



LOG

Official Publication of the Seafarers International Union • Atlantic, Gulf, Lakes and Inland Waters District • AFL-CIO Vol. 49, No. 2 February 1987

A Special Report



The Decline of U.S. Sealift

Pages 15-18

CDS Rule Overturned

More than two years ago the SIU predicted that some 800 seamen and more than a dozen militarily useful tankers would be out of work if a new construction subsidy payback scheme was implemented by the Department of Transportation (DOT).

That is exactly what happened, but a federal appeals court judge has told DOT that the payback program is unlawful, and the department has until June 15 to revise the program or revert to the older regulations.

The controversy centered around ships in the Alaska oil trade. The Jones Act requires that ships in the U.S. domestic trade be built in the U.S., but without subsidy. Ships used in the foreign trades were eligible for construction subsidy but were not permitted in the Jones Act trade.

When the DOT issued its payback rules allowing the subsidized ships into the Jones Act trade, the SIU and many other groups called the plans short-sighted and unfair.

Many of the tankers in the trade are smaller than the massive vessels used in international tanker operations. But these smaller ships are ones the military considers useful for its purposes if needed. At least 13 of these smaller ships were forced into layup as a direct result of the payback scheme, and some 800 seamen lost their jobs.

In the case, the judge ruled that DOT had violated certain aspects of the 1936 Merchant Marine Act in implementing the program.

"It's a shame it takes the loss of 800 jobs and the layup of 13 ships to prove the payback plan was faulty from the start," said SIU President Frank Drozak.

New Congress Gears Up for Action

Trade Tops SIU Hill Agenda, Bill Could Boost U.S. Merchant Marine

In a word, the main thrust of the SIU's legislative effort in the 100th Congress is TRADE.

"So many things are tied to trade, and the maritime industry is no exception," said SIU President Drozak.

As a result of failed administration trade policies, last year's trade deficit was \$170 billion. That means we imported \$170 billion more in foreign-made goods than we exported in American-made products. Billions of that trade was carried on ships. Unfortunately, little was carried on U.S.-flag ships.

One of the cornerstones of trade legislation is "fair trade." Most of the countries where the U.S. trade deficit is the largest protect and promote their industries, making competition impossible. The thrust of several of the trade proposals aired by senators and congressional representatives is to put U.S. goods and products on an equal footing with other countries.

Many countries subsidize their important industries, put trade restrictions on foreign competitors, close their markets to foreign products and require use of their countries' ships in importing and exporting products. At the same time, these countries take advantage of the virtually restriction-free American market.

"U.S. maritime has suffered from a variety of unfair trade restrictions in the international marketplace. It is an impenetrable wall of foreign promotional policies and restrictive measures which virtually shut out U.S.-flag vessels in foreign trade. We have to eliminate these unfair foreign practices," Drozak said.

Last year the House passed a trade bill, but it was bottled up in the then

Republican-controlled Senate. With a new Democratic majority and the realization by members of both parties that the U.S. cannot continually pile up huge trade deficits, Capitol Hill watchers are sure some sort of legislation will be passed.

"I believe that if we can get some legislation that helps put us back on an equal footing with other countries, we can compete with anyone," Drozak said.

While trade will be the major issue of the upcoming session, the SIU plans to support and fight for several pieces of legislation that will benefit the U.S. merchant marine.

Auto Carriage

SIU Legislative Director Frank Pecquex said the Union will attempt to secure an auto carriage bill which would open the lucrative car carrier business between Japan, other car ex-

porting nations, and the U.S. to American ships. Almost all of the more than two million imported Japanese cars currently are brought in on Japanese or third-flag ships. U.S. ships are shut out of the trade mostly due to restrictive Japanese export and maritime policies as opposed to simple cost factors. Almost \$4 billion in foreign cars was imported last year.

Subsidy Reform

There will be some attempt to restructure the current Operating Differential Subsidy program, Pecquex said. All ODS contracts will run out in 1999, though many contracts will end much sooner. Under the present administration, no new ODS contracts have been awarded since 1980.

Last year the maritime industry could not agree on an approach to subsidy reform.

(Continued on Page 3.)

Welcome to the Real World



The USNS Assertive in Monterey. (See p. 19.)

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President's Report

by Frank Drozak

IT'S hard to believe, but Winston Churchill was once the most unpopular man in England. People just didn't want to listen to all that gloomy talk about war. They preferred to cast their lot with Neville Chamberlain, who told them that peace was at hand.

While the man with the umbrella was wrong about peace, he did understand human nature. People just don't want to listen to bad news, especially if it concerns them.

In 1984, Americans were turned off by Walter Mondale's campaign for the presidency. They preferred Ronald Reagan's cheery brand of optimism. When Mondale noted that Americans wanted more government than they were willing to pay for, and that maybe taxes should be raised, he was treated like some kind of political leper. Yet, like Churchill in 1938, he was only telling the truth.

The truth often hurts. For the past several years, I have been talking about the decline of the maritime industry and what it means for this country and this membership. The bottom line still hasn't changed; America's sealift capability has been allowed to deteriorate to dangerously low levels. Yet rather than face the issue head on, this administration continues to rely on foreign-flag vessels to protect its national interests. It also has embarked on a costly buildup of the government-controlled "ready-reserve" fleet which fails to address at least one central question: how are we going to secure adequate levels of skilled mariners when trained and experienced young people are being forced out of the industry?

But the Reagan administration is not the only one to ignore the handwriting on the wall. Many of our own members can't see it either.

Many of our members are reluctant to take jobs onboard military vessels. Yet these vessels represent the survival of our organization. Every year the American-flag merchant marine grows smaller and smaller. But the number of jobs onboard these military vessels continues to increase—and they are good jobs. If we allow them to sail short, then we just might as well call it quits.

A little history lesson is in order. Almost all of the non-military work that is available to our deep-sea mem-



bers comes from two sources: tankers carrying Alaskan oil and cargo generated by the government. Yet every year for the past decade, moves have been made to repeal the ban on the export of Alaskan oil and to dismantle this nation's existing system of cargo preference laws. It's important to note that similar long-term campaigns were waged against the Construction Differential Subsidy program and the U.S. Public Health Service hospitals before they were eventually dismantled in 1981.

I don't want to sound overly pessimistic. There is hope for this industry, but it's not coming from the administration, and it is not something we should take for granted. Any hope this industry has will come from our own actions and from the actions of our friends in Congress who refuse to let the growing trade crisis fester any longer.

Thanks to the support of this membership, our Union maintains a strong presence on Capitol Hill. Earlier this month, I met with House Speaker Jim Wright (D-Texas) and House Merchant Marine Chairman Walter Jones (D-N.C.) to make sure they know where we stand. I believe that any trade bill that comes out of Congress must take into account the needs of the maritime industry.

One more thing: for the past several years, I have been urging the various maritime unions to unite. There have been plenty of speeches about this, and even some meetings. Yet invariably when the moment of truth came, nothing happened.

I still believe that maritime unions have to merge if they are to survive.

That does not mean that I am willing to sit by waiting for this to happen and do nothing to protect the job security of our members. Right now, licensed unions such as the MM&P and MEBA District 1 have created organizations so that they can sail the military vessels top-to-bottom. Their intentions could not be any clearer. They want to protect their job security by jeopardizing yours.

No doubt about it: trade and maritime unity will be the most important issues of 1987. At the request of AFL-CIO President Lane Kirkland, I will again meet with Shannon Wall of the NMU to reopen merger talks with the SIU. And we are continuing to work with District 2 with regard to the Seafarers Maritime Union.

SMU represents job security for this membership. It also represents an instance where licensed and unlicensed unions have been able to work together to protect the job security of their respective memberships.

I am reminded of an eloquent speech that Ray McKay delivered at the 1981 Triennial SIU Convention. His words help explain some of the issues facing us today:

"I came up through the SIU. I once served as SIU vice president. My SIU membership is still pinned up at the Harry Lundeberg School of Seaman-ship . . .

"I am indebted to the giants of the

SIU (Paul Hall, Paul Drozak, Al Kerr and Charlie Logan) for their support and direction in my Union's earliest years.

"One of the dreams [of those early SIU leaders] was for a better life for the merchant seaman; the SIU is part of that dream. Another dream was for a better life for United States merchant officers; when they spoke of improving the lot of maritime labor, they drew no distinction between officers and crew. They wanted to help anyone employed on merchant ships, no matter where their individual situation might lie.

"If maritime labor can't hold itself together, it won't make a convincing case for a strong merchant marine. We can't waste time and energy fighting among ourselves. That is a very true statement.

"Few things disappointed these men more than division in the ranks of maritime labor . . . If they were here today, they would remind us that Navy auxiliary ships with private sector civilians are acceptable to everyone but the Navy which perceived maritime labor as the battlefield of jealous, squabbling individuals. Unity is still most important with the cutbacks, with the new administration . . .

"You know where I stand, Frank. I think that we can all eat at the same table . . . District 2 offers the SIU complete support."

Heyman Named New Counsel

Charles B. Heyman has been named counsel for the Seafarers International Union. He replaces Howard Shulman, who retired earlier this year.

"In this day and age, it is imperative that a union secure the best legal advice available," said SIU President Frank Drozak. "Howard Shulman served this Union with honor and distinction. Charles Heyman has the integrity and the legal skills to do the same."

Heyman has had a long association with the SIU. The law firm he heads—Kaplan, Heyman, Greenberg, Engelman and Belgrad—has represented the SIU in many cases since the Union's formation.

Heyman, who was born Dec. 17, 1925, has been active in labor and community affairs. He received his law degree from the University of Maryland Law School, and was admitted to the Bar in 1950.

He is married to the former Eunice Belaga and has three children.

He is a former member of the Governor's Task Force on Public Employer Labor Relations, and the former Chairman of the Maryland State Bar Association, Labor Section.



Charles B. Heyman



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Iran-Iraq War Zone, a Threat to World Shipping

More than 200 merchant seamen have been killed by Iranian or Iraqi raids on ships in the Persian Gulf area near the trade lanes of those two warring countries. While a handful of U.S.-flag ships have been boarded, American vessels have escaped attack.

Some members of the shipping community have called for arming merchant ships to be able to fight back against any attackers. Others have suggested naval escorts or defensive

systems as opposed to arming ships in peace time.

"A . . . realistic solution would be to provide naval escorts for ships in areas of high intensity. I wouldn't like to get involved in arming merchant ships in time of peace," said Adm. (ret.) Harold Shear, former Marad administrator.

Since the war between Iran and Iraq escalated in 1984, 196 attacks on merchant ships have been recorded. Iraq attacks tankers carrying oil from Ira-

nian refineries, and Iran attacks ships to disrupt trade to Iraq.

Missiles used by Iran and Iraq against merchant vessels have radar systems that home in on the target, and several shipping companies have installed "passive defense systems" to help thwart attacks.

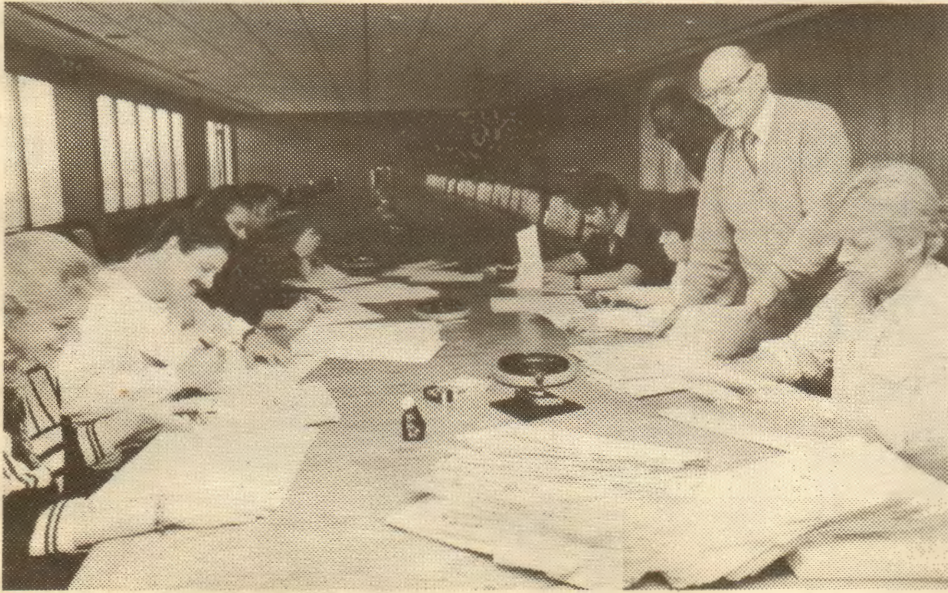
One Greek shipping executive, who declined to be named, said that on gulf voyages his company's 35 tankers and freighters are equipped with anti-tor-

pedo wire nets extending about 30 feet around the ship.

Many companies also have installed sophisticated satellite communication and navigation systems to avoid attacks, and trained crews to handle air raids.

But Klaas Reinigert, managing director of a Dutch marine salvage company, said: "The fact is that merchant ships and salvage tugs in the gulf are defenseless against modern guided weapons."

Finance Committee At Work



The SIU's books were given their quarterly audit by the elected rank-and-file finance committee which consisted of Calvin James, Charles Clausen, Michael Kraljevic, Dan Johnson, Alex Reyer, William Seidenstricker and Richard Tankersley. Assisting the committee were Joe DiGiorgio, SIU secretary, and Cheri Herrlein, assistant to the secretary.

U.S. Lines to Sell 20 Ships

United States Lines plans to sell at least 20 of its 50-ship fleet in an effort to get back on its financial feet following its declaration of bankruptcy late last year.

USL, America's oldest and largest steamship company, will sell all 12 of its giant containerships (4,420 TEU) and eight smaller containerships. The smaller ships will be sold to the U.S. government; the giant vessels will go to as yet unnamed buyers, according to the company.

Currently, USL is operating only 12 of its 50 ships, and those are on South

American and trans-Pacific routes. USL also will be looking to sell other ships in its fleet.

When it filed for Chapter 11 bankruptcy protection, USL listed some \$1.7 billion in debts. Chapter 11 provides a company with a minimum of 120 days protection from creditors while it tries to restructure and find a way to pay off its liabilities.

The 12 huge containerships were built in Korea at a cost of \$47.5 million each, but USL probably will recover only a percentage of those costs when the ships are sold.

Dr. San Filippo Named SIU Medical Director

Dr. Joseph A. San Filippo, staff physician with the SIU New York Clinic for 25 years, recently was appointed SIU medical director for all ports. He replaces Dr. Joseph B. Logue, medical director from 1956 to 1986, who died last October at the age of 91.

Dr. San Filippo is a native New Yorker. He was graduated from Brooklyn College of Pharmacy in 1937 and from Long Island University in 1940. Following several years as a practicing pharmacist, he attended medical school, graduating from the University of Bologna (Italy) in 1958 with an M.D. degree.

Dr. San Filippo is presently on the staff at Lutheran Medical Center in Brooklyn, N.Y. in the Department of Medicine. Previously he had been in charge of the diabetes clinic at Lutheran as well as chairman of their Pharmacy and Therapeutics Committee.

Dr. San Filippo is a member of a number of medical associations, among them: the AMA, New York State Medical Society, Kings County Medical Society, Physicians and Surgeons of America and the New York Academy of Science. He is also a Fellow of the American Society of Geriatrics and a Fellow of the Clinic Society of the New York Diabetes Association.

Hill Agenda

(Continued from Page 1.)

Alaskan Oil

Export of all Alaskan North Slope oil currently is prohibited. That means it is carried by U.S.-flag tankers to U.S. refineries. But last year there was an effort to allow the export of oil from the Cook Inlet region. A bill to prohibit that export failed last year, but the SIU and other maritime groups will attempt to block export of the Cook Inlet oil.

Arctic Wildlife

Oil experts believe there is a very large and rich petroleum deposit in the Alaskan Arctic National Wildlife Refuge (ANWR). As the Prudhoe Bay oil field is used up, this area could be the next major find.

The area is very close to the Trans-Alaskan Pipeline, and with just a small, new connection the current pipeline would be used to transport the oil. The SIU will be looking to back legislation which would require that any of the ANWR oil be limited for domestic consumption and that any exploration in the ANWR be conducted with U.S.-made equipment and Amer-

ican workers.

If the oil is reserved for domestic use, U.S.-flag ships would be required to carry the crude oil to refineries in the U.S.

Build and Charter

The SIU will continue to support the concept of a build and charter program to construct ships in U.S. shipyards through a federal revolving fund. The government would then sell or charter these vessels to the private merchant marine. These ships would be built to include militarily useful designs and would be available to the government in times of emergency.

Several other areas important to the SIU will come up in Congress this session. They include:

- ✓ Fishing vessel safety legislation;
- ✓ Cargo preference enforcement;
- ✓ Carriage of U.S. mail on American-flag ships;
- ✓ The insurance crisis in the fishing industry;
- ✓ The closing of several Jones Act loopholes, and
- ✓ Veterans benefits for World War II seamen.

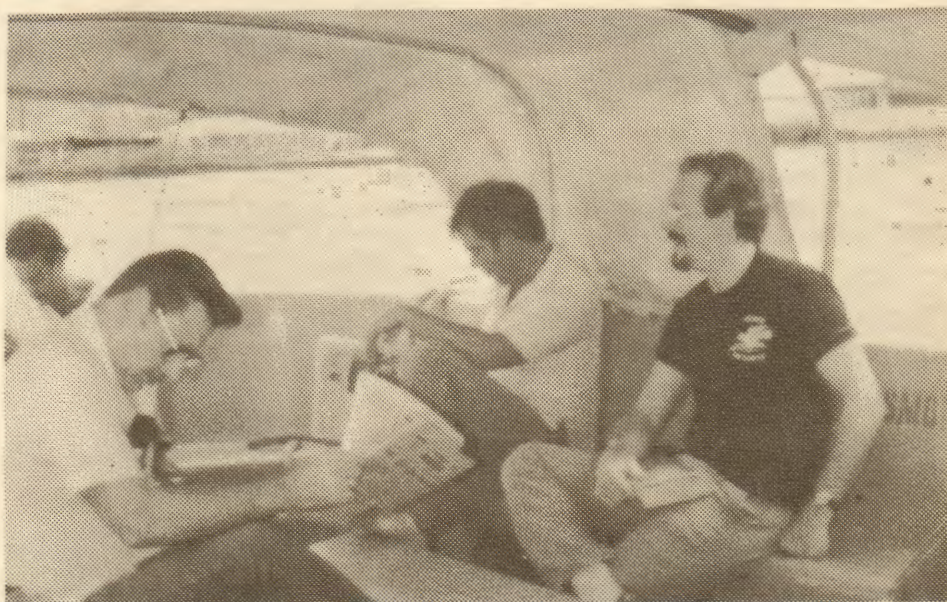
Why Is This Man Smiling?



Ray Bourdus, assistant editor of the Seafarers LOG for 13 years, retired last month. Bourdus, 65, had the longest tenure of any of the current LOG staff. During his long career in publishing he worked as a copy editor for several New York area newspapers, including the old *New York Mirror*. He also served a stint on the copy desk of the *International Herald-Tribune* in Paris, France. That was where he met his wife Catherine.

SIU Snapshots

Steward/Baker Nick Andrews (below) was lucky this past Christmas Day because his wife Dixie had a chance to be onboard the *SS Caguas* (Puerto Rico Marine) for the holiday. As the picture shows, Andrews had no shortage of the Christmas spirit as he turned his quarters into a holiday scene.



On their way to a little shore time, *Overseas Alice* crewmembers David Curry, Bosun Copeland and Joe Matekarich catch up on the news.

Correction



On the *LNG Gemini*, Thanksgiving was celebrated as it is on dry land, with a huge and delicious meal. Above, Chief Steward Mike Haukland and an assistant get the feast ready.



Due to a production error last month, a picture of longtime New Orleans Rep. Martin Kanoa (left) and Honolulu Port Agent Steve Ruiz was incorrectly cropped. The picture is printed above the way it is supposed to be.



Some work is never done. AB Rudy Asopardo takes a break from chipping the piping and flanges on the *Overseas Alice*.



At a recent Democratic fundraiser, members of California's congressional delegation got together with SIU Field Rep John Ravnik (left). The three representatives are (l. to r.) Doug Bosco, Barbara Boxer and Glenn Anderson.



A typical busy day in the Honolulu hall.



Inland News

tug/tow
barge/dredge



Linda Raymo is the towboat cook and boat delegate aboard Orgulf's *Pat Chotin*.

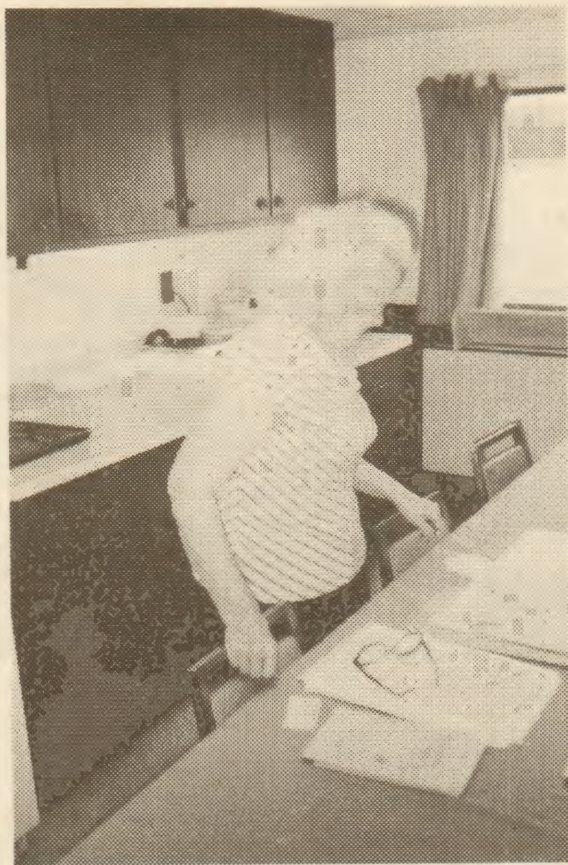


Danny Fortner, deckhand, signs his SIU dues checkoff while working on the *Ed Renshaw* in the port of St. Louis, Mo.

Riding the Orgulf Boats in St. Louis



Dixie Boatright is the cook aboard Orgulf's *Midland*. She also serves as boat delegate.



May Blankenship is the boat delegate and cook aboard Orgulf's *Ed Renshaw*.

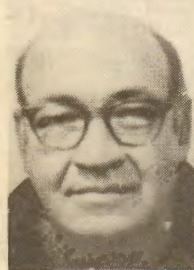


Don Leinberger of the *Ed Renshaw*'s deck department gets his SIU book updated and his questions answered by SIU Rep Dave Carter.

In Memoriam



Merrick Chapman, 57, died May 5, 1986. He joined the Union in 1957, most recently sailing as a captain. Brother Chapman is survived by three children and two grandchildren. Burial was at Belaire Cove Cemetery in Belaire Cove, La.



James Mitchell Mauldin, 66, died of a heart attack at the Norfolk (Va.) International Terminals on Nov. 29, 1986. Brother Mauldin joined the Union in the port of Norfolk in 1972. He sailed as a chief engineer aboard the tugs *Cape Cod* and *Cape Henry* (Curtis Bay Towing) from 1973 to 1986. He was born in Lavonia, Ga. and was a resident of Norfolk. Burial was in the Rosewood Park Cemetery, Virginia Beach, Va. Surviving is his widow, Madeline.



Pensioner Michael Benedict Pajtis Sr., 84, passed away from heart-lung failure in the Church Hospital, Baltimore on Dec. 12, 1986. Brother Pajtis joined the Union in the port of Baltimore in 1960. He sailed as a bridgeman for the Baltimore and Ohio Railroad from 1960 to 1984. He was born in Maryland and was a resident of Baltimore. Interment was in the St. Stanislaus Cemetery, Baltimore. Surviving is his son, Michael Jr. of Baltimore.



New Pensioners

The following Inland members have retired on pension:

- Jacksonville
 - Charles B. Jurbala
- New Orleans
 - Merrick Chapman Jr.
 - Grover M. Smith
- Norfolk
 - Joseph M. Perry Jr.



Liam O'Connell, mate aboard the *Dave Carlton*, goes through Lock 26 on the Mississippi River.



Dolores Serio and James Wingate aboard the *Bob Labdon*.

Dave
Carlton



The *Dave Carlton*, just above Lock 26 in Alton, Ill.

Up the Mississippi With Orgulf



James Moberly of the *Dave Carlton* works the lock wall.

Dispatchers Report for Inland Waters

JAN. 1-31, 1987

	*TOTAL REGISTERED			TOTAL SHIPPED			**REGISTERED ON BEACH		
	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C
DECK DEPARTMENT									
Port									
Gloucester	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0
Philadelphia	1	1	6	0	0	0	1	1	6
Baltimore	5	0	0	10	0	0	4	0	0
Norfolk	58	8	0	20	7	0	59	25	0
Mobile	0	0	0	0	0	0	0	0	0
New Orleans	0	0	1	1	0	0	2	1	1
Jacksonville	2	1	9	0	1	3	2	0	6
San Francisco	0	0	0	0	0	0	0	0	0
Wilmington	5	2	7	0	0	0	9	11	7
Seattle	0	0	0	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0	0	0	0
Houston	6	1	4	8	1	3	4	2	3
Algonac	2	3	0	0	0	0	25	38	0
St. Louis	1	0	1	0	0	0	2	0	8
Piney Point	0	0	0	0	0	0	0	0	1
Totals	80	16	28	39	9	6	108	78	32
ENGINE DEPARTMENT									
Port									
Gloucester	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0
Philadelphia	0	0	0	0	0	0	0	0	0
Baltimore	0	0	0	0	0	0	0	0	0
Norfolk	9	2	0	9	2	0	10	6	0
Mobile	0	0	0	0	0	0	0	0	0
New Orleans	0	0	0	0	0	0	0	0	0
Jacksonville	0	0	0	0	0	0	0	0	0
San Francisco	0	0	0	0	0	0	0	0	0
Wilmington	0	0	0	0	0	0	0	0	1
Seattle	0	0	0	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0	0	0	0
Houston	2	0	0	1	0	0	0	1	0
Algonac	2	1	0	0	0	0	21	19	0
St. Louis	0	0	0	0	0	0	0	0	0
Piney Point	0	0	0	0	0	0	0	0	0
Totals	13	3	0	10	2	0	31	26	1
STEWARD DEPARTMENT									
Port									
Gloucester	0	0	0	0	0	0	0	0	0
New York	0	0	0	0	0	0	0	0	0
Philadelphia	6	0	0	0	0	0	1	0	0
Baltimore	0	0	0	0	0	0	0	0	0
Norfolk	7	1	0	8	1	0	9	5	0
Mobile	0	0	0	0	0	0	0	0	0
New Orleans	1	8	6	0	1	0	1	7	6
Jacksonville	0	0	1	0	0	0	0	0	1
San Francisco	0	0	0	0	0	0	0	0	0
Wilmington	0	0	0	0	0	0	0	0	0
Seattle	0	0	0	0	0	0	0	0	0
Puerto Rico	0	0	0	0	0	0	0	0	0
Houston	0	0	0	0	0	0	1	0	0
Algonac	0	0	0	0	0	0	10	6	0
St. Louis	0	0	0	0	0	0	1	0	0
Piney Point	0	0	0	0	0	0	0	0	0
Totals	14	9	7	8	2	0	23	18	7
Totals All Departments	107	28	35	57	13	6	162	122	40

***"Total Registered" means the number of men who actually registered for shipping at the port last month.
 ****"Registered on the Beach" means the total number of men registered at the port at the end of last month.

The SIU in Washington

Seafarers International Union of North America, AFL-CIO

February 1987

Legislative, Administrative and Regulatory Happenings

Washington Report

President Reagan tried to use his State of the Union address to set the tone for the final two years of his presidency.

Looking fit after surgery, Reagan called on the American people to regain their "competitive edge" by embarking on "a search for excellence."

The speech was vintage Reagan. The rhetoric soared; the delivery was nearly perfect.

Yet most commentators seemed to agree with Chris Wallace of NBC News who said that Reagan had missed an important opportunity to regain control of this country's political agenda.

For one thing, said Wallace, the speech contained few concrete details. More than that, it failed to address the Iran-Contra arms scandal other than to say that "mistakes had been made in the execution of the policy."

State of Maritime

While President Reagan's State of the Union message briefly touched upon a number of domestic issues (catastrophic health insurance, welfare reform), its main focus was on foreign affairs. Reagan highlighted four issues: international trade, the Strategic Defense Initiative (SDI), aid to the Contras and arms control.

President Reagan took credit for beefing up the defense budget. At the same time, however, he failed to mention this country's declining sealift capability or the American-flag merchant marine.

People in the maritime industry could not help but compare this State of the Union address with the one that Jimmy Carter delivered in 1979.

"I will propose," said Carter, "overdue changes in the nation's maritime policies. We must improve the ability of our merchant fleet to win a fair share of our cargo."

Democratic Response

Responding to the State of the Union address, the Democratic leaders of Congress raised what they felt were a number of inconsistencies in the president's speech.

President Reagan pledged to restore America's "competitiveness" and railed against the budget deficit. Yet House Speaker Jim Wright (D-Texas) and Senate Majority Leader Robert Byrd (D-W.Va.) asserted that the president's own policies had contributed to the development of record trade and budget deficits. Both Byrd and Wright questioned whether the president was really serious about embarking on "a search for excellence" when he was proposing to cut the education budget by more than a third. And they wondered about his commitment to eradicating drug abuse in this country.

A year after he declared war on drugs, President Reagan submitted a budget that contained major cuts for drug education and drug enforcement programs.

Trade

By most accounts, trade is shaping up as the single most important issue of the 100th Congress.

Attention has centered on two bills. One is being circulated by Sen. Lloyd Bentsen (D-Texas), the other by the administration.

Both bills are "generic." Rather than single out specific industries for relief, as the ill-fated textile bill did last year, they concentrate on restructuring the mechanics of trade policy.

The Bentsen bill, the more stringent of the two bills, would decrease presidential discretion in many matters pertaining to foreign trade. Yet it is not, said Bentsen, a "protectionist" bill. It is designed, said Bentsen, to shift the focus away from import protection to "positive adjustment"—requiring industries, in return for temporary protection, to take steps to make themselves more competitive.

The Bentsen bill would make a number of fundamental changes in the present structure of trade policy. It would increase the powers of the International Trade Commission. Right now, the president has the discretion to accept or reject recommendations made by the ITC. Bentsen's bill would make ITC recommendations mandatory.

Bentsen also would set up a program for retraining workers who had been hurt by unfair foreign competition or by changes in domestic industries.

The Bensten bill also would require the president to open negotiations with countries that show a consistent "pattern of market-distorting practices" and to report the results to Congress by December 1988. No sanctions would be automatically imposed if negotiations failed.

The administration would be required to initiate investigations of "significant, justifiable" unfair trade practices by other countries. When such practices were found, the president would be required to retaliate within a maximum of 17 months.

Present law provides for such retaliation but sets no time limit. Some retaliatory actions for unfair trade practices have been debated for 10 years or more.

New Legislation

While the new session of Congress is less than two months old, more than 100 bills already have been introduced that pertain to the maritime industry.

The SIU has lent its support to a number of these measures, including the following:

- H.R. 82—Rep. Mario Biaggi (D-N.Y.) has introduced a bill that would amend the Jones Act by requiring any vessel used to transport sewage sludge be U.S. manned and constructed.
- H.R. 298 and H.R. 146—Rep. Helen Bentley (D-Md.) and Sen. Daniel Inouye (D-Hawaii) have introduced nearly identical bills that would require the exclusive use of American-flag vessels for all overseas shipments of U.S. mail. At present, there is no such requirement.
- H.R. 300—Biaggi has introduced legislation that would mandate the negotiation and implementation of bilateral maritime agreements with countries having a significant trade deficit with the United States.

Maritime Trades Department

The Maritime Trades Department will meet in Dania, Fla. to formulate a comprehensive legislative agenda for this session of Congress. The number one priority is expected to be unfair foreign trade, which has adversely affected the U.S.-flag merchant marine.

AFL-CIO

Earlier this year, *The AFL-CIO News* published a list of legislative priorities for the upcoming year. Besides trade, the following issues were listed:

- Double Breasting—The federation would like to see legislation enacted that would block employers in the construction industry from setting up non-union operations just to evade their contractual obligations to unions.
- Plant Closings—The AFL-CIO wants to reintroduce a plant closing bill that was defeated last year. It would require owners to give workers and communities 90 days notice before closing down a plant.
- Polygraph Testing—The federation would support legislation that would limit the use of polygraph testing.
- Right-To-Know Law—The AFL-CIO would support a federal law requiring employers and manufacturers to notify workers of the health risks that they face on the job. The federation is presently working at the state level to enact similar legislation.
- Minimum Wage—The federation wants to raise the minimum wage from its current \$3.35 level to \$4.25 an hour. The purchasing power of most families has declined by 26 percent since 1981, when the present level was established.

Iran-Iraq

The Iran-Iraq war was in the news again this month as Iranian forces continued to wear down Iraq's resistance.

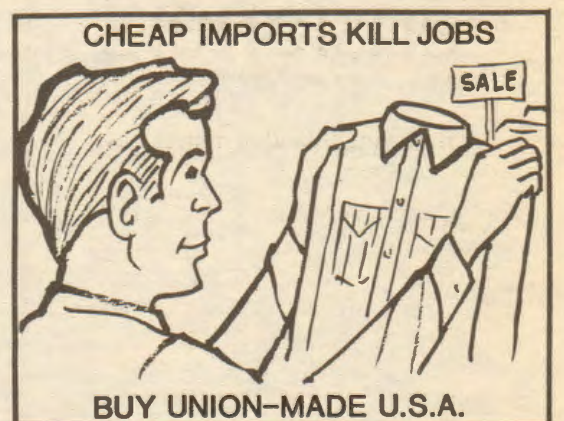
Iranian troops have reached the outermost limits of Basra, Iraq's second largest city. There was widespread fear throughout the Middle East that some kind of turning point had been reached.

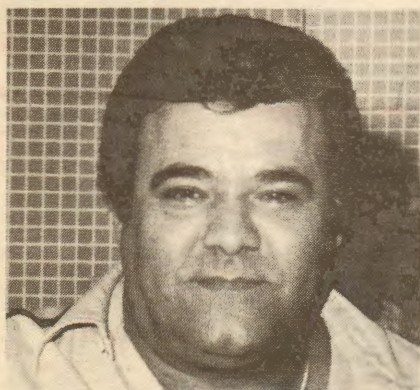
These events came at a difficult time for the Reagan administration, which was under fire at home for its attempts to secretly ship arms in exchange for the release of American hostages. Since the beginning of the year, nine more hostages have been taken captive in Beirut, including four Americans.

More than a dozen foreign tankers have been hit since the beginning of the Iran-Iraq war, which many experts believe threatens the flow of Middle Eastern petroleum products.

Last year, the ITF passed a ruling stating that any seaman onboard a merchant vessel in the Persian Gulf could be relieved of his duties if he requested it.

"Recent events in the Persian Gulf and last year's ITF ruling concerning merchant seamen underscore the importance of having an adequate supply of skilled American mariners," said SIU President Frank Drozak.





Great Lakes
by V.P. Mike Sacco

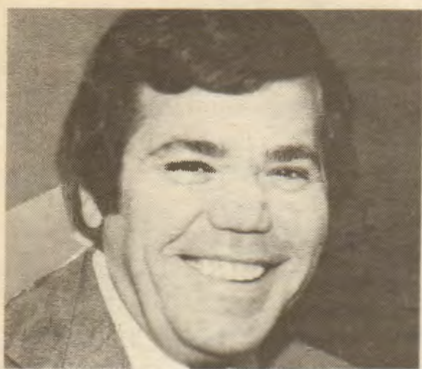
PRELIMINARY figures show that Great Lakes shipping recorded a dismal year in 1986. Shipments of steel, grain and coal—the lifeblood of the Great Lakes maritime industry—declined appreciably from the year before.

Yet reduced cargo was only part of the picture. "Once considered by Midwest farmers and manufacturers as the best way to go," said Earl Dowdy of the *Detroit News*, "lake freighters have lost much of their business to trucks, trains, airplanes and foreign vessels hauling goods made overseas."

Of 86 American-flag vessels sailing the Great Lakes, only 53 were in service during the midsummer peak. With an average crew of 30, that meant that 1,000 Great Lakes sailors sat out the season.

Things were slightly better for the dredging industry, which many people say will be given a boost by passage of the Port Development Act. Some jobs are expected to be created by the Clean Water Bill. Both the Senate and the House of Representatives overrode President Reagan's veto of the bill.

The Michigan Department of Commerce has just released the findings of a \$22,000 study conducted by a California firm which showed that Midwesterners would support a revived cruise ship industry on the Lakes.



Gulf Coast
by V.P. Joe Sacco

I have been meeting with representatives of the national Democratic Party to persuade them to hold their 1988 Convention in Houston.

The city is a logical choice for such an event. It boasts many fine facilities, including ample hotel space, a new convention center and a sophisticated communications network. It would give the Democrats exposure in a pivotal state.

Texas has undergone a gradual political transformation over the past 20 years. Once solidly Democratic, it now has two strong parties.

A strong grassroots base is a must in this state, and we have it. If you want a reason to sign a SPAD check-off, just look at what is happening in Texas.

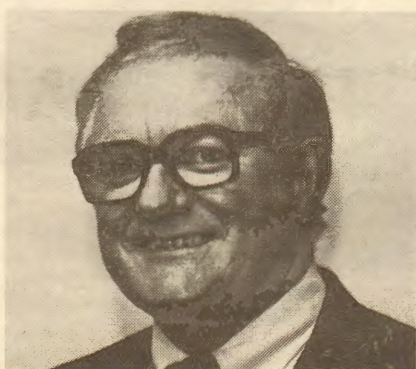
Area Vice Presidents' Report

The economy of Houston is in serious trouble. Yet SIU seamen down here have no trouble landing jobs. That's because of the military work that we have been able to secure—military work that would not have been possible without your political involvement.

Our biggest challenge down here is to make sure that these vessels do not sail short. Because if they do, then we won't have these jobs for long.

Contract negotiations will soon be under way throughout the region. We will be looking to add new equipment in the Gulf area.

We are still stressing the basics. The servicing teams will be making the coastwise towing and canal equipment to improve communications between the Union and the membership. They will keep the membership advised on negotiations as they proceed (i.e., Crescent Towing).



West Coast
by V.P. George McCartney

I'VE noticed a welcome development on the West Coast. Any SIU member who wants to ship out can do so.

This has had one unfortunate side effect. It is becoming increasingly difficult to fill the jobs onboard military vessels.

It would be a mistake for our membership to take these jobs for granted. The long-term prospects for the maritime industry are quite disturbing. Military work is the one area of growth in an otherwise depressed industry.

Every year for the past decade, attacks have been made against this country's cargo preference laws and the ban on the export of Alaskan oil. If for any reason opponents of the maritime industry were successful in dismantling these programs, then you would probably see a mass exodus of vessels and jobs overseas. Only military work would remain.

Our members have to understand what is happening. The maritime industry is in the midst of a radical transformation. Rapid technological advances have dramatically reduced the sizes of most crews. Any member who fails to upgrade his or her skills will be at a severe disadvantage in the years ahead.

More important, the era of "one-stop shipping" is upon us. There has been a gradual merging of deep-sea carriers, tug and barge companies and railroads.

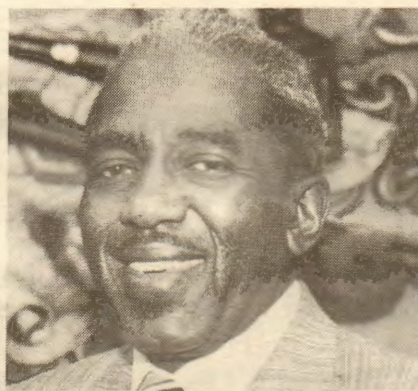
Many people believe that one-stop shipping represents the maritime industry's best hope for the future. At the same time, however, it poses certain problems.

Labor and management have to work

together to turn things around for the maritime industry. The current preoccupation with trade offers the maritime industry a chance to reverse its decline.

Just recently, the Federal Maritime Commissioner said that he would aggressively fight the unfair trading practices of other countries. This is an issue we can all unite behind.

We should not fritter away this opportunity. APL recently used a foreign-flag vessel to sail one of its subsidized routes without notifying any of the unions involved (SIU, SUP and MFOV). Such actions are counterproductive because they breed distrust when unity of purpose is essential.



East Coast
by V.P. Leon Hall

THE NLRB is still listening to testimony to determine if the New Bedford Seafood Producers engaged in unfair labor practices in their negotiations with the SIU. Witnesses have been scheduled through the end of March.

The breakdown in negotiations occurred in December 1985 and led to a bitter strike. The breakdown was caused in large part by the depressed state of the fishing industry.

The New England fishing industry continues to be in a serious state of decline. Yet less than 100 miles away, Canadian fishermen are having a banner year.

"The weak Canadian dollar and international politics have (helped the Canadians)," wrote *The Journal of Commerce* recently. "Since 1984, Canada has controlled, within its 200 mile limits, a scallops-rich slice of the Georges Bank that was considered American until the World Court said it was Canadian. U.S. boats are now chased off by the Canadian Coast Guard."

According to *The Journal of Commerce*, "There is a remarkable degree of cooperation between Canada's government and its fishing industry, amounting in some cases almost to a guaranteed market share and elimination of competition."

Meanwhile, American fishermen are struggling along. They feel cheated by the 1984 decision. There is a widespread perception that the American government didn't do enough to represent their interests before the World Court.

Aside from Canadian competition, the biggest problem facing New England fishermen is the liability insurance crisis. Things have become so bad that fishermen have all but given up on securing what they consider to be affordable insurance from conventional underwriting companies.

This problem is not confined to New Bedford. A few weeks ago, two dozen fishermen from around the country met at a workshop and shared their experiences on securing self-insurance.

The fishing industry is just one industry, of course. But what is happening to it is hardly unique.

For the past several months, American and Canadian trade representatives have discussed implementing a "Free Trade" zone between the United States and Canada. Negotiations have hit a snag because the Canadians don't want to ease up on regulations restricting American magazines and movies—a multi-billion dollar business. At the same time, they bristle when the Americans talk about the growing deficit in automobiles and data processing.



Government Services
by V.P. Buck Mercer

I suppose the same situations apply to shoreside workers and shipboard crews alike where personalities, temperament, attitude and behavior are concerned. The difference is, however, the shoreside employee can go his way once the eight-hour day's labor has been completed and forget about the events of the day and enjoy some of the fruits of life that are denied shipboard personnel.

Ships often spend weeks at sea; then, upon reaching a port, could spend weeks at anchor. During that time there are the same faces to see, the same voices to hear, the same routine duties to perform—day after tedious day, week after tiresome week. The long days at sea coupled with the monotonous grind of daily shipboard chores sometimes begin to take their toll on the best of sailors. That is when personalities, temperament, attitudes and behavior come into focus.

Personalities differ in each individual, and quite often these varied personalities clash. This makes for an unhealthy situation between fellow workers and a far worse circumstance when supervisors or department heads are involved. When personalities clash, tempers flare, attitudes and behavior patterns change—and the effect can be felt throughout the ship.

While tempers may be suppressed under the watchful eyes of the ship's officers, there are no such restraints when the crew goes ashore and possibly meets up in a local bar. That is when an already bad situation can become very tense and dangerous. That is when the "THINKING SAILOR" uses his or her head and stays OUT OF TROUBLE.

AND THAT IS WHAT WE ARE ASKING ALL OF OUR MEMBERS TO DO—STAY OUT OF TROUBLE ABOARD SHIP, AND ASHORE.

Seafarers

HARRY LUNDEBERG SCHOOL OF SEAMANSHIP



Piney Point Maryland

Delta Queen Steamboat Co. Crewmembers Attend SHLSS Safety Training Program

Safety aboard ship is a high priority for all our SIU contracted companies, but the unexpected happens no matter how safety conscious people are. Preparing seamen to meet these emergencies is the best method to insure the safety of the ship and its crewmembers.

Recently seven men from the Delta Queen Steamboat Company completed a three-week safety training program at the Seafarers Harry Lundeborg School

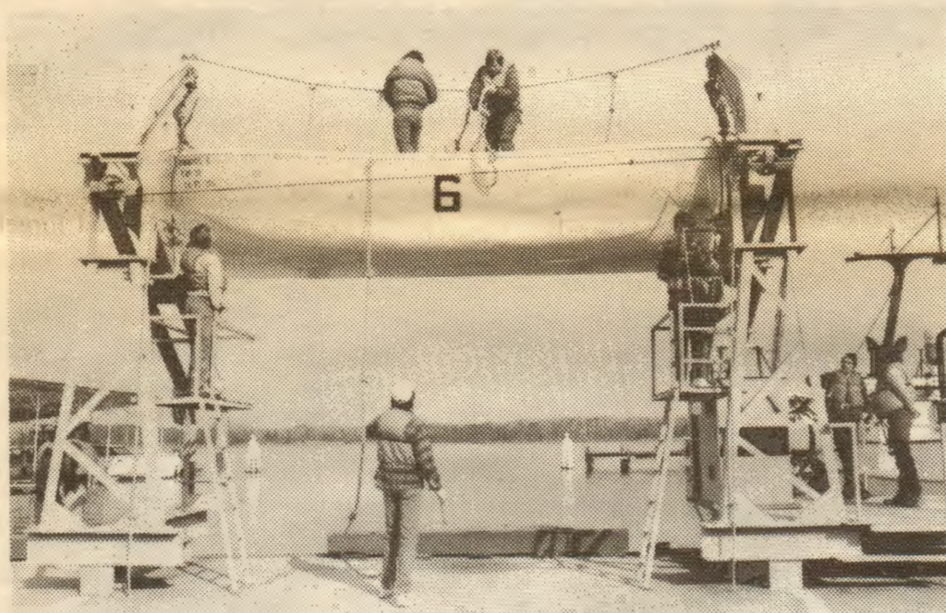
of Seamanship. The program was set up at the request of the Delta Queen Steamboat Company and included training in First Aid, Fire Fighting, CPR and Lifeboat. These courses are regularly taught at the Lundeborg School in conjunction with other upgrading courses but were scheduled back-to-back to meet the specific needs of the Delta Queen Steamboat Company. It was a rigorous three weeks but the men all felt it was well worth the time and effort.



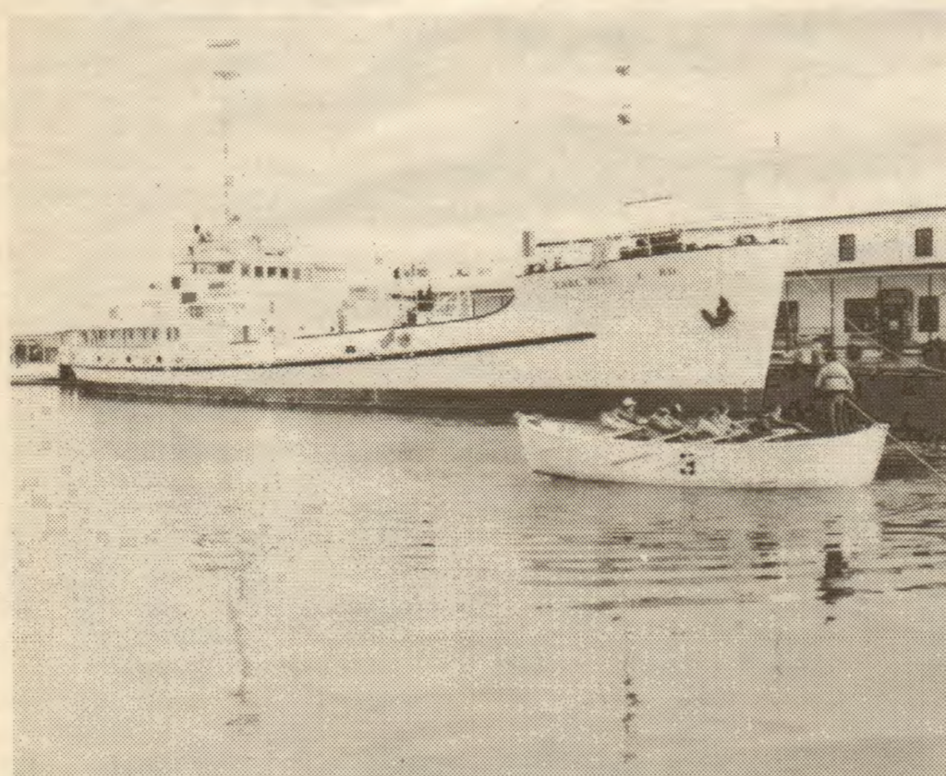
SHLSS RN Noreen Neel instructs students in applying a full head bandage.



Class members learn the technique for the performance of CPR.



The Delta Queen group gets hands-on-experience launching a gravity davit.



Learning oar commands is an important segment of the lifeboat course.

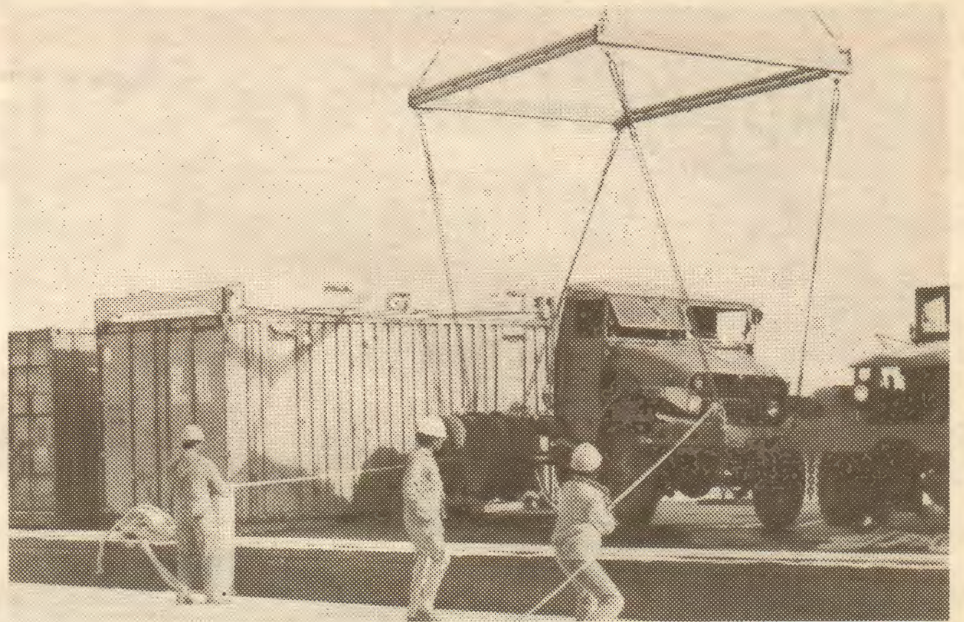


Delta Queen Steamboat Co. Crewmembers
First row (l. to r.) Carl Koen Jr., Dexter Williams, Michael Doshier. Second row: Steve W. Chiasson, Ray Tate, Aaron Rucker, Brad Seibel.

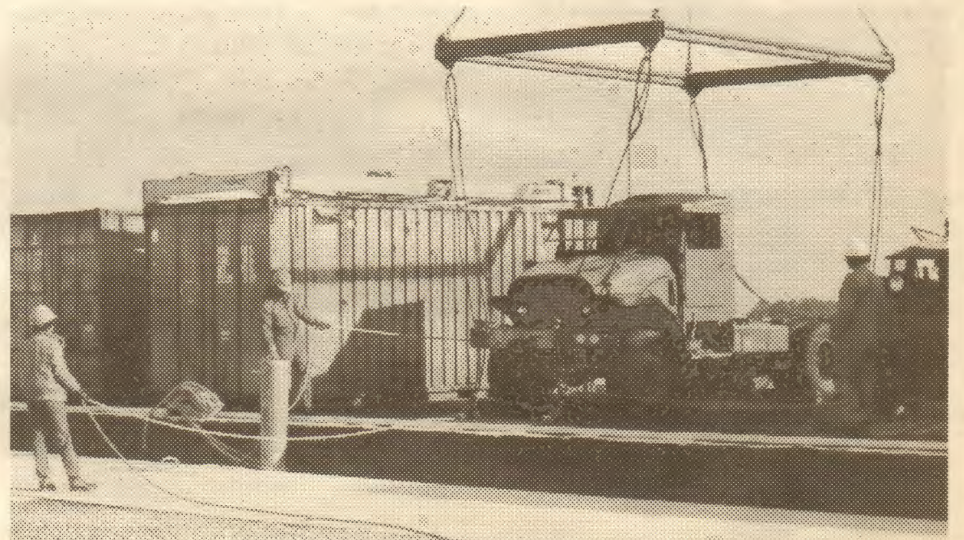
Army Cargo Handling Group Continues Training at SHLSS



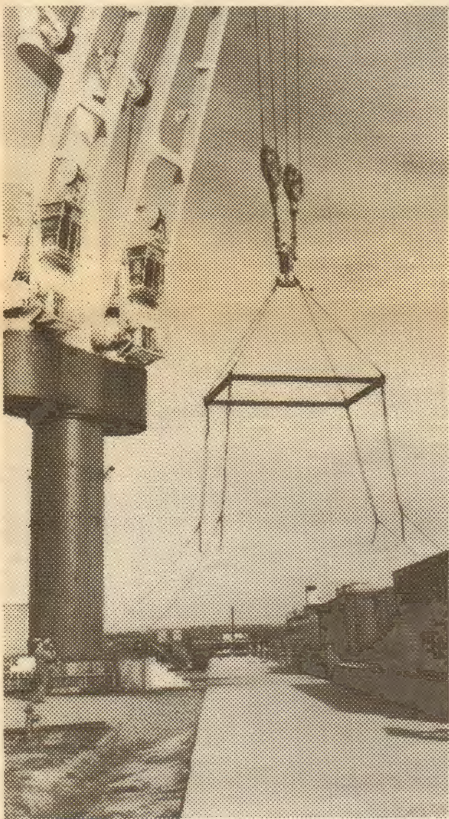
The SHLSS Hagglund crane is set up for twin operation.



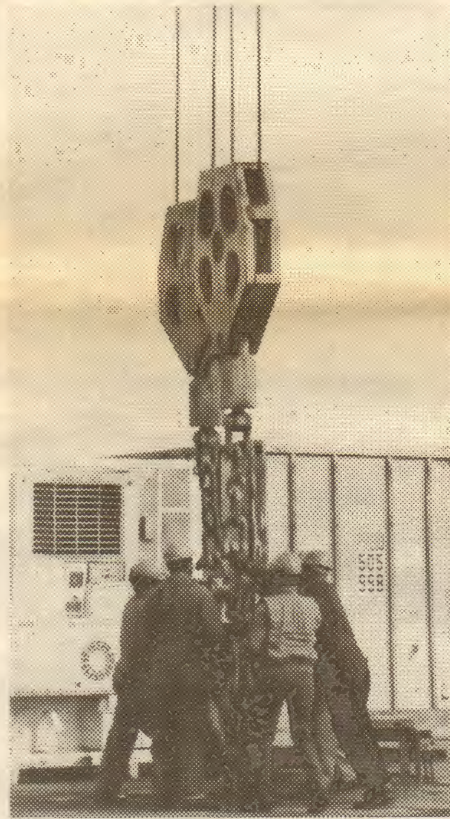
SHLSS Instructor Richard Dickerson supervises slewing a tractor trailer.



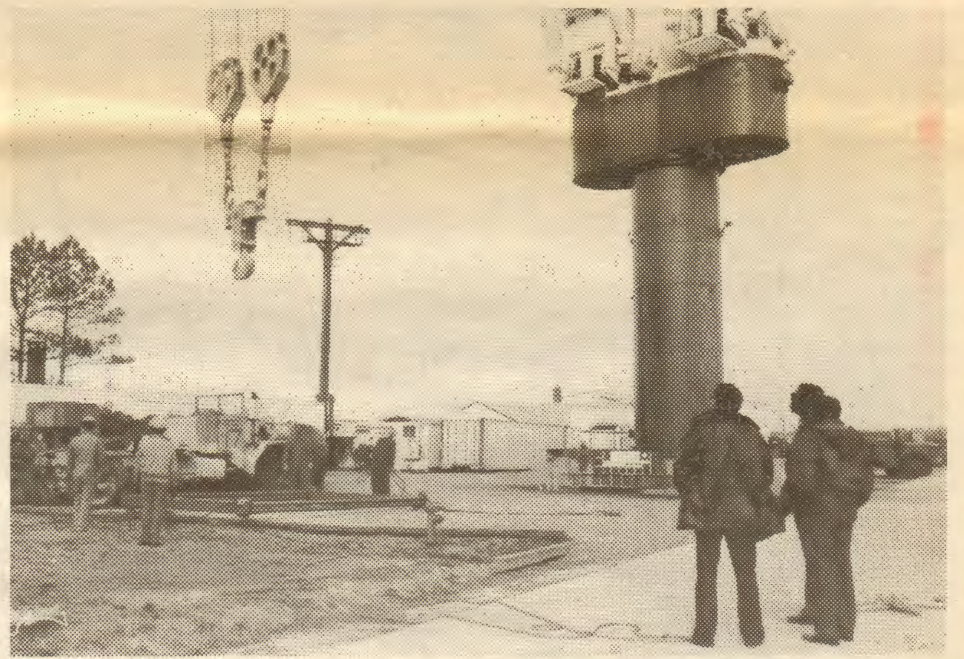
After the truck is placed in position, it is secured on the barge.



The spreader bar is positioned over the barge to make a lift.



The Army team, in a joint effort, hooks up the equalizing beam preparing the crane for twin operation.



Observing maneuvers from Fort Eustis are (R. to L.) Al Davis, SFC Brown and SHLSS Sealift Coordinator Bill Hellwege.

SHLSS COURSE GRADUATES



Sealift Operation and Maintenance

First row (l. to r.) Ali Amran, S. Madjidji. Second row: Harry Alongi (Instructor), Darya Marbrook, Ervin Earley, Alika Lapillo. Not shown: Gregory Lee, Sam Johnson, John Lee Davis, Brenda Kamiya.



GED

First row (l. to r.) Willie L. Lindsey, Candido Castro, Ron Koski. Second row: John Davis, Jay M. Anderson, Glen James.



Army Training Group

First row (l. to r.) Harold R. Looney, Luis E. Romero, Raymond E. Byrd, Richard Dickerson (Instructor). Second row: K. Murphy, Helen Kasony, Arthur Simmons. Third row: Robert L. Gurley, Ralph T. Weeks, Melvin Michaels.

Apply Now for an SHLSS Upgrading Course



Seafarers Harry Lundeberg School of Seamanship Upgrading Application



Name _____ (Last) _____ (first) _____ (Middle) Date of Birth _____ Mo./Day/Year

Address _____ (Street)

_____ (City) _____ (State) _____ (Zip Code) Telephone _____ (Area Code)

Deep Sea Member ☐ Inland Waters Member ☐ Lakes Member ☐ Pacific ☐

Social Security # _____ Book # _____ Seniority _____ Department _____

Date Book Was Issued _____ Port Issued _____ Port Presently Registered In _____

Endorsement(s) or License(s) Now Held _____

Are you a graduate of the SHLSS Trainee Program: ☐ Yes No ☐ (if yes, fill in below)

Trainee Program: From _____ to _____ (dates attended) Last grade of schooling completed _____

Have you attended any SHLSS Upgrading Courses: ☐ Yes No ☐ (if yes, fill in below)

Course(s) Taken _____

Do you hold a letter of completion for Lifeboat: ☐ Yes No ☐ Firefighting: ☐ Yes No ☐ CPR: ☐ Yes No ☐

Date Available for Training _____

Primary Language Spoken _____

I Am interested in the Following Course(s) Checked Below or Indicated Here if Not Listed _____

DECK

- ☐ Tankerman
- ☐ AB Unlimited
- ☐ AB Limited
- ☐ AB Special
- ☐ Towboat Operator Inland
- ☐ Towboat Operator Not More Than 200 Miles
- ☐ Towboat Operator (Over 200 Miles)
- ☐ Celestial Navigation
- ☐ Master Inspected Towing Vessel
- ☐ Mate Inspected Towing Vessel
- ☐ 1st Class Pilot
- ☐ Third Mate Celestial Navigation
- ☐ Third Mate
- ☐ Radar Observer Unlimited
- ☐ Simulator Course

ENGINE

- ☐ FOWT
- ☐ QMED—Any Rating
- ☐ Marine Electronics (Variable Speed DC Drive)
- ☐ Marine Electrical Maintenance
- ☐ Pumproom Maintenance & Operation
- ☐ Automation
- ☐ Refrigeration Systems Maintenance & Operations
- ☐ Diesel Engine Technology
- ☐ Assistant Engineer (Uninspected Motor Vessel)
- ☐ Chief Engineer (Uninspected Motor Vessel)
- ☐ Third Asst. Engineer & Original Second Asst. Engineer Steam or Motor
- ☐ Refrigerated Containers Advanced Maintenance
- ☐ Hydraulics
- ☐ Electro-Hydraulic Systems

STEWARD

- ☐ Cook & Baker
- ☐ Chief Cook
- ☐ Chief Steward
- ☐ Towboat Inland Cook

ALL DEPARTMENTS

- ☐ Welding
- ☐ Lifeboatman
- ☐ Seallift Operations & Maintenance

ADULT EDUCATION DEPARTMENT

- ☐ Adult Basic Education (ABE)
- ☐ High School Equivalency Program (GED)
- ☐ Developmental Studies (DVS)
- ☐ English as a Second Language (ESL)
- ☐ ABE/ESL Lifeboat Preparation

COLLEGE PROGRAM

- ☐ Associates In Arts Degree
- ☐ Nautical Science Certificate

No transportation will be paid unless you present original receipts and successfully complete the course.

RECORD OF EMPLOYMENT TIME—(Show only amount needed to upgrade in rating noted above or attach letter of service, whichever is applicable.)

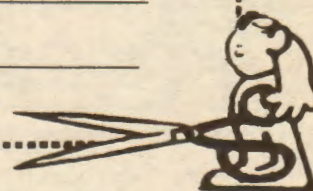
VESSEL _____ RATING HELD _____ DATE SHIPPED _____ DATE OF DISCHARGE _____

SIGNATURE _____ DATE _____

RETURN COMPLETED APPLICATION TO:

Seafarers Harry Lundeberg Upgrading Center, Piney Point, MD. 20674

Rev. 12/86



1987 UPGRADING COURSE SCHEDULE

Programs Geared to Improve Job Skills and Promote the U.S. Maritime Industry

March 1987 — June 1987

The following is the current course schedule for March 1987 — June 1987 at the Seafarers Harry Lundeborg School of Seamanship.

For the membership's convenience, the course schedule is separated into six categories: **Deck Department** courses; **Engine Department** courses; **Steward Department** courses; **Adult Education** courses; **All Department** courses and **Recertification Programs**.

Inland Boatmen and deep sea Seafarers who are preparing to upgrade are advised to enroll for class as **early as possible**. Although every effort will be made to fill the requests of the members, the classes are limited in size — so sign up early.

The course schedule may change to reflect the membership's needs and the needs of the industry.

SIU Representatives in all ports will assist members in filling out the application.

Engine Upgrading Courses

Course	Check-In Date	Completion Date
QMED - Any Rating	March 23	June 12
Marine Electrical Maintenance	March 9	May 1
Diesel Engine Technology	April 6	May 15
Welding	April 13	May 8
Chief Engineer & Assistant Engineer Uninspected Motor Vessel	April 6	June 12
Automation	June 22	July 17
Fireman/Watertender Oiler	June 8	July 31
Hydraulics	May 11	June 5

Deck Upgrading Courses

Course	Check-In Date	Completion Date
Celestial Navigation	March 13 July 13	April 17 August 14
Able Seaman	March 23 May 18	May 15 July 10
Radar Observer	March 16 April 20	March 27 May 1
Radar Observer (Renewal)	Open ended course, however, must notify SHLSS before entering this course.	
Third Mate & Original Second Mate	May 4	July 10
Lifeboat	March 9 May 4	March 20 May 15
Tankerman	March 23 May 18	April 3 May 29

All Rating Upgrading Courses

Course	Check-In Date	Completion Date
Sealift Operations and Maintenance	March 2 April 13 May 18 July 13	March 27 May 8 June 12 August 7

Steward Upgrading Courses

Course	Check-In Date	Completion Date
Chief Cook	March 18 May 13	May 22 July 17
Cook & Baker	March 18 April 29 June 10	June 26 August 7 September 18
Chief Steward	March 18 May 13	May 22 July 17

Recertification Programs

Course	Check-In Date	Completion Date
Steward Recertification	June 29	August 3

Adult Education Courses

For students who wish to apply for the GED, ESL, or ABE classes for the first six months of this year, the courses will be six weeks in length and offered on the following dates:

High School Equivalency (GED)	March 2 May 4	April 13 June 15
Adult Basic Education (ABE) & English as a Second Language (ESL)	March 2 May 4	April 10 June 12
Seafarers applying for the upgraders Lifeboat class and who are either ESL or need some work on basic skills, may take the ESL/ABE Lifeboat course three weeks prior to the scheduled Lifeboat class. This class will be offered:		
	April 13	May 1

The Developmental Studies Class (DVS) will be offered one week prior to some of the upgrading classes. They will be offered as follows:

QMED	March 16	March 20
Third Mate	April 27	May 1
Able Seaman	May 11	May 15
FOWT	June 1	June 5

College Programs

Course	Check-In Date	Completion Date
Associates in Arts	March 30 June 8	May 22 July 31
Nautical Science Certificate	March 30	May 22

NOTICE

To All SIU Members Who Are Scheduled To Attend SHLSS

You must present an up-to-date SIU clinic card before attending classes.

All students who are enrolled in a U.S. Coast Guard certified class must carry a valid clinic card.

Upgraders on Tour— More From Capitol Hill

During the course of the year, hundreds of Seafarers make the trip to Capitol Hill as part of their upgrading class. As often as possible, the Seafarers LOG tries to publish pictures of the upgraders during their visits to Washington. But the constraints of space and time mean not every group finds its way onto the LOG's pages.

Here are some of the upgraders who we have missed in the past months and a few pictures from inside the Capitol as a recent group of recertified stewards toured the legislative seat of the U.S. government.

One of the more recent additions to the display of famous Americans at the Capitol is this bust of Dr. Martin Luther King Jr. Recertified Steward James A. Jackson (right) took some time from the tour to view King's bust.



This group of upgraders from the Sealift Operations and Maintenance class visited Washington before snow covered the Capitol steps. The class included John Adams, William Gizzo, Charles Greer, Mark Grendahl, Fred Jensen, John Lasky, Robert Smith and Judith Barbera. Also along for the visit were SIU Legislative Representative Liz DeMato and SHLSS instructor Richard Dickerson.



This group of Able Seaman and Sealift upgraders includes (AB) Thomas Dowdell, Green Hoskins, John Kolwe, Larry Martin, Mitchell Santana, Timothy Smith, (Sealift) Ali Arman, Allen Cubic, John Davis, Ervin Earley, Earl Gray, Brenda Kamiya, Kirk Lapilio, Gregory Lee, Sjamsidar Madjidji, Darya Marbrook, Richard Parker, Joseph Bovenik, Samuel Johnson and Stephen Kastel.



While the rest of the class of recertified stewards listens to a Capitol tour guide, Norm Duhe (left) spots something of interest and snaps a photo for his scrapbook. Vernon Ferguson and Floyd King are on the right.

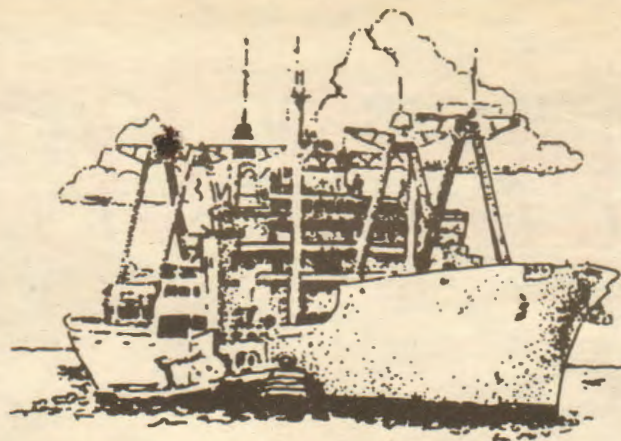
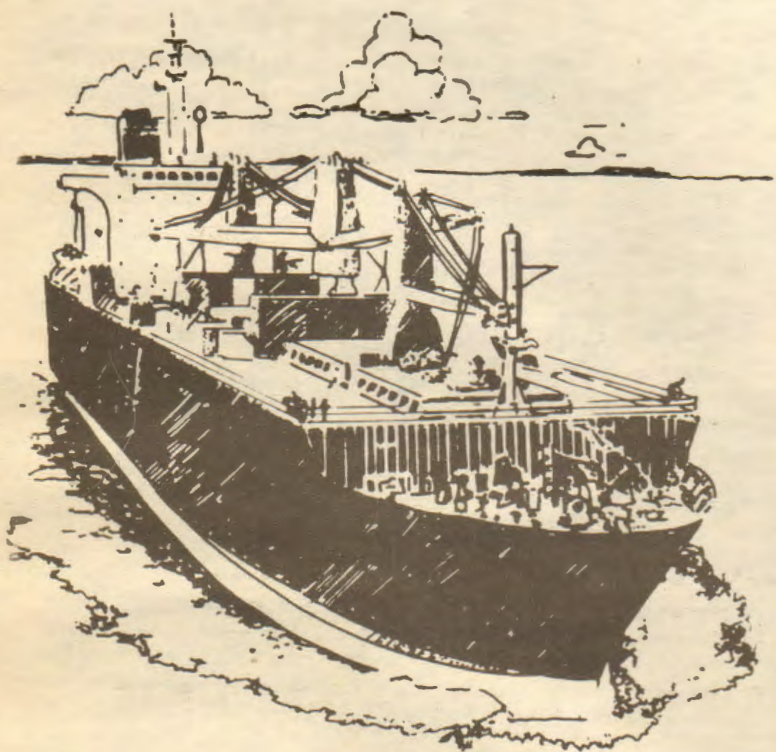


This large group of upgraders included members from three classes; Third Mate, Refrigeration Systems Maintenance and Operation and Able Seaman. Included in this picture taken at another entrance to the Capitol are (Third Mate) Thomas Carroll, Douglas Craft, Richard DeMont, Stephen Gateau, Shawn Kennedy, Paul Konstantino, Yngvar Krantz, Richard Montoya, Joseph Muscato, Edwin Rivera and Daniel Severinson; (Refrigeration) Robert Bunch, Joaquin Miller, Alfred O'Krogly, Charles Sandino and Larry Hines; (AB) John Arnold, Robert Christie, Keith Finnerty, Donald Gearhart, Kenneth Gilson, Chester Goff, Vernon Johnson, Royce Kauffman, Raymond Kucharzyk, Jeffery Libby, Joel Miller, Timothy Ahead, Thomas Sherrier, Erwin Udan, Abraham Vegas and Jerome William. Also pictured are SIU Legislative Director Frank Pecquex and SHLSS instructor Jake Karaczynski.



Everyone is familiar with the Capitol dome from the outside, but inside it contains a stunning display of artwork. Here the recertified stewards class gazes at the dome.

Safeguard Your Shipping Rights



TO SAFEGUARD your rights and the shipping rights of all SIU members, there are certain requirements that must be followed. These requirements are spelled out in the **Shipping Rules**, and they are there so that the rights of all members will be protected and furthered fairly and impartially.

DUES Your current quarter Union dues must be paid at the time you register.

RELIEF JOBS/REGISTERING When you are relieved, you must re-register for your job within 48 hours by reporting to the SIU Union hall.

RELIEF JOBS/CONTACT WITH UNION It is your responsibility to keep in contact with the Port Agent at the port in which you are registered.

RELIEF JOBS/SHIPPING It is your responsibility to claim your job from the hiring hall shipping board no later than one day before the ship's scheduled arrival.

KNOW YOUR RIGHTS

FINANCIAL REPORTS. The constitution of the SIU Atlantic, Gulf, Lakes and Inland Waters District makes specific provision for safeguarding the membership's money and Union finances. The constitution requires a detailed audit by Certified Public Accountants every three months, which are to be submitted to the membership by the Secretary-Treasurer. A quarterly finance committee of rank and file members, elected by the membership, makes examination each quarter of the finances of the Union and reports fully their findings and recommendations. Members of this committee may make dissenting reports, specific recommendations and separate findings.

TRUST FUNDS. All trust funds of the SIU Atlantic, Gulf, Lakes and Inland Waters District are administered in accordance with the provisions of various trust fund agreements. All these agreements specify that the trustees in charge of these funds shall equally consist of Union and management representatives and their alternates. All expenditures and disbursements of trust funds are made only upon approval by a majority of the trustees. All trust fund financial records are available at the headquarters of the various trust funds.

SHIPPING RIGHTS. Your shipping rights and seniority are protected exclusively by the contracts between the Union and the employers. Get to know your shipping rights. Copies of these contracts are posted and available in all Union halls. If you feel there has been any violation of your shipping or seniority rights as contained in the contracts between the Union and the employers, notify the Seafarers Appeals Board by certified mail, return receipt requested. The proper address for this is:

Angus "Red" Campbell
Chairman, Seafarers Appeals Board
5201 Auth Way and Britannia Way
Prince Georges County
Camp Springs, Md. 20746

Full copies of contracts as referred to are available to you at all times, either by writing directly to the Union or to the Seafarers Appeals Board.

CONTRACTS. Copies of all SIU contracts are available in all SIU halls. These contracts specify the wages and conditions under which you work and live aboard your ship or boat. Know your contract rights, as well as your obligations, such as filing for OT on the proper sheets and in the proper manner. If, at any time, any SIU

KNOW YOUR RIGHTS



patrolman or other Union official, in your opinion, fails to protect your contract rights properly, contact the nearest SIU port agent.

EDITORIAL POLICY — THE LOG. The Log has traditionally refrained from publishing any article serving the political purposes of any individual in the Union, officer or member. It has also refrained from publishing articles deemed harmful to the Union or its collective membership. This established policy has been reaffirmed by membership action at the September, 1960, meetings in all constitutional ports. The responsibility for Log policy is vested in an editorial board which consists of the Executive Board of the Union. The Executive Board may delegate, from among its ranks, one individual to carry out this responsibility.

PAYMENT OF MONIES. No monies are to be paid to anyone in any official capacity in the SIU unless an official Union receipt is given for same. Under no circumstances should any member pay any money for any reason unless he is given such receipt. In the event anyone attempts to require any such payment be made without supplying a receipt, or if a member is required to make a payment and is given an official receipt, but feels that he should not have been required to make such payment, this should immediately be reported to Union headquarters.

KNOW YOUR RIGHTS

CONSTITUTIONAL RIGHTS AND OBLIGATIONS. Copies of the SIU constitution are available in all Union halls. All members should obtain copies of this constitution so as to familiarize themselves with its contents. Any time you feel any member or officer is attempting to deprive you of any constitutional right or obligation by any methods such as dealing with charges, trials, etc., as well as all other details, then the member so affected should immediately notify headquarters.

EQUAL RIGHTS. All members are guaranteed equal rights in employment and as members of the SIU. These rights are clearly set forth in the SIU constitution and in the contracts which the Union has negotiated with the employers. Consequently, no member may be discriminated against because of race, creed, color, sex and national or geographic origin. If any member feels that he is denied the equal rights to which he is entitled, he should notify Union headquarters.

SEAFARERS POLITICAL ACTIVITY DONATION — SPAD. SPAD is a separate segregated fund. Its proceeds are used to further its objects and purposes including, but not limited to, furthering the political, social and economic interests of maritime workers, the preservation and furthering of the American Merchant Marine with improved employment opportunities for seamen and boatmen and the advancement of trade union concepts. In connection with such objects, SPAD supports and contributes to political candidates for elective office. All contributions are voluntary. No contribution may be solicited or received because of force, job discrimination, financial reprisal, or threat of such conduct, or as a condition of membership in the Union or of employment. If a contribution is made by reason of the above improper conduct, notify the Seafarers Union or SPAD by certified mail within 30 days of the contribution for investigation and appropriate action and refund, if involuntary. Support SPAD to protect and further your economic, political and social interests, and American trade union concepts.

If at any time a member feels that any of the above rights have been violated, or that he has been denied his constitutional right of access to Union records or information, he should immediately notify SIU President Frank Drozak at Headquarters by certified mail, return receipt requested. The address is 5201 Auth Way and Britannia Way, Prince Georges County, Camp Springs, Md. 20746.



What If?

Try to imagine the following scenario.

An emergency has broken out in a country or region critical to American security interests—the Philippines, Central America or the Persian Gulf.

The United States, which spends \$300 billion taxpayer dollars a year on its defense budget, can't get its troops or supplies there in time to avert an international disaster. Are the taxpayers you represent aware of the seriousness of our maritime condition?

Sound far-fetched? It isn't, and here's why.

I. SEALIFT IS THE BEDROCK OF OUR NATIONAL SECURITY: Where Are the Ships?

Sealift is the bedrock of our national security. Successful deployment of American military power overseas depends upon water transportation.

According to U.S. Department of Defense estimates, more than 90 percent of all equipment, supplies and troops needed to sustain a war effort must be carried on ships.

"The [importance of sealift] has

been repeatedly demonstrated over the past 45 years," asserts the Department of Defense. There are two outstanding examples of this phenomena—the worldwide U.S. convoy and supply operations that were essential to the Allied victory in World War II, and the 8,000 mile sealift that enabled the British to bring the 1982 Falkland Islands dispute to a successful close.

II. THE U.S. MERCHANT MARINE IS THE NATURAL SOURCE OF U.S. SEALIFT: Why Have We Allowed It to Decline?

The American-flag merchant marine has traditionally been the major source of this nation's sealift capability.

Most people attribute the heroic performance of the maritime industry during World War II to passage of the Merchant Marine Act of 1936

which helped revive what had once been a dying industry.

Not surprisingly, demand for shipping declined after World War II. Congress passed the Merchant Ship Sales Act of 1946 which allowed hundreds of American-flag vessels to be sold to foreign companies and governments at nominal sums.

Around the same time, the Department of Defense was formulating the Effective U.S. Control (EUSC) Policy which provided War Risk Insurance to American-owned vessels documented under foreign registries.

And fewer ships were being built in U.S. shipyards.

And so the march to foreign registry began.

By the beginning of the Korean War, the American-flag merchant marine had declined by more than one half, to 1,700 vessels. Meanwhile, there was an explosive growth in the number of vessels documented under flag-of-convenience registries.

Massive cuts in the maritime budget during the early years of the Reagan administration and a worldwide depression in the shipping industry accelerated the decline of the American-flag merchant marine. By 1985, there were fewer than 400 active vessels in the deep-sea fleet and only 13 U.S. shipyards.

III. MILITARY PLANNERS ARE DISTURBED BY THE DECLINE OF THE AMERICAN-FLAG MERCHANT MARINE: What Happened to Sealift Capability?

When asked by a congressional committee about the wisdom of relying on foreign-flag vessels to provide the bulk of America's sealift capability, Admiral Isaac D. Kidd, former Allied Supreme Commander of the Atlantic, admitted to being "less than completely comfortable" with the idea.

This discomfort grew to the point where the Navy engaged in a massive and costly buildup of its Ready Reserve Fleet. Yet many people in the maritime industry and the armed forces believe that this development side-stepped the real issues.

To acquire and nationalize a mer-

chant marine for defense purposes and then 'park' it or hold it in reserve is costly and inefficient.

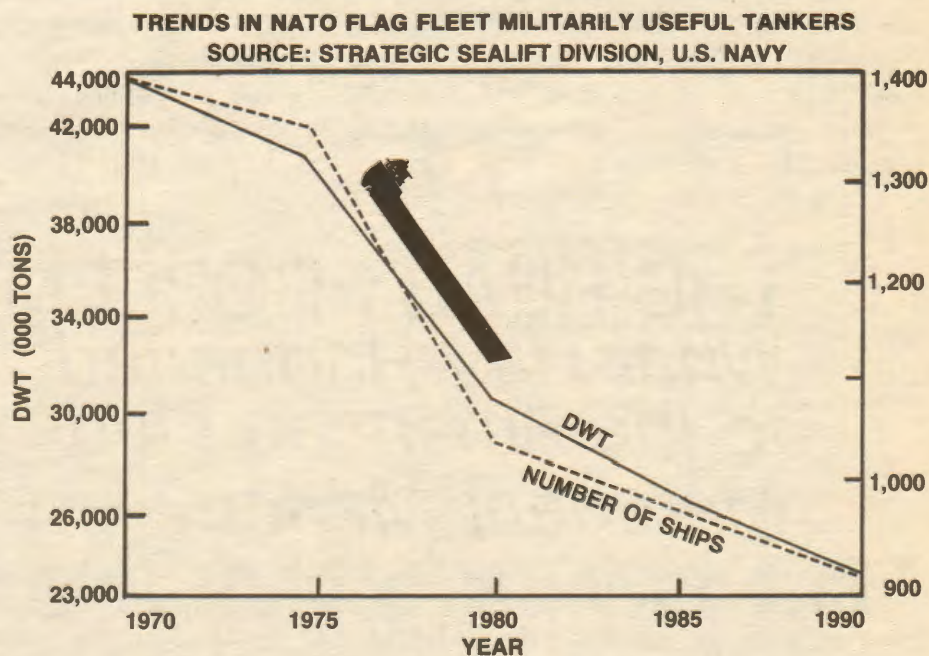
It would be cheaper to subsidize the private sector fleet or have a cargo preference program.

The cost of the reserve fleet program will exceed all the subsidies ever paid under the Merchant Marine Act of 1936. It still won't solve the critical shortage of skilled mariners which the Navy estimates will reach 6,000 by 1990.

Where are they going to find the qualified mariners to man these vessels in time of war?

(Continued on Page 16.)

Military experts have testified that at least 700 ships are needed to provide minimum military support in a national emergency, but with fewer than 400 today, we are sorely deficient.



IV. WHAT ABOUT FOREIGN-FLAG VESSELS: Can We Count on Them in a National Emergency?

There are many good reasons to doubt the reliability of foreign-flag vessels. Take what happened in 1973, when the United States tried to deliver supplies to its most dependable ally in the Middle East—Israel.

Syria and Egypt attacked Israel without warning.

Iraq, Saudi Arabia and many other OPEC nations immediately implemented an oil embargo. The repercussions from that embargo still are being felt.

Our oil-poor NATO allies said

that they were sympathetic to American security interests and concerned about the possible destruction of the state of Israel. Yet with the exception of the Netherlands, they maintained a cool distance.

William Tolbert, then president of Liberia, issued an Executive Order which prohibited emergency supplies to Israel from being carried on Liberian-flag vessels. Yet since 1948, the Department of Defense has considered Liberian-flag vessels under "Effective U.S. Control."

It still does.

V. THE "EFFECTIVE CONTROL" DOCTRINE: It Fails to Address the Growing Instability of Many Third World Nations.

The most disturbing thing about the 1973 Yom Kippur War was not the way that Liberia or our NATO allies acted, but the fact that so many American military experts overlooked the failure of the "Effective Control" Doctrine to operate as planned.

"The fact that these foreign registered ships play an important role in U.S. mobilization planning," wrote former Marad official Irwin Heine, who had a clear perception of the issues involved, "is based upon agreements, not treaties, with Panama, Honduras and Liberia. Under international law, only the state of registry has the right to requisition and exercise control of its national-flag vessels."

These agreements specify that ships of U.S.-controlled foreign affiliates of American citizen companies will be returned to U.S. control in time of national emergency or war. But this might only prove true "so long as friendly relations continue."

VI. THE REAL PROBLEM: What Has Happened to the American-Flag Merchant Marine?

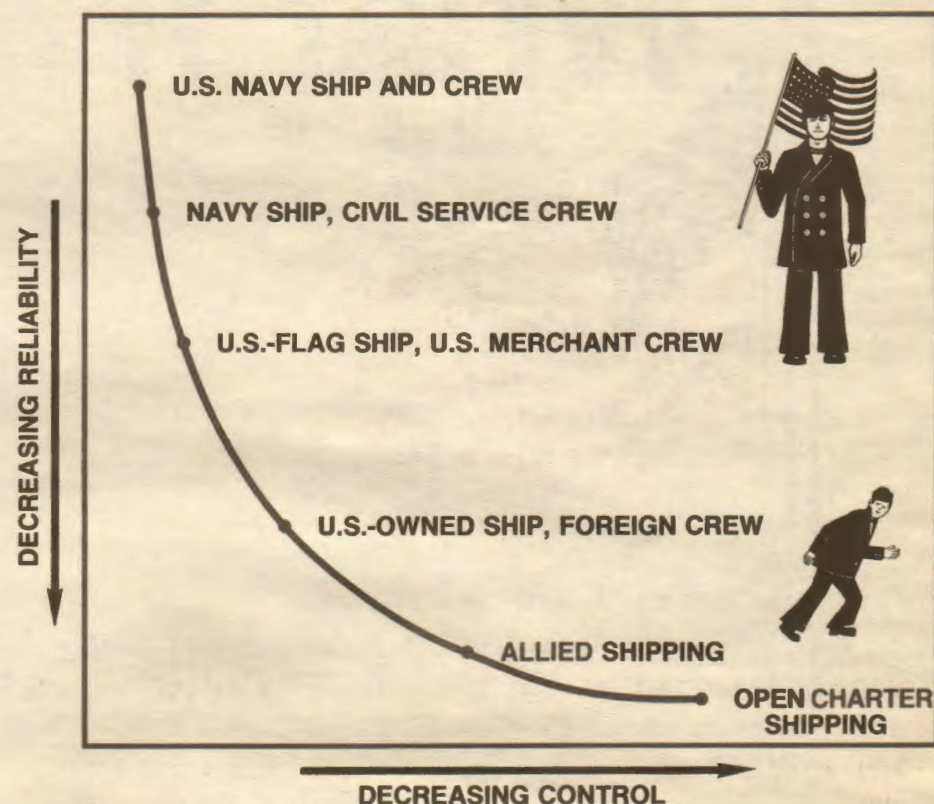
Many of the vessels documented under flag-of-convenience registries are owned by American companies. Marad estimates

that there are about 500 such vessels worldwide, approximately 100 more than are registered in the entire active American fleet. Of these ships,

"... Without Adequate and the Military Plans Is Exec

Admiral Th

RELATIVE RISK OF SHIPPING AND CREWING SOURCES



military experts tell us only 19 dry cargo and 42 tankers will be militarily useful by 1992.

The existence of flag-of-convenience registries also has had a serious and negative effect on the fleets of our NATO allies.

There were 1,400 militarily useful tankers in the NATO fleets in 1970.

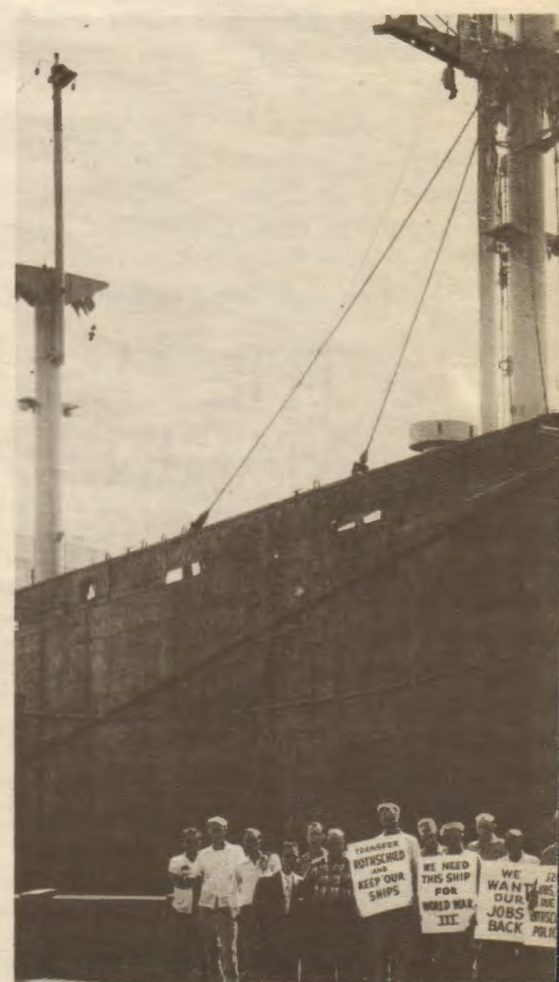
By 1985, that number had dropped to fewer than 950. In every NATO nation—England and Norway in particular—there has been a move to register their vessels under foreign flags. These vessels are crewed by multi-nationals who have divided loyalties at best.

VII. AMERICAN-OWNED FOREIGN-FLAGGED VESSELS: A Mockery of This Nation's Laws.

For the past 40 years, American companies have escaped American taxes, and minimum wage and safety standards by documenting their vessels under flag-of-convenience registries.

They've suffered very few consequences for their actions. With few exceptions (small amounts of exports and imports covered by bilateral treaties or cargo preference laws), they've had full access to this country's ocean-borne foreign commerce.

Indeed, even if a shipowner wants to maintain stringent safety standards, pay taxes to the federal government, build vessels in American shipyards and employ American workers, he would be at a severe disadvantage because of the EUSC Doctrine.



d Reliable Sealift, None of
utable . . .

Thomas Hayward, former Chief of Naval Operations

VIII. THE "EFFECTIVE CONTROL" DOCTRINE: *It Has Cost the United States Billions of Dollars.*

The cost of the "Effective Control" Doctrine is difficult to calculate. But let's try, beginning with this nation's balance of payments deficit.

In 1979, before the trade deficit reached epidemic proportions, the Department of Commerce estimated that there was a \$646 million balance of trade deficit for the maritime industry. (Note—for that one year.)

This figure included only the operators' fees. It did not include lost taxes, missed business opportunities or jobs exported overseas.

It also did not include figures for maritime-related industries such as shipbuilding, insurance and steel.

Equally important, these U.S. shipyards helped to keep an indus-

trial base workable and available for national security. Take a look at your own state and see the decline of the nation's industrial base.

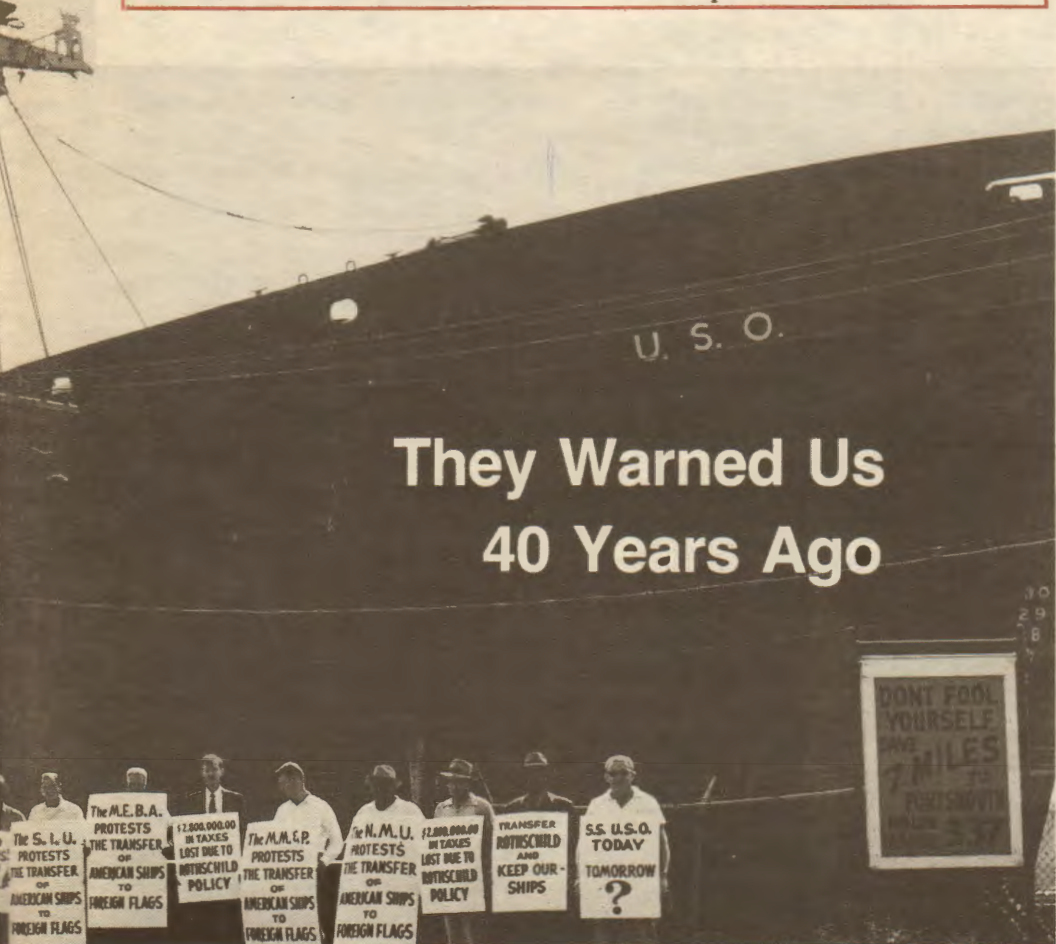
Companies which documented their vessels under the American registry built their vessels in American shipyards (until recently, this was required by law). They bought American parts, used American steel, installed American computers and staffed their offices with American white-collar workers.

This has had a direct effect on the economy. American vessels meant American jobs. And these gainfully-employed people paid taxes, purchased houses, bought cars. If you add up all the figures, you're talking about billions of dollars.

Last year the Seafarers Section of the International Transport Workers Federation, which represents seafarers from almost every maritime nation, passed a resolution that allows crewmembers to decide if they will sail into a "war-like zone."

"A seaman shall have the right not to proceed to a war-like operations area . . . Where a seafarer declines to proceed, he shall be repatriated to his port of engagement at shipowner's cost . . . without risk of losing his employment or suffering any other detrimental effects."

Can we count on others to crew our ships?



**They Warned Us
40 Years Ago**

IX. THE DECLINE OF THE AMERICAN-FLAG MERCHANT MARINE: *Part of a Larger Problem.*

In many ways, the decline of the American-flag merchant marine is part of a larger problem affecting the American economy as a whole.

What shape is America in? Most people, including many so-called experts, just don't know. They can't make sense out of all the conflicting statements coming out of Washington and Wall Street.

Administration officials point to lowered inflation and unemployment rates as proof that America has regained its economic vigor. Other people express confidence in our future because the stock market has broken the 2,000 mark for the first time in its history.

Yet these rosy statistics tell only part of the story.

A growing number of people are alarmed by the volatile nature of the market. They notice disturbing sim-

ilarities between 1986 and 1929.

More important, this nation's trade and budget deficits have reached epidemic proportions. Millions of good-paying manufacturing jobs have been exported overseas. They've been replaced with semi-skilled jobs paying part-time wages. More than half of the "new jobs" in the U.S. in the past six years pay less than \$7,000 a year.

Some officials, like Treasury Secretary James Baker, believe that the value of the dollar has to be reduced. Other people are afraid that it will fall too rapidly and will distort the international marketplace.

What's the truth? Is America on the ropes, or is it going for gold?

We in the maritime industry feel that we are in a unique position to judge today's events.

X. THE AMERICAN MARITIME INDUSTRY IN THE INTERNATIONAL MARKETPLACE: *There Is No Such Thing as Free Trade.*

The maritime industry has played an important role in this country's political and economic development. For one thing, it serves as this country's unofficial "Fourth Arm of Defense." At the same time, it is a vital link in this nation's vast infrastructure of ports, highways and bridges.

It is different from other American industries. By its very nature, it has *always* had to compete head-on in the international marketplace.

Until recently, trade played a relatively minor role in the American economy. As late as 1960, less than 5 percent of this nation's GNP was generated by foreign commerce.

Most American industries—maritime was an exception—did not have to go out into the international marketplace to compete. They could rely on this nation's immense domestic market.

It was perhaps inevitable that American policymakers would take American prosperity for granted.

Other nations, like Japan, have molded their international trade policies around the principle of nurturing and protecting their industries.

The truth of the matter is that the international marketplace has never practiced "Free Trade." Trade barriers have always existed—Americans just didn't have to worry about them, for theirs was a relatively self-contained economy.

This, of course, is changing, and it hurts. Many American industries have found themselves in the same position that maritime was forced into after World War II.

In 1948, the maritime industry was thrown to the wolves. The EUSC Doctrine gave foreign-flag companies an insurmountable advantage. The 1946 Ship Sales Act created foreign competition where none had existed.

This indifference to long-term economic trends is a pervasive theme in recent American history. Henry

(Continued on Page 18.)

What If?

(Continued from Page 17.)

Kissinger said that this country is at least 15 years behind Japan and South Korea in fashioning a coherent policy on trade and economic development.

Starting in the early 1970s, when Japan, South Korea and Taiwan were busy fashioning long-term economic policies to promote their industrial sector, American leaders

were saying that a decline of this nation's manufacturing base was inevitable and perhaps even desirable. High technology and service jobs would take care of our future.

To give an indication of how things have turned out, IBM, this country's largest high-tech firm, has to import 80 percent of the parts needed to construct one personal computer.

XI. THIS COUNTRY'S ECONOMIC DECLINE MUST BE REVERSED: *So Must the Decline of the American-Flag Merchant Marine.*

The American economy can be turned around. But it will take hard work, perseverance and a perceptible shift in this nation's priorities.

Fairness has to be restored in dealing with our trading partners. They cannot expect free access to our markets if theirs remain closed.

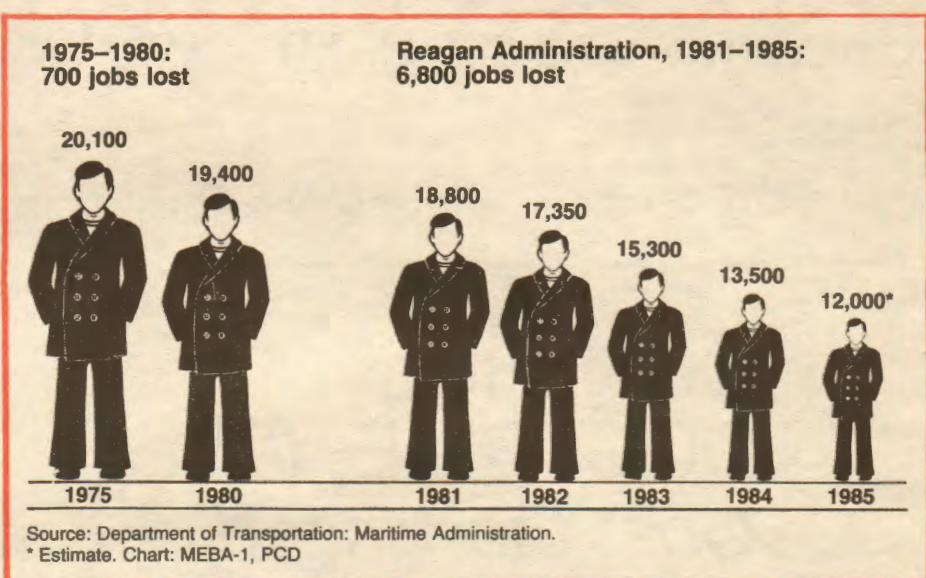
The American economy can only be revived on an industry-by-industry basis. For maritime, the key is cargo.

This month the Maritime Trades

Department released the broad outlines of a policy aimed at reviving the American-flag merchant marine. These are some of the issues that were debated and adopted as statements of MTD policy:

- Endorsed legislation to establish a federal build and charter program to construct militarily useful merchant vessels for charter or lease to commercial operators.
- Backed a measure to require that structures used in the offshore production of oil and gas be built in

SEAFARING EMPLOYMENT ON UNITED STATES-FLAG SHIPS



the United States and that at least half the materials used be of domestic origin.

• Supported measures to assure a fair share of the carriage of all auto imports to the United States aboard U.S.-flag ships. Recently two more nations—Brazil and Malaysia—have begun exporting autos, bringing to 10 the number of countries selling their cars in the U.S. market—and not one car comes in on a U.S.-flag ship.

• Called for legislation to deal with critical problems facing the U.S. deep-sea fishing industry as a result of the increasing importation of foreign fish products, the predatory practices of other fishing nations, and the soaring cost of insurance for American fishing vessels.

• Urged the immediate and vigorous pursuit of bilateral and mul-

tilateral agreements with our trading partners in order to restore the U.S. to its influence in the world economy.

• Instead of lowering the standards of American workers to compete in a "free" market place, we should continue to seek to raise the standards of workers in those nations with which we trade. We do not think the American people are ready to lower their standards anymore to subsidize "free" trade.

• Strongly supported the development of a fair trade policy which recognizes that the U.S. is not meant to be the dumping ground for products built to satisfy some other nation's industrial strategy. The MTD warned that if the U.S. does not act quickly, our nation's industrial base, job experience and military strength will be dangerously eroded.

XII. IT CAN BE DONE! *But We Must Act and We Must Act Now.*

AND what will happen if we continue to do nothing? More of the same. Jobs will continue to be exported overseas. Our industrial base will wither away.

And our military capability? It's a paradox. We are an island nation without a merchant marine.

"Without adequate and reliable sea-lift," says Admiral Thomas Hayward, former chief of Naval Operations,

"none of our military plans is executable."

Fifty years ago, America faced a similar dilemma. Its merchant fleet was almost non-existent. The economy was in a shambles. The international situation grew increasingly grim.

Did we despair? Did we lie to ourselves and say that everything was all right?

No. We looked the problem straight in the eye.

"I present to the Congress," said Franklin Delano Roosevelt in 1935, "the question of whether the United States shall have an adequate merchant marine."

The answer was the Merchant Marine Act of 1936.

It established a system of subsidies and promotional programs that helped revitalize the American flag merchant marine just in time for World War II.

Our problems can be solved, but it will take leadership, honesty and cooperation. Government can make a difference, but only if we use it properly.

LIBERIA



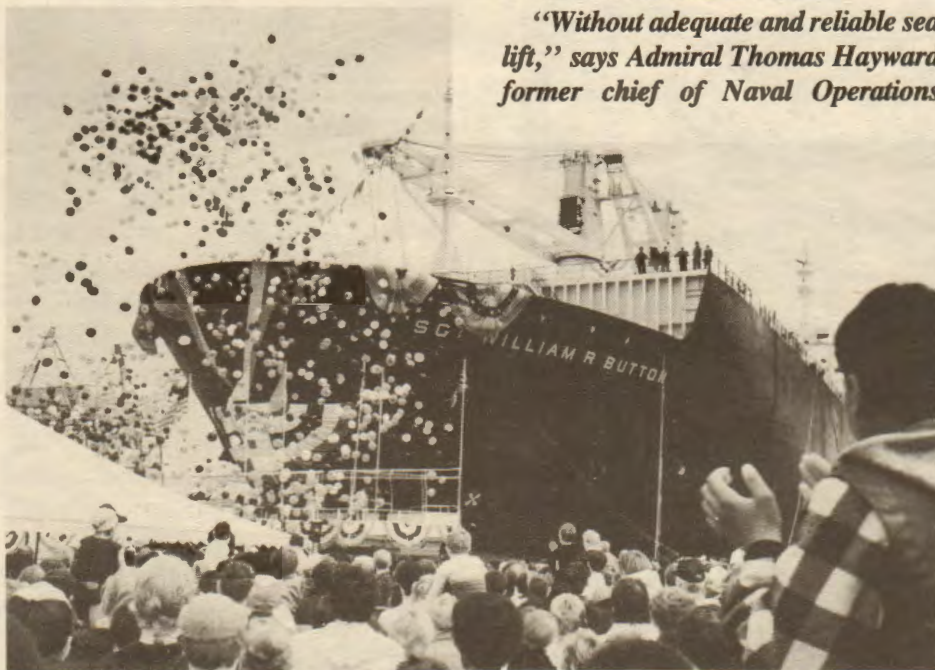
PANAMA



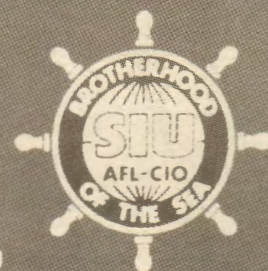
In 1936 Congress passed the Merchant Marine Act "to further the development and maintenance of an adequate and well-balanced American merchant marine; to promote the commerce of the United States, to aid in the national defense . . ."

Isn't it time the administration, with the encouragement of Congress, implement the spirit and the letter of this law before it is too late?

BAHAMAS



The fear of having to count on unreliable foreign-flag ships has forced U.S. military planners to boost their cargo capacity with ships such as the one above, on permanent charter to the Navy. But these programs are no replacements for a healthy, private merchant marine.



USNS Assertive: Welcome to the Real World

By Bob Borden, PAO, MSCPAC

Fully equipped with her new SURTASS electronic gear and prepared to join the fleet, the *USNS Assertive* (T-AGOS 9) paid a brief port visit to scenic Monterey, Calif. last month. She was on her maiden voyage from Oakland to her new home in Hawaii.

There was, however, no liberty for the crew while the vessel was anchored less than a mile from shore. Instead, the ship hosted 26 students and faculty members from the Naval Postgraduate School in Monterey. They toured the SURTASS Operations Center and other parts of the ship during the three hours the *Assertive* was in port.

One of the goals of the Naval Postgraduate School is to impress upon students the distinction between what is theoretically possible and what is

actually achievable. Adjunct professor Calvin Dunlap, who coordinated the *Assertive* tour, believes the close-up look at one of the newest vessels in the fleet achieved that goal.

"Some of the students are studying the principles behind the T-AGOS ship operations, and this was an opportunity to see what the shipboard equipment is really like and to relate what they're learning with the real thing," said Dunlap, a retired naval officer who teaches an operational oceanography course.

Students from the postgraduate school have visited T-AGOS ships before in Oakland during the installation phase of the Surveillance Towed Array Sensor System (SURTASS), but the January visit of the *Assertive* marked the first time a T-AGOS ship has dropped anchor in Monterey, home of the Naval Postgraduate School since



The *USNS Assertive* (T-AGOS 9) lies anchored in Monterey, Calif.

1951. The school graduates 800 students per year and offers a range of curricular programs specifically tailored to impart the scientific, engineering, operational and administrative knowledge necessary to meet the professional needs of the Navy.

Capt. Philip W. Cramer, Chief Mate Robert Bacon and a few RCA technicians served as tour guides for the students and faculty members during the ship's brief stay in Monterey.

"I'll probably be doing this sort of thing a lot more before I get off this ship, so I might as well get started right away," joked Bacon, who led a small group down into the engineering spaces, up through the galley and up to the bridge of the 224-foot ship. Though he had only been assigned to the *Assertive* for less than a week, Bacon knew his way around the ship. He previously served one tour of duty aboard the *USNS Contender*, the second of the 10 T-AGOS ships built to date.

Professor Dunlap, who divides his time between classroom instruction and oceanographic research, said the students and faculty told him the tour was very worthwhile.

"The comments I've heard are very encouraging," said Dunlap, who holds graduate degrees from the Postgraduate School and Stanford University. "The visit allowed our group to become more aware of the technology aboard our ships and to get an insight into a very successful program."

Frank Mullen, who assists Professor Dunlap in environmental acoustical research, added: "The chance to visit the ship was very helpful. It gives us a chance to connect teaching with the real world of operations."

Within a few hours after first dropping anchor in Monterey, the *USNS Assertive* was underway again, prepared to put her hardware to the test in the operational realities of the "real world."



Capt. Phil Cramer of the *USNS Assertive* shows students from the Naval Postgraduate School how things operate from the bridge.

MSCPAC to Improve Services

The MSCPAC Civilian Personnel Office (CPO) is reorganizing. This move is designed to improve services to civilian marine personnel ashore on leave and to those on assignment.

CPO's Al Quatsha explains that the reorganization should help the mariners who are on leave to conduct their business at the headquarters building in a more efficient manner, whether it be training, shipboard assignments or disciplinary actions.

Under the Civilian Personnel Officer, P-2, who has now taken on an assistant for Special Projects, P-2B, are four divisions:

1. Personnel Management Systems Division, P-21, headed by Inez Daneen. This division deals with the sophisticated computer system in all its glory.

2. Personnel Operations Division, P-22, with Earl Bergman at the helm. This division was formerly known as the Marine Placement and Receiving Branch and was headed by D. Dysthe. It has combined marine crewing of ships, shore staffing and wage and classification duties.

3. Employee Relations and Services Division, P-23, led by D. Dysthe, will continue to handle disciplinary matters, retirements and other services for shoreside and marine employees, as well as safety, which has been added to this division.

4. Employee Development Division, P-24, continues under the direction of R. Rosemeyer. This division handled all types of training for marine personnel as well as the damage control unit.

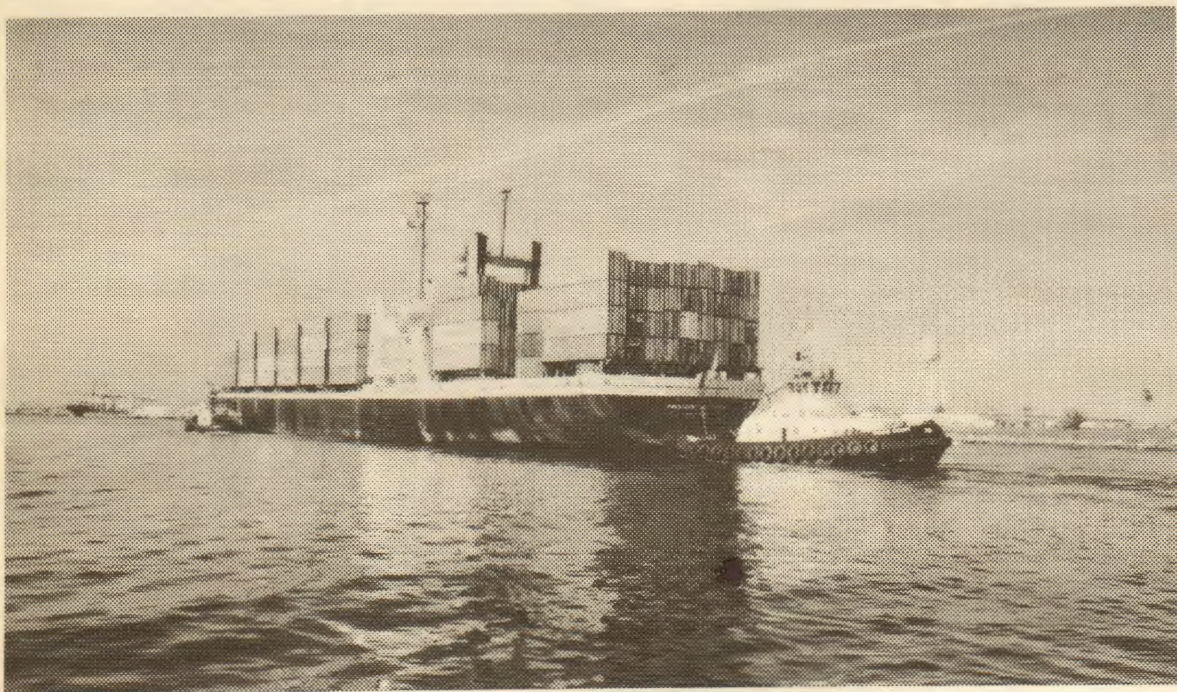
NASSCO Wins Navy Contract

National Steel and Shipbuilding Co. (NASSCO) of San Diego, Calif. was awarded a contract from the U.S. Navy for construction of one AOE class ship. The contract, which contains separately priced options to build three additional ships, is valued at \$290.9 million. The options are scheduled to be exercised in 1989, 1990 and 1991. The total value of the contract, including the options, is approximately \$1 billion.

During 1987 the program will employ 400 to 500 engineers, planners, and procurement personnel, with the production schedule to begin in 1988.

If all contract options are used, the program will employ an average of 1,500 people from 1988 to 1994. Construction schedules call for the first ship to be delivered in 1991 and the fourth ship to be delivered in 1994.

The AOE is a fast combat support ship capable of fleet-speed. With a cargo capacity of 150,000 barrels of fuel and 1,800 tons of munitions, the AOE will sail in support of the fleet and resupply Navy combat ships while underway. The ship will be 753 feet in length with a beam of 107 feet and a draft of 37 feet in a fully-loaded condition.



With the assistance of a docking tug, the *Pacific Escort*, the *President Jefferson* (APL) enters Los Angeles Harbor.

Eye on L.A.

(Photos by Dennis Lundy)



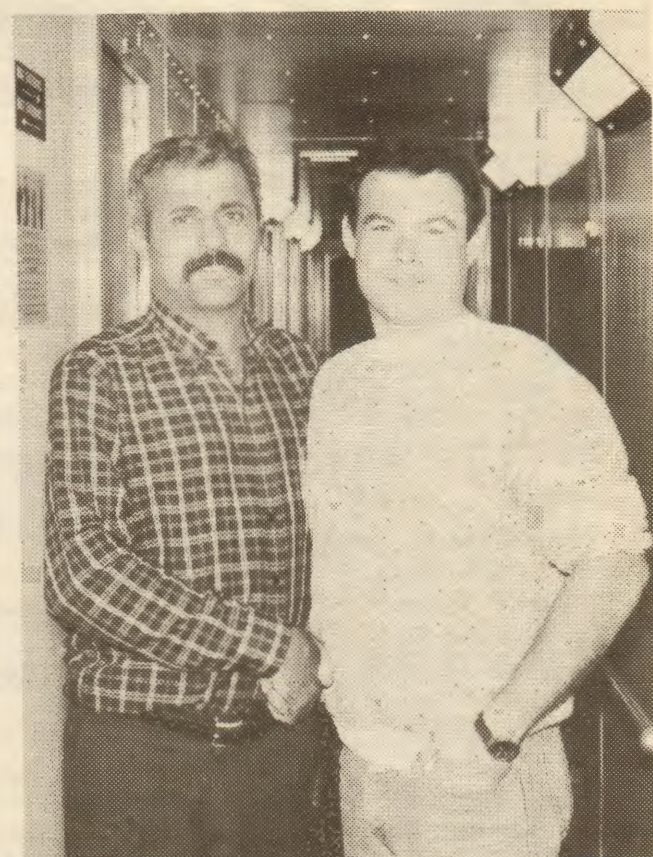
Richmond Collins (left), relief chief cook, and Bradford Mack, chief cook, aboard the *Thompson Pass* (Interocean Management).



Payoff aboard the *Stuyvesant* brings together (l. to r.) AB/Deck Delegate Andy Anderson, Bosun Nick Nagy, Pumpman Roland Gumanas, AB Gil A. Manipon, Wilmington Rep Trevor Robertson, Chief Steward Willie J. Smith, Chief Cook Ernie Polk and GSU Wilburt Allen.



Aboard the *Brooks Range* (Interocean Management), Wilmington Patrolman Jesse Solis (left) meets with part of the ship's crew: G.T. Milabo, OS; J.K. Haines, AB; Michael and Susana Ortiz, OS; Todd Peden, AB; Sebastian P. Perdon, pumpman; Leroy Temple, AB; Charlie Edwards, bosun, and Joe "Potatoes" Pitetta, steward/baker.



M. Abobaker (left), OS, and Marshall Novack, AB, greet each other in a passageway of the *Stuyvesant* (Bay Tankers).

1986 Income Tax Filing Assistance

Important Reminders

Deduction for Charitable Contributions

Generally, for 1986, you may deduct all of your qualified charitable contributions even if you do not itemize your deductions.

Could You Pay Less Tax by Income Averaging?

If there has been a large increase in your income this year, you may be able to pay less tax by using the income averaging method to figure your tax. Get Schedule G (Form 1040) to see if you qualify.

Mailing Your Return

If you received an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see **Where To File**. Envelopes with insufficient postage will be returned by the post office.

Who Should File

Even if you do not have to file, you should file to get a refund if Federal income tax was withheld from any payments to you or if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A. If you file only to get a refund of tax withheld, you may be able to use Form 1040EZ.

When To File

You should file as soon as you can after January 1, but not later than April 15, 1987.

If you file late, you may have to pay penalties and interest.

If you know that you cannot file by the due date, you should ask for an extension using Form 4868, Application for Automatic Extension of Time To File U.S. Individual Income Tax Return.

Note: Form 4868 does not extend the time to pay your income tax. See the instructions for Form 4868.

If you are living or traveling outside the United States and Puerto Rico on April 15, you can get an automatic 2-

month extension of time to file. Just attach a statement to your return explaining the details.

Which Form To File

You MAY Be Able to Use Form 1040EZ if:

- You were single and claim only your own personal exemption.
- You had only wages, salaries, and tips, and not more than \$400 of interest income.
- Your taxable income is less than \$50,000.
- You do not itemize deductions or claim any adjustments to income or tax credits.

You can use Form 1040EZ to deduct certain cash charitable contributions.

You MAY Be Able To Use Form 1040A if:

- You had income only from wages, salaries, tips, unemployment compensation, interest, or dividends.
- Your taxable income is less than \$50,000.
- You do not itemize deductions.

You can also use Form 1040A to claim the deduction for a married couple when both work, the deduction for certain contributions to an Individual Retirement Arrangement (IRA), the credit for child and dependent care expenses, and the deduction for charitable contributions.

You MUST Use Form 1040 if:

- Your taxable income is \$50,000 or more.
- You itemize deductions.
- Your spouse files a separate return and itemizes deductions. Exception: You may still use Form 1040A if you have a child and can meet the tests under **Married Persons Who Live Apart**.
- You can be claimed as a dependent on your parents' return AND you had interest, dividends, or other unearned income of \$1,080 or more.
- You are a qualifying widow(er) with a dependent child.
- You were married at the end of 1986 to a nonresident alien who had U.S. source income and who has not elected to be treated as a resident alien. Exception: You may be able to use Form 1040A if you meet the tests under **Married Persons Who Live Apart**.

- You received, as a nominee, interest or dividends that actually belong to another person.
- You received or paid accrued interest on securities transferred between interest payment dates.
- You received any nontaxable dividends or capital gain distributions.
- You are required to fill in Part III of Schedule B for foreign accounts and foreign trusts.
- You had any of the kinds of income shown on Form 1040, lines 10 through 19, 21b, and 22, such as taxable social security or railroad retirement benefits.

Where To File

If an addressed envelope came with

your return, please use it. If you do not have one, or if you moved during the year, mail your return to the **Internal Revenue Service Center** for the place where you live. No street address is needed.

General Information

Should You Make Estimated Tax Payments for 1987?

In general, you do not have to make estimated tax payments if you expect that your 1987 Form 1040 will show a tax refund, or a tax balance due IRS of less than \$500. If your total estimated tax (including any alternative minimum tax) is \$500 or more, please get Form 1040-ES. It contains a worksheet that you can use to see if you have to make estimated tax payments.

Sign Your Return

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return. Be sure to date your return and show your occupation in the space provided. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer**.

Did You Have Someone Else Prepare Your Return? If you fill in your own return, the Paid Preparer's space should remain blank. Someone who prepares your return but does not charge you, should not sign.

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Use Only area of your return.

The preparer required to sign your return MUST:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)

(Continued on Page 22.)

Who Must File (Caution: Also see Other Filing Requirements below.)

You must file a tax return if—

your marital status at the end of 1986 was:

Single (including divorced and legally separated)

and your filing status is:

Single or Head of household

and at the end of 1986

you were:
under 65
65 or over

and your gross income was at least:

\$3,560
\$4,640

Married with a dependent child (or a child whom you cannot claim as a dependent because of the rules for **Children of Divorced or Separated Parents**) and living apart from your spouse during the last 6 months of 1986

Head of household

under 65
65 or over

\$3,560
\$4,640

Married and living with your spouse at end of 1986 (or on the date your spouse died)

Married, joint return

under 65 (both spouses)
65 or over (one spouse)
65 or over (both spouses)

\$5,830
\$6,910
\$7,990

Married, separate return

any age

\$1,080

Married, not living with your spouse at end of 1986 (or on the date your spouse died)

Married, joint return or separate return

any age

\$1,080

Single or Head of household

under 65
65 or over

\$3,560
\$4,640

Widowed in 1984 or 1985 and not remarried in 1986

Qualifying widow(er) with dependent child

under 65
65 or over

\$4,750
\$5,830

Widowed before 1984 and not remarried in 1986

Single or Head of household

under 65
65 or over

\$3,560
\$4,640

1986 Income Tax Filing Assistance

(Continued from Page 21.)

- Give you a copy of your return in addition to the copy to be filed with IRS.

Penalties and Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, gross valuation overstatements, and substantial understatements of tax. Interest is charged on the penalty as of the due date of the return (including extensions) to the date of payment.

Late Filing of Return

You can avoid penalties for late filing by sending in your return by the due date. The law provides a penalty of 5% of the tax due for each month, or part of a month, the return is late (maximum 25%) unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return. If your return is more than 60 days late, the penalty will not be less than \$100 or 100% of the balance of tax due on your return, whichever is less.

Late Payment of Tax

Generally, the penalty for not paying tax when due is 1/2 of 1% of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25%. The penalty applies to any unpaid tax shown on the return. It also applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. This penalty is in addition to interest charges on late payments.

Note: If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in **Amount You Owe** on line 67.

Penalty for Frivolous Return

In addition to any other penalties, the law imposes a penalty of \$500 for filing a frivolous return. A frivolous return is one which does not contain information needed to figure the correct tax or shows a substantially incorrect tax, because you take a frivolous position or desire to delay or interfere with the tax laws. This includes any alteration or striking out of the preprinted language above the space provided for your signature.

Other Penalties

There are also other penalties that can be imposed for negligence, substantial understatement of tax, and fraud. Get **Publication 17** for details on some of these penalties.

Address Change

If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Also notify the IRS Service Center where you filed your return of your address change. This will help to forward your check to your new address as soon as possible.

Corresponding With IRS

Be sure to include your social security number in any correspondence with IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your return, as well as any worksheets used to figure

Tax Law Changes Effective for 1987

The following information has no effect on your 1986 tax return. It is provided to give you enough time to comply with three of the many new changes included in the recently enacted Tax Reform Act of 1986.

Social Security Numbers for Dependents

Any person age 5 or over whom you claim as a dependent on your tax return next year must have a social security number, and that number must be shown on your 1987 return. If your dependent does not already have a social security number, the Social Security Administration will let you know how to apply for one.

Form W-4 Filing Requirement

You must file a new 1987 **Form W-4**, Employee's Withholding Allowance Certificate, with your employer before October 1, 1987. Otherwise, Federal income taxes will be withheld from your wages as if you claimed only one withholding allowance (two withholding al-

lowances if your most recent W-4 form shows you are married). However, because of the numerous tax law changes effective for 1987, you may want to file the 1987 **Form W-4** with your employer early in 1987 to make sure you have the right amount of income tax withheld from your wages. If you do this, you will meet the requirement for filing before October 1, 1987. You can get the new 1987 **Form W-4** from your employer.

Estimated Tax Payments

Generally, for 1987 you should prepay, through withholding or estimated tax payments, at least 90% (previously 80%) of your 1987 tax or 100% of your 1986 tax, whichever is less. Otherwise, you may have to pay a penalty. **Form 1040-ES**, Estimated Tax for Individuals, is used to pay estimated tax. You can get **Form 1040-ES** from IRS.

If you want more information about these and other tax law changes effective for 1987, get **Publication 553**, Highlights of 1986 Tax Changes.

them, until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property. For more details, get **Publication 552**.

Requesting a Copy of Your Tax Return

If you need a copy of your tax return or tax account information, use **Form 4506**, Request for Copy of Tax Form or Tax Account Information. Generally, there is a charge for these requests; see **Form 4506**.

Amended Return

If you file your income tax return and later become aware of any changes you must make to income, deductions, or credits, file **Form 1040X**, Amended U.S. Individual Income Tax Return, to change the **Form 1040**, **1040A**, or **1040EZ** you already filed.

Note: If your Federal return is changed for any reason, it may affect your state income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your state tax agency for more information.

Death of Taxpayer

If the taxpayer died before filing a return for 1986, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

The person who files the return should write "deceased" after the deceased's name and show the date of death in the name and address space at the top of the return. Also write "DECEASED" across the top of the tax return.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1986 and you

did not remarry in 1986, you can file a joint return. You can also file a joint return if your spouse died in 1987 before filing a 1986 return. A joint return should show your spouse's 1986 income before death and your income for all of 1986. Also write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign. If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, no other form is needed to have the refund issued to you.

Social Security Number. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

If your spouse is a nonresident alien, has no income, does not have a social security number, and you file a separate return, enter "NRA" in the block for your spouse's social security number. If you and your spouse file a joint return, your spouse must get a social security number.

If you don't have a social security number, please get **Form SS-5** from a Social Security Administration (SSA) office. File it with your local SSA office early enough to get your number before April 15. If you do not get the number by then, file your return and enter "Applied for" in the block for your social security number.

Name Change

If you have changed your name because of marriage, divorce, etc., make sure you immediately notify the Social Security Administration (SSA) so the name on your tax return is the same as the name SSA has on its records. This may prevent delays in issuing your refund.

Presidential Election Campaign Fund

Congress established this fund to support public financing of Presidential election campaigns.

You may have \$1 go to the fund by checking the Yes box. On a joint return, each of you may choose to have \$1 go to this fund, or each may choose not to. One may choose to have \$1 go to this fund and the other may choose not to.

If you check Yes, it will not change the tax or refund shown on your return.

Do not claim this amount as a credit for political contributions on line 43.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

Filing Status

Lines 1 through 5

Single

Consider yourself single if on December 31 you were unmarried or separated from your spouse either by divorce or separate maintenance decree and you do not qualify for another filing status. State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests explained on this page for **Married Persons Who Live Apart**, you may consider yourself single for the whole year and file as head of household.

If your spouse died in 1986, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1986.

Married

Joint or Separate Returns?

Joint Returns. Most married couples will pay less tax if they file a joint return. You must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

Note: If you file a joint return, you may not, after the due date of the return, choose to file separate returns for that year.

If your spouse died in 1986, you can file a joint return for 1986. You can also file a joint return if your spouse died in 1987 before filing a 1986 return. For details on how to file the joint return, see **Death of Taxpayer**.

Tax Tip: If you decide not to file a joint return and plan to file a separate return, see if you can lower your tax by meeting the tests described on this page under **Married Persons Who Live Apart**.

Separate Returns

You can file separate returns if both you and your spouse had income, or if only one of you had income.

If you file a separate return, you each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

Special rules apply, however, for taxpayers who live in community property states. For details, get **Publication 555**.

In most instances if you file a separate return, you will pay more Federal tax because the tax rate is higher for married persons filing separately. The following also apply:

- You cannot take the deduction for a married couple when both work.
- You cannot take the credit for child and dependent care expenses in most cases.
- You cannot take the earned income credit.
- If you lived with your spouse at any time in 1986—
 - a. You will have to include in income

more of any unemployment compensation you received in 1986.

b. You cannot take the credit for the elderly or for the permanently and totally disabled.

c. You may have to include in income up to one-half of any social security benefits (including railroad retirement benefits treated as social security) you received in 1986.

• You must itemize your deductions if your spouse itemizes, even if it is not to your tax benefit to do so.

If you file a separate return, enter your spouse's full name in the space provided on line 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file, check the boxes on line 6b that apply if you can claim the exemptions for your spouse.

Married Persons Who Live Apart

Some married persons who have a child and who do not live with their spouse may file as head of household and use tax rates that are lower than the rates for single or for married filing a separate return. This also means that if your spouse itemizes deductions, you do not have to. You may also be able to claim the earned income credit.

You should check the box on line 4 for Head of household if you meet ALL 4 of the following tests.

1. You file a separate return from your spouse.

2. You paid more than half the cost to keep up your home in 1986.

3. Your spouse did not live with you at any time during the last 6 months of 1986.

4. For over 6 months of 1986, your home was the principal home of your child or stepchild whom—

a. you can claim as a dependent, OR
b. the child's other parent claims as a dependent for **Children of Divorced or Separated Parents**. (Enter this child's name in the space provided on line 4.)

Head of Household

Tax Tip: The tax rates for a person who can meet the tests for head of household are lower than the rates for single or for married filing a separate return.

You may use this filing status **ONLY** IF on December 31, 1986, you were unmarried (including certain married persons who live apart, as discussed above) or legally separated and meet test 1 or 2 below.

1. You paid more than half the cost of keeping up a home, which was the principal home of your father or mother whom you can claim as a dependent. OR

2. You paid more than half the cost of keeping up the home in which you lived and in which one of the following also lived for more than 6 months of the year (except for temporary absences, such as for vacation or school):

a. Your **unmarried** child, grandchild, adopted child, or stepchild. This child does not have to be your dependent. However, your foster child must be your dependent.

Note: If this child is not your dependent, you must enter the child's name in the space provided on line 4.

b. Your **married** child, grandchild, adopted child, or stepchild. This child must be your dependent. But if your married child's other parent claims him or her as a dependent for **Children of Divorced or Separated Parents**, this child does not have to be your dependent. (If your child is not your dependent because of these rules, you must enter the child's name in the space provided on line 4.)

c. Any other relative listed below whom you can claim as a dependent.

Parent	Sister-in-law
Grandparent	Son-in-law
Brother	Daughter-in-law, or
Sister	if related by blood:
Stepbrother	Uncle
Stepsister	Aunt

Stepmother
Stepfather
Mother-in-law
Father-in-law
Brother-in-law

Nephew
Niece

Note: See instructions for lines 6c through 6e below for the definition of dependent.

Exemptions

Line 6a

For Yourself

You can always take one exemption for yourself. Take two exemptions if you were blind, or 65 or over. Take three exemptions if you were blind and 65 or over. Be sure to check all the boxes on line 6a for the exemptions you can take for yourself.

You can take the extra exemptions for age 65 or over and blindness only for yourself and your spouse. You cannot take them for dependents.

Line 6B

For Your Spouse

You can take exemptions for your spouse if you file a joint return. If you file a separate return, you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent of someone else.

Lines 6c through 6e

Children and Other Dependents

Line 6c. Enter the first names of your dependent children who lived with you (except for temporary absences, such as for vacation or school). Fill in the total number in the box to the right of the arrow.

Line 6d. Enter the first names of your dependent children who did not live with you most of the year. Fill in the total number in the box on the right. If you are claiming a child for **Children of Divorced or Separated Parents**, you must either:

- attach **Form 8332**, Release of Claim to Exemption for Child of Divorced or Separated Parents, or similar statement, OR
- check the box for pre-1985 agreements.

Line 6e. Enter the full names and other information for your other dependents. Fill in the total number in the box to the right of the arrow. You can take an exemption for each person who is your dependent.

Birth or Death of Dependent

You can take an exemption for a dependent who was born or who died during 1986 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

Each person you claim as a dependent has to meet **ALL** 5 of these tests:

1. income;
2. support;
3. married dependent;
4. citizenship or residence; and
5. relationship.

These tests are explained below.

1. Income

In general, the person must have received less than \$1,080 of gross income. Gross income does not include nontaxable income, such as welfare benefits or nontaxable social security benefits.

Income received by a permanently and totally disabled person for services performed at a sheltered workshop school is generally not included in gross income for purposes of the income test. Get **Publication 501** for details.

Special Rules for Your Dependent Child

Even if your child had income of \$1,080 or more, you can claim your child as a dependent if tests 2, 3, and 4 below are met, and:

- your child was under 19 at the end of 1986, or
- your child was enrolled as a full-time student at a school during any 5 months of 1986, or
- your child took a full-time, on-farm training course during any 5 months of 1986. (The course had to be given by a school or a state, county, or local government agency.)

The school must have a regular teaching staff, a regular course of study, and a regularly enrolled body of students in attendance.

A school includes:

- elementary, junior, and senior high schools;
- colleges and universities; and
- technical trade, and mechanical schools.

However, school does not include on-the-job training courses or correspondence schools.

2. Support

In general, you must have given over half of the dependent's support in 1986. If you file a joint return, the support can be from you or your spouse. Even if you did not give over half of the dependent's support, you will be treated as having given over half of the support if you meet the tests for **Children of Divorced or Separated Parents** or **Dependent Supported by Two or More Taxpayers**.

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, gifts, savings, welfare benefits). If your child was a student, do not include amounts he or she received as scholarships.

Support includes items such as food, a place to live, clothes, medical and dental care, recreation, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items such as income and social security taxes, premiums for life insurance, or funeral expenses.

If you care for a foster child, see **Publication 501** for special rules that apply.

Income

Examples of Income You Do Not Report

(Do not include these amounts when you decide if you must file a return.)

Welfare benefits.

Disability retirement payments (and other benefits) paid by the Veterans' Administration.

Workers' compensation benefits, insurance damages, etc., for injury or sickness.

Child support.

Gifts, money, or other property you inherited or that was willed to you.

Dividends on veterans' life insurance. Life insurance proceeds received because of a person's death.

Interest on certain state and municipal bonds.

Amounts you received from insurance because you lost the use of your home due to fire or other casualty to the extent the amounts were more than the cost of your normal expenses while living in your home. (You must report as income reimbursements for normal living expenses.)

Amounts an employer contributed on your behalf and benefits provided to you as an employee or the spouse or dependent of an employee, under a qualified group legal services plan.

Cancellation of certain student loans where the student, under the terms of the loan, performs certain professional services for any of a broad class of employers.

Examples of Income You Must Report

The following kinds of income should be reported on Form 1040, or related forms and schedules, in addition to the types of income listed on Form 1040, lines 7 through 21b. You may need some of the forms and schedules mentioned below.

Original Issue Discount (Schedule B). Distributions from SEPs and DECIs.

Amounts received in place of wages, from accident and health plans (including sick pay and disability pensions) if your employer paid for the policy.

Bartering income (fair market value of goods or services you received in return for your services).

Business expense reimbursements you received that are more than you spent for these expenses.

Tier 2 and supplemental annuities under the Railroad Retirement Act.

Life insurance proceeds from a policy you cashed in if the proceeds are more than the premium you paid.

Your share of profits from S corporations (Schedule E).

Endowments.

Lump-sum distributions (Form 4972 or Form 5544).

Gains from the sale or exchange (including barter) of real estate, securities, coins, gold, silver, gems, or other property (Schedule D or Form 4797).

Gains from the sale of your personal residence (Schedule D and Form 2119).

Accumulation distributions from trusts (Form 4970).

Prizes and awards (contests, raffles, lottery, and gambling winnings).

Earned income from sources outside the United States (Form 2555).

Director's fees.

Fees received as an executor or administrator of an estate.

Embezzled or other illegal income.

Line 7

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc., were taken out. For information on allocated tips, get **Publication 531**, Reporting Income From Tips.

Include in this total:

- The amount that should be shown in Box 10 on Form W-2. Report all wages, salaries, and tips you received, even if you do not have a Form W-2.
- Tips received that you did not report to your employer. (Show any social security tax due on these tips on line 53—see the instructions on page 15.)

Note: Except for those disability pensions mentioned above, pensions shown on Form W-2P are reported on line 16 or line 17a of Form 1040.

- Payments by insurance companies, etc., not included on Form W-2. If you receive sick pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 7. Attach a statement showing the name and address of the payer and amount of sick pay or disability income.

- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept on your employer's business premises as a condition of employment.

- Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods

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1986 Tax Tips

(Continued from Page 23.)

received. Don't report benefits that were gifts.

- Any amount your employer paid for your moving expenses (including the value of services furnished in kind) that is not included in Box 10 on Form W-2.

Line 8

Interest Income

Enter your **TOTAL** taxable interest income. If the total interest is more than \$400, first fill in Schedule B.

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Interest that was credited in 1986 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 1986 income. For details, get **Publication 550, Investment Income and Expenses**.

Generally, the payer will send you a **Form 1099-INT** or, if applicable, a **Form 1099-OID** for this interest.

If you received, as a nominee, interest that actually belongs to someone else, see Schedule B instructions.

Caution: Be sure to give each payer of interest income your correct social security number. Otherwise, the payer may have to withhold 20% of the interest. You may also be subject to penalties.

For more details, get **Publication 550**.

Examples of Interest Income You MUST Report

Report interest from:

- Accounts (including certificates of deposit and money market accounts) with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes, loans, and mortgages. Special rules apply to loans with below-market interest rates. Get **Publication 525**.
- Tax refunds (report only the interest on them as interest income).
- Bonds and debentures. Also arbitrage bonds issued by state and local governments after October 9, 1969. (Do not report interest on other state and local bonds and securities.) Also report as interest any gain on the disposition of certain market discount bonds issued to you after July 18, 1984, to the extent of the accrued market discount.
- U.S. Treasury bills, notes, and bonds.
- U.S. Savings Bonds. The interest is the yearly increase in the value of the bond. Interest on Series E or EE bonds can be reported using method a or b below:
 - Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest; **OR**
 - Each year report on your return the yearly increase of the bonds' value.
 If you change to method b, report the entire increase in all your bonds from the date they were issued. Each year after report only the yearly increase. Once you have used method b to report your interest, you must continue to do so for all your U.S. Savings Bonds.

Line 9a

Dividends

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership, an S corporation, or an estate or trust. Payers include nominees or other agents. Generally, the payer will send you a **Form 1099-DIV** for these dividends.

If the total dividends, including capital gain and nontaxable distributions, are more than \$400, first fill in Schedule B. If you received \$400 or less in dividends, include only the ordinary dividends on line 9a.

Dividends Include:

- Ordinary dividends.** These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise.

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line 8.

Line 9b

Dividend Exclusion

You can exclude (subtract) up to \$100 of qualifying dividend income. If you and your spouse file a joint return, you can subtract up to \$200, regardless of which spouse received the dividends.

Dividends must be from a domestic corporation to qualify for the exclusion. Dividends from mutual funds (other than money market funds) generally qualify for the exclusion. The corporation will tell you how much of the dividend qualifies.

The following taxable dividends do not qualify for the exclusion.

- Dividends from money market funds unless the corporation has told you how much of the dividends qualify.
- Dividends from foreign corporations, including controlled foreign corporations.
- Dividends from exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.
- Dividends paid on stock held by employee stock ownership plans.

Line 10

Taxable Refunds of State and Local Income Taxes

If you received a refund (or credit or offset) of state or local income taxes in 1986 that you paid and deducted before 1986, you may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit. You may receive **Form 1099-G**, Statement for Recipients of Certain Government Payments, or similar statement, showing the refund.

Any part of a refund of state or local income taxes paid before 1986 that you were entitled to receive in 1986 but chose to apply to your 1986 estimated state income tax is considered to have been received in 1986.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040), or it was for a year in which you filed Form 1040A or Form 1040EZ.

Line 11

Alimony Received

Enter amounts you received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you do not provide this information to the payer, you may have to pay a \$50 penalty. For more details, get **Publication 504, Tax Information for Divorced or Separated Individuals**.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 29 for information on the rules that apply in determining whether these payments qualify as alimony.

Line 16

Fully Taxable Pensions, IRA Distributions, and Annuities

Use this line to report fully taxable pension and annuity income and regular individual retirement arrangement (IRA) distributions you receive. In general, you should receive a **Form W-2P** showing the amount of your pension or annuity. Also see **Lump-Sum Distributions**.

Your pension or annuity payments are fully taxable if:

- you did not contribute to the cost of your pension or annuity, or
- you got back tax-free your entire cost before 1986.

Fully taxable pensions and annuities also include military retirement pay shown on Form W-2P and distributions from an IRA (including premature distributions, but not rollovers).

Lines 20a and 20b

Unemployment Compensation

Unemployment compensation (insurance) you receive may be taxable under certain conditions.

By February 2, 1987, you should receive a **Form 1099-G** showing the total unemployment compensation paid to you during 1986.

Lines 21a and 21b

Social Security Benefits (and Railroad Retirement Benefits Treated as Social Security)

Social security benefits you receive may be taxable in some instances. Social security benefits include any monthly benefit under title II of the Social Security Act or the part of a tier I railroad retirement benefit treated as a social security benefit. Social security benefits do not include any Supplemental Security Income (SSI) payments.

By February 2, 1987, you should receive a **Form SSA-1099** showing the total social security benefits paid to you in 1986, and the amount of any social security benefits you repaid in 1986. If you received railroad retirement benefits treated as social security, you should receive **Form RRB-1099**. For more information, get **Publication 915, Social Security Benefits and Equivalent Railroad Retirement Benefits**.

Line 22

Other Income

Use line 22 to report any income you can't find a place for on your return or other schedules. List the type and amount of income. For more information, see **Miscellaneous Taxable Income** in **Publication 525, Taxable and Nontaxable Income**.

Caution: Do not report any income from self-employment on line 22. If you do have any income from self-employment, you must use Schedule C or Schedule F. Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses should be added to the wages shown on line 7 unless they were already included on your Form W-2.

Examples of income to be reported on line 22 are:

- Prizes, awards, and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings. You must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

If you had any gambling losses, you may take them as an itemized deduction on Schedule A. However, you cannot deduct more losses than the winnings you report.

- Repayment of medical expenses or other items such as real estate taxes that you deducted in an earlier year if they reduced your tax. See **Publication 525** for information on how to figure the amount to include in income.
- Amounts you recovered on bad debts that you deducted in an earlier year.
- Fees received for jury duty and precinct election board duty.

Net Operating Loss. If you had a net operating loss in an earlier year to carry forward to 1986, enter it as a minus figure on line 22. Attach a statement showing how you figured the amount. Get **Publication 536, Net Operating Losses and the At-Risk Limits**, for more details.

Adjustments to Income

Line 26

Individual Retirement Arrangement (IRA) Deduction

You can deduct on line 26 contributions made to your IRA (including those made under a Simplified Employee Pension (SEP) plan or to a plan that accepts deductible employee contributions (DECs)). **Schedule C or F filers with a SEP and partners with a SEP take the deduction on line 27.**

You should receive, by June 1, 1987, a statement showing contributions made to your IRA for 1986. Before you figure your IRA deduction, please note the following:

- If you made contributions to your IRA in 1986 that you deducted on your 1985 Federal income tax return, do not include those contributions on your 1986 tax return.
- If you made contributions to your IRA in 1987 (by April 15, 1987) for 1986, be sure to include these contributions when you figure your IRA deduction for 1986.
- If your IRA deduction on line 26 is less than your IRA contributions and you do not withdraw this excess contribution before your return is due, file **Form 5329** to pay tax on the excess contribution.
- If you were married and contributions were made to an IRA for your nonworking spouse for 1986, you must file a joint return for 1986 to deduct these contributions. A nonworking spouse is one who had no wages or other earned income in 1986 or one who, in 1986, chooses to be treated as having no earned income for purposes of the IRA deduction. For example, if one spouse earned only \$100, a combined total of up to \$2,250 may be contributed to their IRAs.
- If you were married and you and your spouse worked and you both have IRAs, figure each spouse's deduction separately. Then combine the two deductions and enter the total of the two amounts on line 26.
- Do not include rollover contributions in figuring your deduction. See line 17 instructions for more details on rollover contributions.
- Do not include trustee's fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

Line 29

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support.

Line 30

Deduction for a Married Couple When Both Work

You can claim a deduction if:

- you are married filing a joint return,
- both you and your spouse have qualified earned income.

Tax Computation

Line 34a

You will fall into one of the three classes below:

- You **MUST** itemize deductions, or
- You choose to itemize, or
- You do not itemize.

The three classes are described below.

You MUST Itemize Deductions

You must itemize deductions if:

A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,080 or more. Generally, this means that you must complete and attach Schedule A and complete the worksheet on this page. However, there are two exceptions to this rule.

Exception 1. You don't have to itemize deductions on Schedule A or complete the worksheet if you have earned income* of \$2,480 or more if single (\$1,835 or more if married filing a separate return). Enter zero (0) on line 34a and go on to line 34b.

Exception 2. You don't have to use Schedule A if you know that your earned income* is more than your itemized deductions. Instead, use the worksheet on this page after completing line 33 of Form 1040 and enter your earned income on line 3 of the worksheet.

Note: If your unearned income is less than \$1,080, you don't have to use Schedule A or the worksheet—enter zero (0) on line 34a and go on to line 34b.

In any case, be sure to check the box below line 34a.

B. You are married, filing a separate return, and your spouse itemizes deductions.

C. You file Form 4563 to exclude income from sources in U.S. possessions. (For details, get Publication 570, Tax Guide for U.S. Citizens Employed in U.S. Possessions.)

D. You had dual status as a nonresident alien for part of 1986, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you do not have to itemize if you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1986 and you and your spouse agree to be taxed on your combined worldwide income.

You Choose To Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than \$3,670.
- Married and filing a separate return, and your itemized deductions are more than \$1,835.
- Single, or a Head of household, and your itemized deductions are more than \$2,480.

If you do itemize, complete and attach Schedule A and enter the amount from Schedule A, line 26, on Form 1040, line 34a.

Caution: Certain taxpayers must itemize even though their itemized deductions are less than the amount shown above for their filing status. See "You MUST Itemize Deductions."

You Do Not Itemize

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a, unless you MUST itemize as described above.

Lines 34b through 34d

Deduction for Charitable Contributions

For 1986, you may deduct what you actually gave to qualified charitable organizations if you do not itemize your deductions on Schedule A (Form 1040).

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are churches, United Way, and nonprofit schools and hospitals.

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-

of-pocket expenses you paid to do volunteer work for a qualified organization.

For more details on what qualifies as a charitable contribution and the limits that apply to the amount that may be deducted, see the instructions for contributions on page 21.

Line 34b

Enter your total cash contributions (including out-of-pocket expenses). If you gave cash of \$3,000 or more to any one organization, on the dotted line next to this total show to whom and how much you gave.

Line 34c

Enter your total gifts of property. If the total is more than \$500, you must complete and attach Form 8283, Noncash Charitable Contributions.

Line 36

Exemptions

Use the following chart to find the amount to enter on line 36. If you claimed more than 10 exemptions, multiply \$1,080 by the total number of exemptions entered on line 6f.

If the number on Form 1040, line 6f, is:	On Form 1040, line 36, enter:
1	\$1,080
2	2,160
3	3,240
4	4,320
5	5,400
6	6,480
7	7,560
8	8,640
9	9,720
10	10,800

Line 38

Tax

To figure your tax, use one of the following methods.

Tax Rate Schedules

You must use the Tax Rate Schedules to figure your tax if your taxable income is \$50,000 or more.

Also use the Tax Rate Schedules if you use Schedule G, Income Averaging, to figure your tax. You may pay less tax by using this method if there has been a large increase in your income this year. In some cases, you may benefit even if your 1986 income did not increase substantially. This will depend on the amount of your taxable incomes in the three base years (1983-1985). Get Schedule G to see if you qualify.

Tax Table

If neither of the above conditions applies to you, you MUST use the Tax Table to find your tax.

Be sure you use the correct column in the Tax Table. After you have found the correct tax, enter that amount on line 38.

There is an example at the beginning of the table to help you find the correct tax.

Credits

Line 41

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 41 for payments you made for child and disabled dependent care while you (and your spouse if you were married) worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself. Use Form 2441 to figure the amount of any credit.

Please see Form 2441 for more information, including special rules for divorced or separated parents and certain employment taxes for which you may be liable.

Line 42

Credit for the Elderly or for the Permanently and Totally Disabled

You may be able to take this credit and reduce your tax if, by the end of 1986, you were:

- age 65 or over, or
- under age 65, you retired on permanent and total disability, and you had taxable disability income in 1986.

Line 43

Partial Credit for Political Contributions for Which You Have Receipts

You may take a tax credit on this line for contributions to candidates for public office and to newsletter funds and political committees of candidates and elected public officials.

Note: You cannot deduct political contributions as charitable contributions.

Line 44

Mortgage Interest Credit. You may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified mortgage credit certificate program to buy, rehabilitate, or make improvements to your principal residence. Use Form 8396, Mortgage Interest Credit, to figure the credit. Include the amount of the credit in your total for line 44. On the dotted line next to this total, write "MIC" (mortgage interest credit) and show the amount.

Line 53

Social Security Tax on Tip Income Not Reported to Employer

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement tax on the unreported tips.

To figure the amount of social security tax on unreported tips, complete Form 4137 and attach it to your Form 1040. Enter the tax on this line.

Be sure all your tips are reported as income on Form 1040, line 7.

You may be charged a penalty equal to 50% of the social security tax due on tips you received and did not report to your employer.

Payments

Line 56

Total Federal Income Tax Withheld

Add the amounts shown as Federal income tax withheld on your Forms W-2, W-2G, W-2P, and 1099-R. Enter the total on line 56. The amount of Federal income tax withheld should be shown in Box 9 of Form W-2, Box 2 of Form W-2G, Box 11 of Form W-2P, and Box 4 of Form 1099-R.

If line 56 includes amounts withheld as shown on Form 1099-R, on the dotted line to the left of line 56, write "Form 1099-R."

Sign Your Return

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return. If you are filing a joint return with your deceased spouse, see **Death of Taxpayer**.

Instructions for Schedule A Itemized Deductions

Purpose of Schedule

Some taxpayers must itemize their deductions and some should itemize because they will save money. See **You MUST Itemize Deductions and You Choose To Itemize**.

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, and other miscellaneous expenses. You may also deduct certain casualty and theft losses. These deductions are explained below.

Lines 1 through 5

Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 33.

You may deduct only that part of your medical and dental expenses that is more than 5% of your adjusted gross income on Form 1040, line 33.

You should include all amounts you paid during 1986 (including amounts you paid for hospital, medical, and extra medicare (Medicare B) insurance), but **do not** include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance, or your employer. Get Publication 502 for information on insurance reimbursements. If you received a reimbursement of prior year medical or dental expenses in 1986, see the instructions for Form 1040, line 22. **Do not** reduce your 1986 expenses by this amount.

When you figure your deduction, you may include medical and dental bills you paid for:

- Yourself.
- Your spouse.
- Your child whom you do not claim as a dependent because of the rules explained for **Children of Divorced or Separated Parents**.
- Any person that you could have claimed as a dependent on your return if that person had not received \$1,080 or more of gross income or had not filed a joint return.

Example.—You provided more than half of your mother's support but may not claim her as a dependent because she received \$1,080 of wages during 1986. If part of your support was the payment of her medical bills, you may include that part in your medical expenses.

Note: On line 2c, list the medical expense and the amount of the expense. Enter one total in the total amount column on line 2c.

Examples of Medical and Dental Payments You MAY Deduct

To the extent you were not reimbursed, you may deduct what you paid for:

- Medicines and drugs that required a prescription, or insulin.
- Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you may deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Lodging expenses (but not meals) paid while away from home to receive medical care in a hospital or a medical care facility that is related to a hospital. Do not include more than \$50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care;

(Continued on Page 26.)

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or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

Examples of Medical and Dental Payments You MAY NOT Deduct

You may not deduct the following:

- The basic cost of medicare insurance (Medicare A).

Note: If you are 65 or over and not entitled to social security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.

- Life insurance or income protection policies.
- The 1.45% medicare (hospital insurance benefits) tax withheld from your pay as part of the social security tax or the medicare tax paid as part of social security self-employment tax.
- Nursing care for a healthy baby. (You may qualify for the child and dependent care credit; get Form 2441.)
- Illegal operations or drugs.
- Medicines or drugs you bought without a prescription.
- Travel your doctor told you to take for rest or change.
- Funeral, burial, or cremation costs.

Publication 502 has a discussion of expenses that may and may not be deducted. It also explains when you may deduct capital expenditures and special care for handicapped persons.

Lines 6 through 10

Taxes You Paid

Taxes You MAY Deduct

State and local income taxes (line 6). Include on this line state and local income taxes that were withheld from your salary and any estimated payments made. Also include payments you made in 1986 on a tax for a prior year. Do not reduce your deduction by either of the following amounts:

- any state and local income tax refund (or credit) you expect to receive for 1986, or
- any refund of (or credit for) prior-year state and local income taxes you actually received in 1986 (see the instructions for Form 1040, line 10).

Real estate taxes (line 7). Include taxes that you paid on property you own that was not used for business. Publication 530, Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments, explains the deductions homeowners may take.

If your mortgage payments include your real estate taxes, do not take a deduction for those taxes until the year the mortgage company actually pays them to the taxing authority.

General sales taxes (line 8)

The Optional State Sales Tax Tables show how much you may deduct for your income and family size if you did not keep detailed records. You may add to the sales tax table amount the general sales tax you paid if you bought:

- A car, motorcycle, motor home, or truck. (Note: Texas charges a higher motor vehicle sales or use tax than it does for other items. Figure how much you would have paid at the general sales tax rate and enter only that amount on line 8b.)
- A boat, plane, home (including mobile or prefabricated), or materials to build a new home if:
 - a. the tax rate was the same as the general sales tax rate, and
 - b. your sales receipt or contract shows how much tax was imposed on you and paid by you.

If you kept records that show you

paid more state sales tax than the tables list, you may deduct the larger amount on line 8a. Separately show the sales tax you paid on any motor vehicle you bought in 1986 on line 8b. Include state or local selective sales or excise taxes if the rates were the same as the general sales tax rates.

If you use the sales tax tables, count all available income.

Personal property taxes and other taxes (line 9)

If you had any deductible tax not listed on Schedule A, lines 6 through 8b (such as personal property or foreign income tax), list the tax and the amount of tax. Enter one total in the total amount column on line 9.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you may deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Please get Publication 514, Foreign Tax Credit for U.S. Citizens and Resident Aliens.

Taxes You MAY NOT Deduct

- Federal income tax.
- Social security tax.
- Railroad retirement tax (RRTA).
- Federal excise tax on transportation, telephone, gasoline, etc.
- Customs duties.
- Federal estate and gift taxes. (However, see Miscellaneous Deductions).
- Windfall profit tax. (Use Schedules C or E of Form 1040 to deduct this tax.)
- Certain state and local taxes, including:
 - a. Tax on gasoline.
 - b. Car inspection fees.
 - c. Tax on liquor, beer, wine, cigarettes, and tobacco.
 - d. Assessments for sidewalks or other improvements to your property.
 - e. Taxes paid for your business or profession. (Use Schedules C, E, or F of Form 1040 to deduct business taxes.)
 - f. Tax you paid for someone else.
 - g. License fees (marriage, driver's, dog, hunting, etc.).
 - h. Per capita (head) tax.

Lines 11a through 14

Interest You Paid

Include interest you paid on nonbusiness items only.

Interest You MAY Deduct

Home mortgage interest (lines 11a and 11b). If you paid \$600 or more of interest on your home mortgage, the recipient of this interest will generally send you a Form 1098, Mortgage Interest Statement, or similar statement, showing the total interest received during 1986. You should receive this statement by February 2, 1987. However, if you paid "points" (including loan origination fees), they will not be shown on this statement. Get Publication 545 to see if the points qualify as interest. If they do, report them on line 13. Do not include them on line 11a.

- **Line 11a.** Report mortgage interest you paid directly, or indirectly, to financial institutions on line 11a. If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, or similar statement, attach a statement to your return showing the name and address of the person who

received the form. In the far left margin, next to line 11a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, get Publication 545 to see if you can deduct the additional interest. If you can, attach a statement to your return explaining the difference and write "see attached" next to line 11a.

Note: If you are claiming the Mortgage Interest Credit (see instructions for Form 1040, line 44), subtract the amount shown on line 3 of Form 8396 from the total interest you paid on your home mortgage and enter the result on line 11a.

- **Line 11b.** Report mortgage interest you paid to individuals on line 11b. Also list this person's name and address in the space provided.

Credit card and charge account interest you paid (line 12)

Include on this line interest you paid on bank and other general purpose credit cards. Deduct the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc. Also include interest you paid on revolving charge accounts. Deduct any finance charge a retail store added if the charges are based on your monthly unpaid balance.

Other Interest you paid (line 13)

List each payee's name and the amount. Enter one total in the total amount column on line 13. Include on this line interest you paid on—

- Your personal note for money you borrowed from a bank, a credit union, or another person.
- Loans on life insurance if you paid the interest in cash and you report on the cash basis.
- Installment contracts on personal property, such as cars.
- Taxes you paid late. Show only the interest; do not include any amount that is considered a penalty. If the tax is deductible, show it under Taxes You Paid (lines 6 through 9 of this schedule).
- Loans on investment property. Report only the nonbusiness part of interest on these loans. (If our total investment interest on investment debts created after 1969 is more than \$10,000 (\$5,000 if married filing a separate return), you may have to complete Form 4952, Investment Interest Expense Deduction, to figure your correct deduction. Also get Publication 550, Investment Income and Expenses.)

Note: Special rules apply to interest expense imputed on below-market loans. Get Publication 545.

Interest You MAY NOT Deduct

Do not include interest paid on your debts by others, such as mortgage interest subsidy payments made by a government agency. Also do not include the interest you paid for—

- Tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities. This also includes interest paid to purchase or carry obligations or shares, or to make deposits or other investments, to the extent any interest income received from the investment is tax-exempt.
- A loan on life insurance if the interest is added to the loan and you report on the cash basis.
- A debt to buy a single-premium life insurance or endowment contract.
- Any kind of business transaction. (Use Schedules C, E, or F of Form 1040 to deduct business interest expenses.)

Get Publication 545 for more details.

Lines 15a through 18

Contributions You Made

You may deduct what you actually gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You may also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you may deduct only the amount that is more than the value of the benefit you received.

If you do not know whether you may deduct what you gave to an organization, check with that organization or with IRS.

Contributions You MAY Deduct

Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drove to and from the volunteer work, you may take 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method. (But don't deduct any amounts that were repaid to you.)

Get Publication 526, Charitable Contributions, for special rules that apply if:

- your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 33.
- your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 33, or
- you gave gifts of property that increased in value or gave gifts of the use of property.

You MAY NOT Deduct As Contributions

- Political contributions (but see instructions for Form 1040, line 43).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Cost of tuition.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to:
 - a. Individuals.
 - b. Foreign organizations.
 - c. Groups that are run for personal profit.
 - d. Groups whose purpose is to lobby for changes in the laws.
 - e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Line 19

Casualty and Theft Losses

Use line 19 to report casualty or theft losses of property that is not trade,

business, or rent or royalty property. Complete and attach **Form 4684**, Casualties and Thefts, or a similar statement to figure your loss. Enter on line 19 of Schedule A the amount of loss from Form 4684.

Losses You MAY Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.

You may deduct nonbusiness casualty or theft losses only to the extent that—

- a. the amount of **EACH** separate casualty or theft loss is more than \$100, and
- b. the total amount of **ALL** losses during the year is more than 10% of your adjusted gross income on Form 1040, line 33.

Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.

Losses You MAY NOT Deduct

- Money or property misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Lines 20 through 23

Miscellaneous Deductions Expenses You MAY Deduct

Educational Expenses. Generally, you may deduct what you paid for education required by your employer, or by law or regulations, to keep your present salary or job. In general, you may also deduct the cost of maintaining or improving skills you must have in your present position.

You may not deduct some educational expenses. Among them are expenses for study that helps you meet minimum requirements for your job, or qualifies you to get a new job.

Employee Expenses. Examples of the expenses you may deduct are:

- Safety Equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you may not usually wear away from work.
- Protective clothing, required in your work, such as hard hats and safety shoes and glasses.
- Physical examinations your employer said you must have.

- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.

Note: If your employer reimbursed you directly or indirectly for any educational expenses or employee expenses, you must use Form 2106, Employee Business Expenses, Part I, line 5, to deduct those expenses up to the amount you were reimbursed. Also use Form 2106 to deduct any related travel or transportation expenses.

Qualified Adoption Expenses.

You may be able to deduct up to \$1,500 of **qualified adoption expenses** you paid for each child you adopt with "special needs."

A child with special needs is one who the state determines, in connection with the Social Security Act adoption assistance program, cannot or should not be returned to his or her parental home, has a specific factor or condition that makes the child difficult to place, and has been the subject of an unsuccessful placement effort.

Gambling Losses

You may deduct gambling losses, but not more than the gambling winnings you reported on Form 1040, line 22.

Expenses You MAY NOT Deduct

- Political contributions (but see instructions for Form 1040, line 43).
- Personal legal expenses.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Fines and penalties.
- Expenses of producing tax-exempt income.

For more details, get **Publication 529**, Miscellaneous Deductions.

Note: On line 22 list the type and amount of each expense. Enter one total in the total amount column on line 22.

Long-Trip Tax Problems

A major tax beef by seamen is that normally taxes are not withheld on earnings in the year they earned the money, but in the year the payoff took place.

For example, a seaman who signed on for a five-month trip in September 1985, paying off in January 1986, would have all the five months' earnings appear on his 1986 W-2 even though his actual 1986 earnings might be less than those in 1985.

There are ways to minimize the impacts of this situation. For example, while on the ship in 1985, the Seafarer undoubtedly took draws and may have sent allotments home. These can be reported as 1985 income.

Unfortunately, this raises another complication. The seaman who reports these earnings in 1985 will not have a W-2 (withholding statement) covering them. He will have to list all allotments, draws and slops on the tax return and explain why he doesn't have a W-2 for them. Furthermore, since no tax will have been withheld on these earnings in 1985, he will have to

pay the full tax on them with his return, at 11 percent or upwards, depending on his tax bracket. The earnings will show up on his 1986 W-2. The seaman then, on his 1986 return would have to explain that he had reported some of his earnings in 1985 and paid taxes on them. He would get a tax refund accordingly.

In essence, the seaman would pay taxes twice on the same income and get a refund a year later. While this will save the seaman some tax money in the long run, it means he is out-of-pocket on some of his earnings for a full year until he gets the refund.

This procedure would also undoubtedly cause Internal Revenue to examine his returns, since the income reported would not coincide with the totals on his W-2 forms.

That raises the question, is this procedure justified? It is justified only if a seaman had very little income in one year and very considerable income the next. Otherwise the tax saving is minor and probably not worth the headache.

The Road to Recovery:

The Twelve Steps of Alcoholics Anonymous

If you are suffering from the illness of alcohol or drug addiction, and if your life has become unmanageable, there is a way out. That way is, first, an admission to yourself that you need help and then acceptance of a simple program that has worked for many millions of people just like yourself. That program is the Twelve Steps of Alcoholics Anonymous.

Simply stated, A.A.'s Twelve Steps are a group of principles, spiritual in their nature, which, if practiced as a way of life, can expel the obsession to drink and enable the sufferer to become happily and usefully whole.

Step One. We admitted we were powerless over alcohol and drugs, that our lives had become unmanageable.

Step Two. We came to believe that a power greater than ourselves could restore us to sanity.

Step Three. We made a decision to turn our will and our lives over to the care of God, as we understood Him.

STEP FOUR

We made a searching and fearless moral inventory of ourselves. What follows is an excerpt from "Alcoholics Anonymous":

After we took the first three steps we launched out on a course of vigorous action. This involved a personal housekeeping, which many of us had never attempted.

Though our decision to stop drinking and taking drugs was a vital and crucial step, it could have little permanent effect unless at once

followed by a strenuous effort to face, and to be rid of, the things in ourselves which had been blocking us from being whole persons. Our liquor/drugs were but a symptom. So we had to get down to causes and conditions.

Therefore, we started upon a personal inventory. This was Step Four. A business which takes no regular inventory usually goes broke. Taking a commercial inventory is a fact-finding and fact-facing process. It is an effort to discover the truth about the stock-in-trade—the truth about ourselves. One object is to disclose damaged or unsalable goods, to get rid of them promptly and without regret. If the owner of the business is to be successful, he cannot fool himself about values.

We did exactly the same thing with our lives. We took stock honestly . . . Nothing counted but thoroughness and honesty . . .

If we had been thorough about our personal inventory, we had written down a lot. We have listed and analyzed our resentments. We have begun to comprehend their futility and fatality. We have commenced to see their terrible destructiveness.

We have begun to learn tolerance, patience and good will towards all, even our enemies, for we look on them as sick people. We have listed the people we have hurt by our conduct, and are willing to begin to straighten out the past.

'I Wish I Had Done It Sooner'

Dear President Drozak,

I have just completed the program at the ARC. I wanted to thank you and our Union for the opportunity the Rehab program has given me to begin my life anew. I truly appreciate what I have received. I wish I had done it sooner, but I guess it wasn't my time yet.

The program is an intense one and is just what is needed for people like us to raise our level of self-esteem and become a part of life—instead of hiding from reality.

There is so much more I could say. I just wanted to express my gratitude.

Sincerely,
Veronica Ercolono
S.S. Constitution

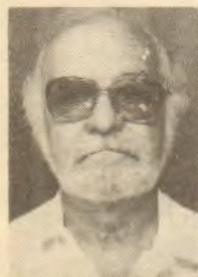


Deep Sea

Pensioner **Arthur Ballu**, 82, died Dec. 18, 1986. He joined the SIU in 1943 and sailed in the deck department. Brother Ballu walked the picket line in the 1946 General Maritime and 1947 Isthmian beefs. Ballu is survived by his widow, Gladys. He was buried at Rosehill Cemetery in New Jersey.



Pensioner **Joseph V. Bissonet**, 78, died Jan. 12. Brother Bissonet joined the SIU in 1944 sailing in the deck department. He hit the bricks in the 1946 General Maritime and the 1947 Isthmian beefs. Brother Bissonet is survived by his nephew, Jerry L. Leslie. Burial was at sea off the Monterey, Calif. coast.



Pensioner **Jack Cron Brock**, 66, died recently. Brother Brock joined the SIU in the port of Lake Charles, La. in 1951. He sailed as a chief electrician. He was born in Texas and was a resident of Galveston, Texas. Surviving are his widow, Feriece; a daughter, Mera Picou of New Orleans, and his mother, Virginia of Lake Charles.

Pensioner **Hector M. De Jesus Sr.**, 63, died Dec. 28, 1986. Brother De Jesus joined the SIU in 1947 in the port of New York sailing in the steward department. He hit the bricks in the 1946 General Maritime and the 1947 Isthmian beefs. Seafarer De Jesus was born in Puerto Rico and was a resident of Brooklyn, N.Y. Surviving are his widow, Antonia and two sons, Hector Jr. and Louis.



Pensioner **Buren Damascus Elliott**, 83, passed away from lung failure at home in Chesapeake, Va. on Nov. 18, 1986. Brother Elliott joined the SIU in 1945 in the port of Norfolk.

He sailed as a chief electrician and hit the bricks in the 1946 General Maritime, 1947 Isthmian and the 1948 Wall St. beefs. Seafarer Elliott was born in South Carolina. Cremation took place in the Lynnhaven Crematory, Virginia Beach, Va. Surviving is his widow, Amanda.



Pensioner **Andoni "Tony" Joseph S. Ferrara**, 67, died of heart failure in the West Houston (Texas) Medical Center on Nov. 26, 1986. Brother Ferrara joined the SIU in 1938—a charter member—in the port of New York. He sailed as a bosun. He walked the picket lines in the 1946 General Maritime, 1947 Isthmian and 1948 Wall St. beefs. Born in New York, he was a resident of Hackensack, N.J. Burial was in the St. Joseph's Cemetery, Hackensack. Surviving is his widow, Carmen.



Pensioner **Antonio Estrada Gonzalez Jr.**, 90, passed away from cancer in the Metropolitan Hospital, Las Lomas, Rio Piedras, P.R. on Oct. 30, 1986. Brother Gonzalez joined the SIU in 1941 in the port of New York. He sailed as a bosun. He was on the picket line in the 1961 Greater N.Y. Harbor beef. Seafarer Gonzalez was born in Puerto Rico and was a resident of Bayamon, P.R. Interment was in the Los Cipreses Cemetery, Bayamon. Surviving are his widow, Bonita; four sons, and a granddaughter, Yvonne Gonzalez of Hyde Park, Mass.

Pensioner **Jesus N. Isturis** died recently. Brother Isturis joined the SIU-merged Marine Cooks and Stewards Union in the port of San Francisco, Calif. He retired in 1960.

Pensioner **William J. McDaniels** died Dec. 5, 1986. Brother McDaniels joined the SIU-merged Marine Cooks and Stewards Union in the port of San Francisco. He retired in 1971.



Pensioner **James R. McPhaul**, 67, passed away Dec. 18, 1986. Brother McPhaul joined the SIU in 1939 in the port of Jacksonville, Fla. sailing in the steward department. He was on the picket line in the 1946 General Maritime beef. Seafarer McPhaul was born in Florida and was a resident of Savannah, Ga. Surviving are his widow, Norma and his father, H. McPhaul of Jacksonville.

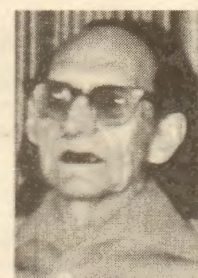
Pensioner **Joseph Parks** died recently. Brother Parks joined the SIU-merged Marine Cooks and Stewards Union in the port of San Francisco. He retired in 1976.

Pensioner **Luis Torres**, 75, died Jan. 20. He joined the SIU in 1938 and sailed in the deck department. Brother Torres was active in the 1946 General Maritime, the 1947 Isthmian and the 1962 Moore-McCormick-Robin Line strikes. Torres is survived by his widow, Carmen. Burial was at the Vega Baja Municipal Cemetery in Puerto Rico.



Pensioner **George Eric Zukas**, 74, succumbed to lung failure in St. Luke's Hospital, San Francisco on Dec. 2, 1986. Brother Zukas joined the SIU in the port of New York in 1957 sailing as a FOWT. He was a former member of the SUP. Seafarer Zukas was born in Helsinki, Finland and was a naturalized U.S. citizen. He was a resident of San Francisco. Burial was in the Woodlawn Park Cemetery, Colma, Calif. Surviving is his widow, Elvera.

Great Lakes



Pensioner **Henry D. Muzia** died Nov. 26, 1986. Brother Muzia joined the Union in the port of Milwaukee, Wis. He sailed as an oiler. Muzia was a resident of Milwaukee. Surviving are his widow, Dorothea and his son, Lawrence.

Pensioner **John Aloysius Reardon**, 75, died Dec. 10, 1986. Brother Reardon joined the Union in the port of Chicago, Ill. in 1964. He sailed as an AB aboard the *SS McKee Sons* (Amer-sand Steamship) from 1977 to 1978. Reardon was a resident of Three Rivers, Mich. Surviving is his sister, Kay Sheldon of Three Rivers.

Pensioner's Corner

The following SIU members have retired on pension:

DEEP SEA

Baltimore

Hosea N. McBride
Thomas G. Ryan

Houston

Teddy E. Aldridge
Edward E. Davidson
Charles T. Gaskins
Travis R. Miners
Ib Arve Pedersen

Jacksonville

Autulio N. Garcia
Johnny Lombardo
James W. Nettles

Mobile

Guy Salanon

New Orleans

Joseph F. Adams
Peter Gebbia
Vincent P. Pizzitolo
Richard F. Roberts

New York

Morgan L. Carroll
Walter Karlak
Felizardo T. Motus
Juan Perez
Anthony Tosado

Philadelphia

Edward A. Fahy

Puerto Rico

Francisco Gonzalez
Rual I. Lopez

San Francisco

Hiroshi Shiba
Richard S. Turpin

Seattle

Steve Boreski
Robert H. Graf
Alva McCullum
Kenneth A. McLeod
John Medvesky
Shigeru Moritani

Wilmington

James J. Boland



HELP
WITH
THESE
PROBLEMS
IS
AVAILABLE.
CONTACT
THE
A.R.C.
OR YOUR
PORT
AGENT

AMERICAN EAGLE (Pacific Gulf Marine), January 25—Chairman Stanley Krawczynski, Secretary Robert D. Bright, Deck Delegate C.D. Brown, Engine Delegate Desoucey, Educational Director C. Henley, Steward Delegate Steven Hamilton. No beefs or disputed OT reported. The \$45 in the ship's fund is in the safe-keeping of the bosun. The ship will pay off in New Jersey. Rumor has it that the *American Eagle* may then go into the shipyard for five to 10 days. The crewmembers onboard feel there should be some changes made in the Union and aboard ship. They would like to see the retirement age reduced to 62 years of age with 5,475 days sea time. They also believe that the Coast Guard should be made aware of the effects of reduced manning onboard ships. If a ship started to sink, we would all want enough men onboard to be able to lower the lifeboats into the water. Another item brought up at the meeting pertained to heat. If the ship is going to Norway next voyage, as scheduled, electric heaters will be needed by all personnel.

LNG AQUARIUS (Energy Transportation Corp.), December 21—Chairman Glenn D. Miller, Secretary R. Adams. No disputed OT reported this voyage. There is \$100 in the ship's fund. One man was taken off ship in Bontang due to an accident, but everything seems to be running smoothly. The educational director talked about the importance of upgrading at the Union's facilities in Piney Point, and a discussion about drugs was held—and the penalties for their use aboard ship.

AURORA (Apex Marine), December 14—Chairman Cesar Gutierrez, Secretary James Osbey, Engine Delegate C.I. Hampson. No beefs or disputed OT reported. The chairman noted that at the November meeting in the New Orleans hall, Vice President Mike Sacco said that he had gotten quite a few complaints from QMEDs aboard ships who felt that the engineers were doing their jobs—jobs for which they could be getting overtime. He asked that such violations be documented and passed along to him. A vote of thanks was given to the steward department for a job well done. The *Aurora* will head out to Texas to pick up a load bound for Haifa, Israel.

COURIER (Ocean Carriers), January 18—Chairman William Lough, Secretary Rudolf Spingat, Deck Delegate Michael L. Grill, Steward Delegate Ali O. Saleh. No beefs or disputed OT. The chairman stressed the importance of these monthly shipboard meetings to correct any real problems facing the crew. Only by knowing the problems that exist onboard ships can



Nick Andrews, steward/baker aboard the *SS Caguas* (Puerto Rico Marine).

Digest of Ships Meetings

the Union act. The chairman continued, "The Union has promised me answers—maybe not the ones we want to hear, but answers. If we don't conduct our business in an orderly, logical manner, it won't get done." The captain ordered a safety meeting. He asked that crewmembers bring up any hazards or safety violations so as to make the company aware of any equipment they should send to the ship. The steward department requested clarification of extra work (cleaning the meat box, oven, range, vegetable box and galley, taking inventories, etc.). They want to know if this is included in the three hours overtime or if this is above and beyond the overtime

ROBERT E. LEE (Waterman), January 4—Chairman Theodoros K. Gailas, Secretary A. Estrada, Educational Director B.F. Cooley, Deck Delegate A. Otremba, Engine Delegate William L. York. All's well in the three departments with no disputed OT or major beefs. The chairman reported that one AB quit ship in Karachi, Pakistan due to the death of his father. A replacement out of the port of New York came aboard in Madras, India, but one day later he became very sick and not fit to stand his watch for the entire day. On arrival in Chittagong, Bangladesh, the replacement was taken from the ship and sent to a hospital for medical attention and was to

USNS WYMAN (LSC Marine), December 8—Chairman Edward A. Dabney, Secretary Carl J. Brown. This meeting was called to resolve a dispute pertaining to the year-end payoff and the withholding of airfare from members' pay. A motion was made to send a Telex to headquarters with regard to the dispute; all present were in favor. The chairman noted that a new TV came aboard in Barbados and that Capt. Fisher from LSC was also present and was able to clear up a lot of the dark areas that exist between licensed and unlicensed personnel.

WILLIAM B. BAUGH (Maersk), January 15—Chairman Edwin Rivera, Secretary Joseph DeLise, Steward Delegate Gary N. Lackey. No disputed OT. The deck department is running very smoothly, although there are problems in the steward department. First of all, a request was made that the steward department receive some sort of guidelines on the contract. At present they have nothing to go by. It also was noted that all steward/bakers on Maersk Line ships are getting three hours overtime per day for baking—except the steward/baker on the *Baugh*. The crew feels he is handling his job very well under the circumstances and that this discrepancy be rectified. A request also was made for additional training for all stewards arriving Diego Garcia with regard to stores, codes and bookwork. It was felt they should be briefed at the company office prior to departure for Diego Garcia.

Official ships minutes also were received from the following vessels:

ADONIS
ARION
GUS W. DARNELL

NOTICE:

MV American Eagle Crewmembers

Crewmembers who worked aboard the above-named vessel between July 1, 1985 and June 30, 1986 have additional monies due them as per the Economic Price Adjustment (EPA).

Those involved are to submit verification of employment time specified above in the form of copies of discharges or pay vouchers. Also specify your social security number and number of dependents.

Direct all requests to the Contract Department, 5201 Auth Way, Camp Springs, MD 20746.

offered to make up for the manning reduction in the steward department. Clarification also was requested on QMEDs working a full load—should they be called out to missing pumpmen's jobs? A suggestion was made to move the VCR into a cabinet for safety and security, and a repair list was posted. And just to keep everyone on their toes, an anti-piracy watch was mounted while in the Straits of Malacca. Next port: Subic Bay, P.I.

OVERSEAS ALASKA (Maritime Overseas), December 14—Chairman F. Sellman, Secretary J. Calhoun. No disputed OT was reported, although there was a beef on the medical benefits. The ship will pay off in Marcus Hook, Pa. Everything is running smoothly. There is \$241.82 in the ship's movie fund which will be turned over to the relief steward or treasurer. A suggestion was made for permanent jobs to be six months on, six months off. There was also a discussion of sea time. The three-man steward department onboard the *Overseas Alaska* is working out fairly well, and new microwave ovens have been installed.

PANAMA (Sea-Land), December 28—Chairman Marvin P. Zimbro, Secretary C. Scott, Educational Director N. Komninos. No disputed OT. The last payoff of the year will take place in San Juan, P.R. on Dec. 30. Several motions were made. The first was to raise maintenance and cure to \$15 per day. The second was to have a minimum of two hours call-out between midnight and 0800 hours. A request also was made to have the Union check with Sea-Land to find out why the air-conditioning system does not work and why there is no heat in the rooms in cold weather.

be repatriated to New York when fit to travel. There is \$76 in the ship's fund and \$256 in the movie fund. Several videotapes, however, are missing from the video library, and their return would be appreciated. A motion was made to increase the monthly pension fund payments to all members who are receiving \$450/month. No one can possibly live decently on this kind of money, crewmembers stated, and still have to pay taxes on that amount. "An increase of at least \$250/month would certainly be a great help to pay for the necessities of daily life." Another motion requested that the present status be maintained with regard to vacation pay per month. "No concessions or any more cuts should be allowed in any future contracts." A vote of thanks was given to the steward department, particularly for the wonderful holiday meals. One minute of silence was observed in memory of our departed brothers and sisters. Next ports: Port Suez and Port Said, Egypt, followed by payoff in Norfolk, Va.

Personals

Jack Linch

Please contact Frank Cannella at 500 Brown St., Apt. 502, Duryea, Pa. 18642, or call collect at (717) 452-2766.

Fadel (Ali) H. Ghaleb

Please let me know how I can contact you. M. (Fred) Leuschner, Seamen's Church Institute, 50 Broadway, New York, N.Y. 10005.

Eddie Puchalski

Your mother is ill. Please contact your sister Stella at 5115 Oak Circle, Moriches, N.Y. 11955. Tel. (516) 878-6023.

Monthly Membership Meetings

Port	Date	Deep Sea Lakes, Inland Waters
Piney Point	Monday, March 2	10:30 a.m.
New York	Tuesday, March 3	10:30 a.m.
Philadelphia	Wednesday, March 4	10:30 a.m.
Baltimore	Thursday, March 5	10:30 a.m.
Norfolk	Thursday, March 5	10:30 a.m.
Jacksonville	Thursday, March 5	10:30 a.m.
Algonac	Friday, March 6	10:30 a.m.
Houston	Monday, March 9	10:30 a.m.
New Orleans	Tuesday, March 10	10:30 a.m.
Mobile	Wednesday, March 11	10:30 a.m.
San Francisco	Thursday, March 12	10:30 a.m.
Wilmington	Monday, March 16	10:30 a.m.
Seattle	Friday, March 20	10:30 a.m.
San Juan	Friday, March 5	10:30 a.m.
St. Louis	Friday, March 13	10:30 a.m.
Honolulu	Thursday, March 12	10:30 a.m.
Duluth	Wednesday, March 11	10:30 a.m.
Jersey City	Wednesday, March 18	10:30 a.m.

TO: Mr. Donald B. Ganung
Chief Steward

FROM: Captain L. Swick

SUBJECT: Christmas Meals Voyage 069

On behalf of the officers and crew of the motor vessel *Sea-Land Endurance*, I would like to thank you, and also Chief Cook Martin Ketchem and Utility Frank Pappone, for a job well done today. I cannot give you enough credit for the work that you and your department did in preparing for today's meals.

For me personally, this was the fourth consecutive Christmas at sea and my third onboard this vessel. I truly cannot remember Christmas meals at sea equal to those that you served on this day. All your shipmates, including myself, appreciate your efforts. And again, I thank you for a job well done.

CL —Company/Lakes
L —Lakes
NP —Non Priority

JAN. 1-31, 1987

Dispatchers Report for Great Lakes

Port	*TOTAL REGISTERED All Groups			TOTAL SHIPPED All Groups			**REGISTERED ON BEACH All Groups		
	Class CL	Class L	Class NP	Class CL	Class L	Class NP	Class CL	Class L	Class NP
DECK DEPARTMENT									
Algonac	0	22	1	0	0	0	0	26	1
ENGINE DEPARTMENT									
Algonac	0	9	0	0	0	0	0	10	1
STEWARD DEPARTMENT									
Algonac	0	5	1	0	0	0	0	6	1
ENTRY DEPARTMENT									
Algonac	0	42	1	0	0	0	0	48	3
Totals All Departments	0	78	3	0	0	0	0	90	6

Total Registered means the number of men who actually registered for shipping at the port last month.
Registered on the Beach means the total number of men registered at the port at the end of last month.

Directory of Ports

Frank Drozak, President
Joe DiGiorgio, Secretary
Leon Hall, Vice President
Angus "Red" Campbell, Vice President
Mike Sacco, Vice President
Joe Sacco, Vice President
George McCartney, Vice President
Roy A. Mercer, Vice President
Steve Edney, Vice President

HEADQUARTERS

5201 Auth Way
Camp Springs, Md. 20746
(301) 899-0675

ALGONAC, Mich.

520 St. Clair River Dr. 48001
(313) 794-4988

BALTIMORE, Md.

1216 E. Baltimore St. 21202
(301) 327-4900

CLEVELAND, Ohio

5443 Ridge Rd. 44129
(216) 845-1100

DULUTH, Minn.

705 Medical Arts Building 55802
(218) 722-4110

GLOUCESTER, Mass.

11 Rogers St. 01930
(617) 283-1167

HONOLULU, Hawaii

636 Cooke St. 96813
(808) 523-5434

HOUSTON, Tex.

1221 Pierce St. 77002
(713) 659-5152

JACKSONVILLE, Fla.

3315 Liberty St. 32206
(904) 353-0987

JERSEY CITY, N.J.

99 Montgomery St. 07302
(201) 435-9424

MOBILE, Ala.

1640 Dauphin Island Pkwy. 36605
(205) 478-0916

NEW BEDFORD, Mass.

50 Union St. 02740
(617) 997-5404

NEW ORLEANS, La.

630 Jackson Ave. 70130
(504) 529-7546

Toll Free: 1-800-325-2532

NEW YORK, N.Y.

675 4 Ave., Brooklyn 11232
(718) 499-6600

NORFOLK, Va.

115 Third St. 23510
(804) 622-1892

PHILADELPHIA, Pa.

2604 S. 4 St. 19148
(215) 336-3818

PINEY POINT, Md.

St. Mary's County 20674
(301) 994-0010

SAN FRANCISCO, Calif.

350 Fremont St. 94105
(415) 543-5855

SANTURCE, P.R.

1057 Fernandez Juncos St.
Stop 16 00907
(809) 725-6960

SEATTLE, Wash.

2505 1 Ave. 98121
(206) 441-1960

ST. LOUIS, Mo.

4581 Gravois Ave. 63116
(314) 752-6500

SUBIC BAY, Rep. of Philippines

34 21st St., W. Bajac Bajac
Olongapo City C-2201
222-3533

WILMINGTON, Calif.

510 N. Broad Ave. 90744
(213) 549-4000

Dispatchers Report for Deep Sea

JAN. 1-31, 1987

AN. 1-31, 1967										
Port	*TOTAL REGISTERED			TOTAL SHIPPED			Trip Reliefs	**REGISTERED ON BEACH		
	All Groups			All Groups				All Groups		
	Class A	Class B	Class C	Class A	Class B	Class C		Class A	Class B	Class C
DECK DEPARTMENT										
Gloucester	1	2	0	1	1	0	1	2	2	1
New York	45	14	1	44	14	0	10	102	20	1
Philadelphia	4	0	0	2	3	0	1	6	1	1
Baltimore	2	2	1	8	2	0	0	8	7	1
Norfolk	9	4	3	6	5	2	2	15	5	4
Mobile	14	4	1	10	1	0	1	15	6	1
New Orleans	41	5	4	32	3	2	5	74	9	9
Jacksonville	32	9	2	33	4	2	2	50	12	2
San Francisco	32	11	7	28	5	0	6	69	15	13
Wilmington	16	4	1	15	3	0	1	37	8	2
Seattle	44	8	3	41	5	2	11	53	12	1
Puerto Rico	16	0	0	24	5	0	1	29	1	0
Honolulu	9	20	11	10	17	12	11	9	20	8
Houston	29	4	1	28	0	1	4	67	7	3
St. Louis	0	0	0	0	0	0	0	0	0	0
Piney Point	4	2	0	0	2	0	0	4	5	0
Totals	298	89	35	282	70	21	56	540	130	47
ENGINE DEPARTMENT										
Gloucester	0	1	0	0	1	0	0	0	3	0
New York	32	9	2	14	8	0	3	69	7	2
Philadelphia	2	1	1	1	3	1	1	2	1	1
Baltimore	5	2	0	3	3	0	0	10	0	0
Norfolk	3	5	0	2	3	0	1	9	7	0
Mobile	7	2	0	5	2	0	2	10	3	0
New Orleans	25	6	2	20	2	1	1	61	10	3
Jacksonville	23	4	2	27	4	0	4	34	5	3
San Francisco	16	5	3	9	3	1	1	34	6	6
Wilmington	12	2	1	10	0	0	2	17	6	2
Seattle	25	10	1	24	9	1	2	38	11	1
Puerto Rico	10	1	0	16	0	0	1	14	3	0
Honolulu	6	14	11	2	11	14	8	9	14	6
Houston	27	5	0	20	0	0	1	44	7	0
St. Louis	0	0	0	0	0	0	0	0	0	0
Piney Point	3	7	0	0	2	0	0	5	5	0
Totals	196	74	23	153	51	18	27	356	88	24
STEWARD DEPARTMENT										
Gloucester	1	0	0	1	1	0	0	0	0	0
New York	18	5	0	14	1	0	5	34	7	1
Philadelphia	1	2	0	1	1	0	1	3	1	0
Baltimore	6	1	0	3	1	0	0	5	1	0
Norfolk	7	0	2	2	0	2	0	7	1	0
Mobile	6	0	0	3	1	0	1	7	1	0
New Orleans	15	1	1	12	0	0	5	41	2	1
Jacksonville	12	3	0	8	3	0	1	21	6	0
San Francisco	38	5	5	24	1	1	6	81	11	7
Wilmington	12	2	0	5	5	0	2	21	3	0
Seattle	27	2	0	18	3	0	1	44	8	1
Puerto Rico	3	1	0	14	2	0	1	6	1	0
Honolulu	2	21	41	0	26	40	34	8	25	28
Houston	12	0	0	9	1	0	6	20	1	0
St. Louis	0	0	0	0	0	0	0	0	0	0
Piney Point	0	3	0	0	2	0	0	3	4	0
Totals	160	46	49	114	48	43	63	301	72	38
ENTRY DEPARTMENT										
Gloucester	0	3	2	0	1	0	0	0	2	2
New York	18	19	5	19	23	2	0	47	36	9
Philadelphia	1	1	1	0	1	1	0	5	4	1
Baltimore	2	1	1	1	4	1	0	10	7	0
Norfolk	2	3	1	1	3	1	0	6	3	3
Mobile	0	10	1	0	4	1	0	3	10	1
New Orleans	13	9	15	11	10	6	0	28	15	23
Jacksonville	5	11	5	5	13	2	0	9	9	4
San Francisco	32	11	12	23	3	2	0	80	24	22
Wilmington	16	7	2	6	5	1	0	27	12	3
Seattle	29	34	2	15	27	1	0	48	32	3
Puerto Rico	15	6	0	12	1	0	0	18	11	1
Honolulu	8	117	208	8	142	152	0	9	93	244
Houston	18	5	1	8	5	1	0	26	11	2
St. Louis	0	0	0	0	0	0	0	0	0	0
Piney Point	0	3	10	0	1	0	0	0	7	10
Totals	159	240	266	109	243	171	0	316	276	328
Totals All Departments	813	449	373	658	412	253	146	1,513	566	437

Total Registered means the number of men who actually registered for shipping at the port last month.
Registered on the Beach means the total number of men registered at the port at the end of last month.

Shipping in the month of January was down from the month of December. A total of 1,469 jobs were shipped on SIU-contracted deep sea vessels. Of the 1,469 jobs shipped, 658 jobs or about 45 percent were taken by "A" seniority members. The rest were filled by "B" and "C" seniority people. A total of 146 trip relief jobs were shipped. Since the trip relief program began on April 1, 1982, a total of 4,496 jobs have been shipped.

Boom

Bust

Editorial

BOOM and bust. That's how most people would describe the maritime industry. It's a pretty accurate description. For the past 100 years, the maritime industry has been like one big roller coaster.

Boom during the Civil War.

Bust afterwards.

Boom during World War I.

Bust afterwards.

Boom during World War II.

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Seamen who make a living in this industry accept this as part of the territory. After you've been around for a while, you get to know the ride like the back of your hand.

It goes something like this:

POINT A (top of the roller coaster)—

The United States is faced with a life-threatening situation (Civil War, World War I, World War II). The American-flag merchant marine plays a pivotal role in the effort against the enemy (runs a blockade against the Confederacy, brings troops and supplies to our Allies in Europe). Seamen suffer high casualty rates (the second highest during World War II, after the Marines), and are lauded for their heroic actions.

POINT B (the car is starting to fall)—

The war is over. American companies are tired of paying taxes and adhering to minimum safety and wage standards. They look for a way out. They lobby Congress and the military. The government accepts their arguments and turns a blind eye to the industry (denies seamen's veteran status, enacts Ship Sales Act of 1946, formulates Effective U.S. Control Doctrine). American-owned companies document their vessels under foreign registries.

POINT C (the car gains speed as it proceeds downward)—Shipboard conditions and wages for seamen decline. Skilled mariners leave the industry. The number of vessels registered under the

American-flag grows smaller each year.

POINT D (the car reaches bottom)—Conditions for seamen become intolerable. The industry is convulsed with changes (the switch from wooden hulls to steel structures, containerization, intermodal operations). The labor movement remains divided, but tries to respond to the challenge the best way that it can.

POINT E (the car starts to climb again, slowly)—Military planners become alarmed. Conditions overseas worsen. Foreign-flag vessels prove unreliable. Last minute legislation is enacted to save the industry (Merchant Marine Act of 1915, Merchant Marine Act of 1936).

POINT A (you reach another peak) The United States is faced with a life-threatening situation. . . .

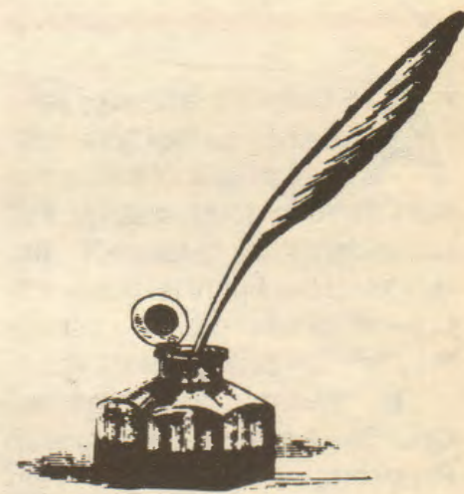
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Right now, we are somewhere between Points D and E. The car has reached bottom (fewer than 400 are vessels are registered under the American flag). Military planners have become alarmed (The Navy has embarked on a costly buildup of the government-controlled fleet and predicts a severe shortage of skilled mariners by the early 1990s). Conditions overseas are getting worse (the Iran-Iraq War, Central America, the Philippines). Foreign-flag vessels have proven to be unreliable (Yom Kippur War of 1973, when the President of Liberia prohibited cargo to Israel from being carried on American-owned but Liberian-flagged vessels).

There's only one problem. The government hasn't come up with a program to revive the industry. It won't even maintain the present level of funding. It makes pious speeches about free trade.

If it doesn't get its act together soon, then the ride just might be over.

Letters To The Editor



'Goals Become Reality . . .'

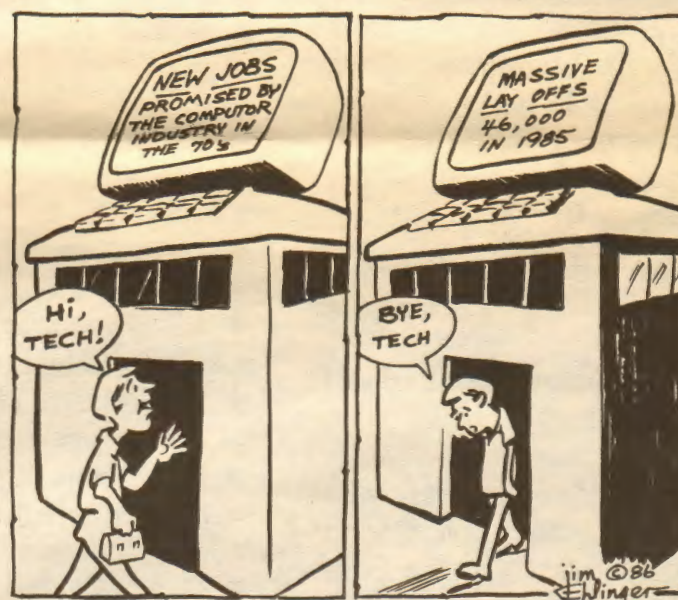
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I am attending school at the California Culinary Academy with the aid provided by the Charlie Logan Scholarship Program. It is just one of the many opportunities open to Seafarers to continue their education.

Thanks to people such as Tracy Aumann, Romeo Lupinacci, Bud Adams and Joe Wall, I was able to complete my requirements for a degree from the Charles County (Md.) Community College . . . and I was able to upgrade my steward department skills from third cook to chief cook. And thanks to all of the staff at SHLSS, my short-term goals became reality. The scholarship provided by the Seafarers Welfare Plan now makes my most important long-term goal a close reality.

The opportunity, facilities and people at SHLSS are there for all of us. Each member should make full use of them for self improvement. For those members who can't or won't use them, they should be appreciated for the good they are accomplishing.

Fraternally,
Reynaldo C. Hernandez
San Francisco, Calif.



Prescription Drugs

Generic vs. Brand Name Drugs

By Phillip L. Polakoff, M.D.

Director, Western Institute for Occupational/Environmental Sciences

People who have to take prescription medication over a long period can often save a lot of money by switching from a brand name drug to a less expensive generic equivalent.

You will need your doctor's cooperation to do this. Some doctors are more willing than others to make the change. But it's worth a try, and you can strengthen your case—and, incidentally, your peace of mind—by knowing something about the pharmaceutical industry and how it's regulated.

The vast majority of new drugs start out on the road to stardom as compounds of ordinary generic ingredients. In the lab, they're simply known by a number. Later, they get an official generic or "scientific" name, also known as a nonproprietary name. This usually comes during the clinical testing phase.

Then, if things are working out right,

two important changes take place: The drug gets a patent. It also acquires a snappy new trade name, also known as a proprietary name, and moves into the bigtime—moneywise.

Patients are sometimes surprised to learn that a drug can be patented like an invention. But that's a fact, and the maker can capitalize on it by marking up the price of the drug to recoup the costs of developing, testing and marketing. That protection runs approximately 17 years.

During that time, the new star is promoted heavily through glossy ads in medical journals, and by the persuasive pitches of detail reps who call on doctors.

As a result, a physician may write a prescription for a highly-touted brand name because of familiarity, habit, even conviction that the product is superior.

The brand name is usually shorter and easier to remember. The generic equivalent is known by its long chem-

ical name—hard to spell and practically impossible to pronounce.

It's a lot easier to write Librium or Darvocet-N or Dilantin than *chlordiazepoxide* or *propoxyphene napsylate* or *phenytoin*—their generic equivalents, respectively.

But, if you can overcome these hurdles to generic prescriptions, what about your health? You want good medicine, first of all. Are the generics just as good as the razzle-dazzle brand names? Will they work as well for you?

Under the law, generic drugs *must* contain the same ingredients as their brand name counterparts, and do the same job. The FDA doesn't allow a company to sell a medicine that's 80 percent or 95 percent as effective as the original product. It's got to be identical.

In the language of the trade, this means that the generic must be "therapeutically equivalent"—producing the same effects in the body—and "bio-

logically equivalent"—having the same active ingredients, strength, and rate of absorption as its brand name counterpart.

Not all brand name drugs can be paired off against a generic equivalent so you can buy the cheaper version. For one thing, the brand name product may still be protected from competition by its patent.

Even after the patent runs out, you still may not be able to find a generic substitute—again, for an economic reason. Maybe the market for the drug isn't large enough—say, it treats an uncommon condition or symptom and too few people need it—to attract a generic manufacturer to go into production.

Most public libraries have books on generic drugs and the pharmaceutical business. They can help you to become a more informed consumer. You'll probably save money and, perhaps, help your doctor learn a thing or two in the process.

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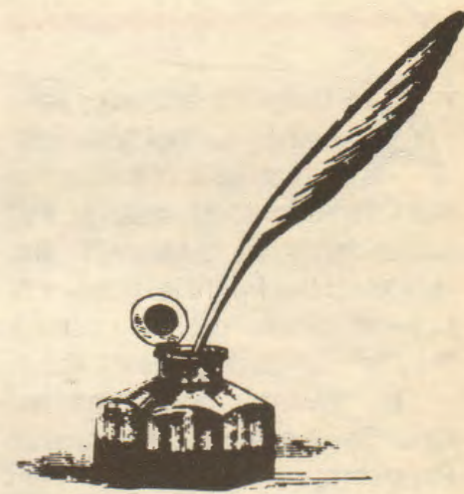
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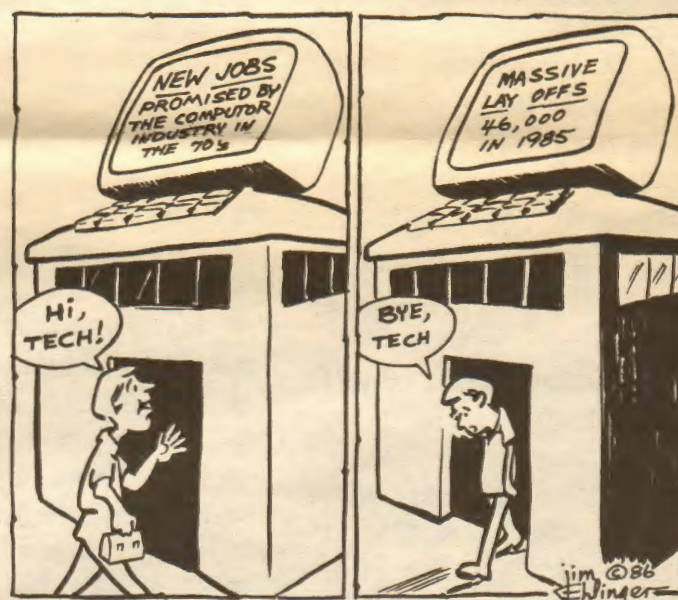
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