of notes, according to the subcommittee. Within three months, the partnerships had resold \$44 million of those notes for a profit of about \$2.2 million. Certain Drexel institutional customers couldn't get all the bonds they wanted to buy, even when Drexel employee partnerships were getting big blocks of bonds. In other instances, Drexel paid higher prices when repurchasing junk bonds from its employees than when buying from outside clients.

Committee Chairman Dingell (D-Mich.) said that there may be viola-

tions of securities regulations and laws governing underwritings, particularly rules governing "hot issues," i.e., those which are in great demand by investors.

Bill on AIDS passed by Senate

After a heated debate on the Senate floor, the AIDS Research and Information Act was passed 87-4 on April 28. The bill authorizes \$685 million for AIDS research and education, an amount vastly insufficient considering the magnitude of the spread of this deadly epidemic.

The most heated debate concerned an amendment proposed by Sen. Jesse Helms (R-N.C.) in which funds would be withheld from programs that "promote or condone" homosexual behavior. The amendment was approved 77 to 23, although Senator Kennedy was able to counter it with an amendment which said that the government would not restrict the ability of any AIDS education program to "provide accurate information" about the risk of AIDS infection, thus creating a bone of contention for future interpretation.

Amendments were also approved which called for mandatory AIDS testing for all persons convicted of drug- and sex-related crimes and, in a rather ambiguous formulation, banned programs giving clean needles to drug addicts to combat the spread of AIDS "without the approval of the surgeon general."

Another very significant amendment proposed by Sen. William Armstrong (R-Colo.), stipulates the withholding of funds from any state or local government entity which "requires, encourages, or permits any health care facility within the State to deny nutrition or hydration to any eligible individual who has been duly

admitted to that health care facility." The amendment was passed, after some debate, 60-36, although here again, Senator Kennedy (D-Mass.) succeeded in adding a proviso which would place this measure under review by the congressional Biomedical Ethics Board.

Nevertheless, an important clause against euthanasia was included in the bill.

This is the first comprehensive legislation on AIDS passed by the Congress. The rapid spread of the AIDS disease in ever newer variants will, however, soon reveal that the insufficiency of the funds allotted and the nature of the compromises of which the bill consists are totally inadequate for dealing with undoubtedly the most dangerous disease mankind has ever faced.

House rebuffs permanent ban on ASAT testing

In heavy partisan debate over the Defense Authorization Bill, the House rebuffed the Democratic leadership on an arms control vote on Thursday, April 28, narrowly defeating an effort to permanently prohibit testing of an anti-satellite weapon. The House did, however, by a vote of 214 to 186, approve a one-year ban on virtually all tests of nuclear weapons, as long as the Soviet Union also refrained from such testing.

The Senate version of the defense bill differs from the House version in some key areas. The Senate measure would provide \$4.55 billion for SDI, compared to \$3.5 billion in the House bill. The Senate bill contains \$700 million for the mobile MX, compared to \$500 million in the House bill, and a mere \$50 million for the Midgetman, compared to \$500 million in the House measure.