

# World and Nation

## Homeless report cuts anger authors Officials: Surplus may be large hoax

WASHINGTON (AP) — A report that termed homelessness a "national disgrace" was watered down and should have contained even stronger language and more specific recommendations, say members of the group that worked on the study for the National Academy of Sciences.

Bruce C. Vladeck, president of the United Hospital Fund of New York and head of the 13-member committee that prepared the study, said the academy refused to include a strong supplemental statement.

"The report, as it now stands, basically, was rejected by a majority of the committee because they felt it was not strong enough," Vladeck said.

Phyllis Wolfe, a panel member and the head of Health Care for the Homeless, Inc., in Washington complained the edited final report did not reflect the outrage and anger at what was studied.

"Those who served on the panel were a little disturbed that we were not able to go into more detail on the problems of the homeless and some of the corrective measures that should be taken," added Nathan Stark, a Washington lawyer and panel member who joined in signing a six-page supplemental statement

issued by Vladeck's office in New York.

Despite the complaints, Vladeck raised the prospect that the material in the supplemental statement actually generated more attention by being left out of the official report than if it had been included.

Faced with a choice of leaving out their strongest comments and issuing no report at all, the majority chose to permit the Academy to issue the bulk of the study and then make public their supplement inde-

pendently, he explained. "And frankly," he added, "I think we wound up getting more publicity than we would have if it was buried in the report."

The supplemental statement called for a restoration of federal support for low-income housing to 1981 levels, criticizing the sharp cuts in these programs in recent years.

It also urged a minimum wage at a level which would make decent

housing possible in most cities and called for the federal government to be the guarantor of last resort in health care.

"The way you do away with homelessness is to provide homes," Stark, a former undersecretary at the Department of Health and Human Services, said.

The panelists were concerned that not enough emphasis was put on the plight of homelessness, Stark said.

NEW YORK (AP) — For a nation accustomed to enormous debts in its consumer, business and government sectors, the idea of trillion-dollar Social Security surpluses tends to sound like a financial fairy tale.

The surplus talked about is in amounts almost incomprehensible, not just to ordinary folks who have a difficult time adjusting to millions of dollars, but even to actuaries.

As calculated by the Social Security Administration, the surplus could grow to \$12 trillion in about 40 years. And, since the surplus would have to be invested in Treasury securities, it might absorb the entire national debt.

But there is another side to the story, too, and it adds to the incredible nature of this financial phenomenon. Is it possible for highly trained actuaries to make multitrillion-dollar errors? Could all this be a dream?

There are those who say it is. Writing for the Heritage Foundation, a conservative think tank, Professor Peter J. Ferrara of George Mason Law School calls the projec-

tions the great Social Security surplus hoax.

"The trouble is that there is and will be no cash mountain," he says. "Those who think there will be have been misreading U.S. government Social Security projections and do not understand federal budget accounting," he said.

A study by Donaldson, Lufkin & Jenrette, a securities firm, questions some underlying assumptions. It claims estimates are based on an absence of recessions, mortality rates that improve too slowly and an uninterrupted, and unlikely, increase in real wages of 1.4 percent a year.

In fact, the Social Security Administration itself offers a pessimistic scenario of slow growth and relatively high inflation that has the surplus peaking at \$3.3 trillion in 2015, rather than at \$12 trillion in the year 2030.

Generally, these critics argue that the projections are based on invalid assumptions regarding demographics, health, income, interest rates, fertility rates and a dozen other considerations, many of them economic and political.

## Gilbert-related deaths reach 140

MONTERREY, Mexico (AP) — The number of confirmed dead in a flash flood caused by Hurricane Gilbert rose to 140 Tuesday and authorities said a fifth passenger bus had been located in a drying river bed.

"We have recovered 140 cadavers. It's difficult to say how many more there could be. It could be very terrible," said Daniel Dimas, assistant information secretary for the Nuevo Leon state government.

Dimas said by telephone that most of the bodies were being found in

the Santa Catarina River about 20 miles downstream from Monterrey.

Rains unleashed by Hurricane Gilbert in the 14,000-foot-high mountains surrounding this state capital sent waters raging through the normally dry Santa Catarina River on Saturday. The flash flood swept away five passenger buses and private vehicles that were traveling on roads built in the river bed.

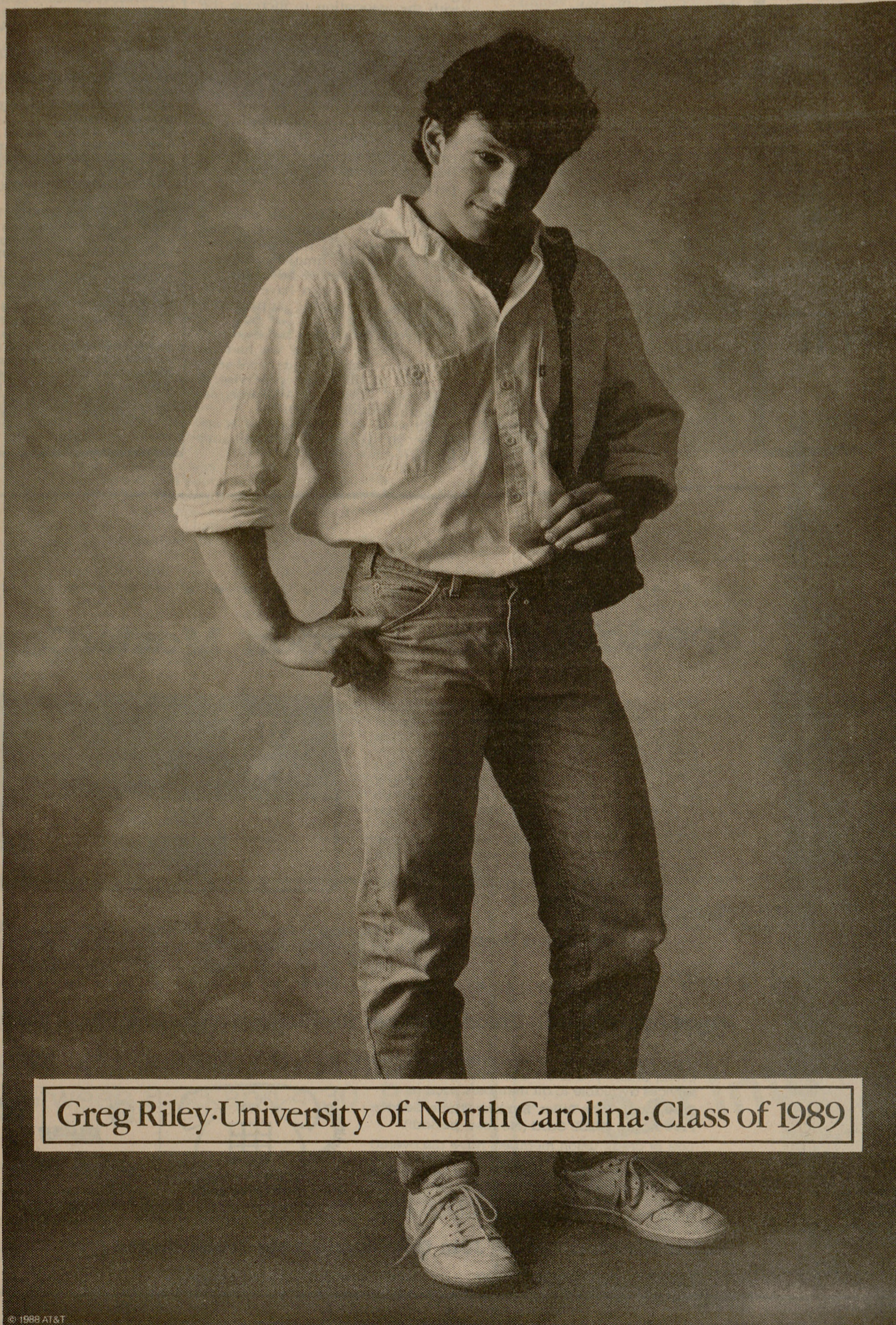
The Santa Catarina divides Monterrey, with a population of 3 million the largest metropolitan area in northern Mexico.

The flash flood, the worst Monterrey has seen since 1909, also swept away squatters' homes, streets, electricity towers and miles of sports facilities that had built in the dry riverbed.

State authorities estimated damage at \$90 million.

The torrent's destructive path extended for nearly 40 miles. Hundreds of homes were destroyed and thousands more flooded with water and mud. About 30,000 people remained in shelters on Tuesday.

“I don't want a lot of hype. I just want something I can count on.”

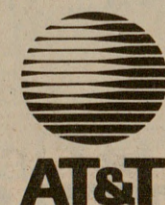


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