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FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Office of the President
Series: Daily Files
Subseries:

OA/ID Number: 90548
Folder ID Number: 90548-007

Folder Title:
Friday, May 25, 1990

Stack:	Row:	Section:	Shelf:	Position:
V	12	11	7	7

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Schedule	Schedule of the President [redaction] (1 pp.)	05/25/90	(b)(3)	
02. Schedule	The Trip of the President and Mrs. Bush to Kennebunkport, Maine, May 25-28, 1990 [redaction] (3 pp.)	05/90	(b)(7)(c), (b)(7)(e), (b)(7)(f)	
03. Log	White House Telephone Log [Signal Switchboard] [redaction of personal information] (1 pp.)	05/25/90	(b)(6)	
04. Note	Handwritten notes of Presidential Phone call with President Endara (1 pp.)	05/25/90	(b)(1)	
05. Note	Handwritten notes of Presidential Phone call with Violetta Chamarro (1 pp.)	05/25/90	(b)(1)	
06. Form	Request for Appointments [redaction of personal information] (1 pp.)	05/25/90	(b)(6)	

Page 1 of 1

Collection:

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Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, May 25, 1990

Pinksheet Number: dw1702

OA/ID Number: 90548-007

Date Closed: 5/7/2010

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

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SCHEDULE OF THE PRESIDENT

Friday, May 25, 1990

7:55 am (5 min)	<u>Photo with Dr. John Prunier and Family</u> (Presock)	Oval Office
8:00 am (15 min)	<u>Intelligence Briefing</u> (Scowcroft/Sununu)	Oval Office
8:15 am (30 min)	<u>National Security Briefing</u> (Scowcroft/Sununu)	Oval Office
8:45 am (30 min)	<u>Meeting with Governor Sununu</u>	Oval Office
9:15 am (5 min)	<u>Drop by Meeting of President's Council on Science and Technology</u> (Bromley)	Roosevelt Room (TAB A)
9:20 am (40 min)	<u>Administrative Time</u>	Oval Office
10:00 am (5 min)	<u>Photo recognizing National Missing Children's Day</u> (Rogich)	Oval Office (TAB B)
10:05 am (25 min)	<u>Personal Staff Time</u>	Oval Office
10:30 am	<u>Depart for Kennebunkport</u>	South Lawn (TAB C — Trip Schedule)

Bush Presidential Library Photocopy

SUPPLEMENTARY BRIEFING MATERIALS

TAB D — Briefing on Local Issues (Anderson)

TAB E — Political Background Report (Wray)

6:58 add Sununu 7:02 add Dorman + ^{Sen.} Domenici 7:45 Gov. Sununu dpts
7:53 Dorman dpts
7:56 Domenici out 7:57 add Dr. Prunier + family 8:04 add Gates, Scowcroft
8:27 (b)(3) out 8:28 add V.P. 8:52 Gates, Scowcroft + Sununu + (b)(3)
9:10 VP out; Sununu out 9:12 Sununu in 9:13 Sununu out
9:15 Sununu to Oval - 9:16 Potos + Sununu to Roosevelt Rm
9:21 Potos to Oval 9:33 add General 9:40 Scowcroft out
10:03 add Missing Children group et al 10:08 all out 10:09 all out

UNP 05/24/90
3:00 pm



SCHEDULE OF THE PRESIDENT

Saturday, May 26, 1990

B Kennebunkport

Sunday, May 27, 1990

B Kennebunkport

Friday

10:25 add Brian Yablonski + family; add Gates + Carol

10:28 Peter, Carol, Gates to S. lawn. 10:30 dpt WH enroute AAFB

10:40 arr AAFB.

✓

UNP 05/24/90
5:00 pm



SCHEDULE OF THE PRESIDENT

Monday, May 28, 1990

Memorial Day Observed

B Kennebunkport

5:00 pm

B Arrive White House

South Lawn

UNP 05/24/90
5:00 pm

KENNEBUNKPORT, MAINE
May 25 - 28, 1990

Friday, May 25, 1990

10:30 am Boards Marine One and dep. White House en
route Andrews Air Force Base
10:40 am Arr. Andrews Air Force Base and proceeds
to board Air Force One
10:45 am Dep. Andrews Air Force Base en route Pease
Air Force Base
12:00 pm Arr. Pease Air Force Base and proceeds
to board Marine One
12:05 pm Boards Marine One and dep. Pease Air Force
Base en route Walker's Point Landing Zone,
Kennebunkport, Maine
12:30 pm Arr. Walker's Point Landing Zone and
proceeds to Residence for RON

Saturday, May 26, 1990

No Scheduled Events
RON Kennebunkport, Maine

Sunday, May 27, 1990

No Scheduled Events
RON Kennebunkport, Maine

Monday, May 28, 1990

✓ 2:55 pm Board Marine One and dep. Walker's Point
Landing Zone en route Pease Air Force Base
3:20 pm Arr. Pease Air Force Base and proceed to
board Air Force One
3:25 pm Dep. Pease Air Force Base en route Andrews
Air Force Base
4:45 pm Arr. Andrews Air Force Base and proceed to
board Marine One
4:50 pm Board Marine One and dep. Andrews Air Force
Base en route White House
5:00 pm Arr. White House

Withdrawal/Redaction Sheet

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02. Schedule	The Trip of the President and Mrs. Bush to Kennebunkport, Maine, May 25-28, 1990 [redaction] (3 pp.)	05/90	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

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THE TRIP OF
THE PRESIDENT
AND
MRS. BUSH
TO
KENNEBUNKPORT, MAINE

May 25-28, 1990

THE WHITE HOUSE
WASHINGTON
SCHEDULE OF THE PRESIDENT AND MRS. BUSH
FOR
KENNEBUNKPORT, MAINE
MAY 25-28, 1990

EVENTS:

No Events Scheduled

DRESS:

Men - Casual
Women - Casual

CONTACT:

Office of Presidential Advance
John G. Keller, Jr. - 202/456-7565
Trip Coordinator
Lucy Muckerman - 202/456-7565
Kennebunkport, Maine Signal - 202/395-1544
- 207/967-5200

ADVANCE:

Dale Jenkins - LEAD
Chris Molineaux - PRESS
(b)(7)(C), (b)(7)(D), (b)(7)(F)
Sean Byrne - MIL. AIDE
Greg Dustin - WHCA
Doyle Gage - AFI
Rob Creamer - HMX

WEATHER:

Partly Cloudy, Mid 50's

SCHEDULE OF THE PRESIDENT AND MRS. BUSH
FOR
KENNEBUNKPORT, MAINE
MAY 25 - 28, 1990

GUEST AND STAFF INSTRUCTIONS:

8:00 am Baggage Call. Please place all unlocked baggage outside Room 89 1/2 OEOB at this time.
9:40 am Vans depart West Basement en route Andrews Air Force Base.
9:40 am Guests and Staff with own transportation and baggage, should arrive Distinguished Visitor's Lounge, Andrews Air Force Base for check-in.
10:00 am Guests and Staff with own transportation and without baggage should arrive Distinguished Visitor's Lounge, Andrews Air Force Base for check-in.

10:30 am

THE PRESIDENT boards Marine One and departs White House en route Andrews Air Force Base.

MARINE ONE MANIFEST:

THE PRESIDENT
C. Neblett
S. Neblett
A. Card
R. Gates
T. McBride
Doctor
Mil. Aide
(b)(7)(e)

Bush Presidential Library Photocopy

FRIDAY: GOLF w/ SONNY HUTCHINS (of K. R. ARWELL)
Page Three
SECT. SKINNER
KEN RAYNER (Pro @ CAPT)

THE PRESIDENT arrives Walker's Point Landing Zone and proceeds to Residence for RON.

12:30 pm

GUEST AND STAFF INSTRUCTIONS:
Upon arrival at Walker's Point or Biddeford, guests and staff will be driven to Nonantum Portside Resort.
Upon arrival at Nonantum Portside Resort, guests and staff should proceed to Front Desk for Room and Key Assignments.

(Flying Time: 25 Minutes)

Nighthawk IV (To Biddeford Airport)
J. Herrick
15 Press
1 WHCA A/V
2 WHTV
(b)(7)(e)
WHCA C/O
D. Edwards
D. Jenkins

Nighthawk III
Marvin Bush - Marshall Bush
Margaret Bush - Walker Bush
A. Card
R. Gates
J. Cloonan
S. Nojich
M. Fitzwater
D. Valdez
L. Casey

THE PRESIDENT arrives Andrews Air Force Base and proceeds to board Air Force One.
THE PRESIDENT departs Andrews Air Force Base en route Pease Air Force Base.
(Flying Time: 1 Hour 15 Minutes)
(Interchange: No)
(Time Change: None)
(Food Service: Beverages)
THE PRESIDENT arrives Pease Air Force Base and proceeds to board Marine One.
THE PRESIDENT boards Marine One and departs Pease Air Force Base en route Walker's Point Landing Zone, Kennnebunkport, Maine.

12:05 pm

12:00 pm

10:45 am

10:40 am

SATURDAY:
GOLF w/ KEN RAYNER
WILLARD "SPIKE" HEMMWAY
SECT. SKINNER
RON Kennnebunkport, Maine
No Scheduled Events
Sunday, May 26, 1990
SAUNDAY GOLF: SAME
Monday, May 27, 1990
No Scheduled Events
RON Kennnebunkport, Maine
HONDAY GOLF: SAME
(SEE MOVEMENT LOGS)

Monday, May 28, 1990

Tuesday, May 26, 1990

GUEST AND STAFF INSTRUCTIONS:

12:00 pm Baggage Call. Please place all unlocked baggage outside your door at this time.
2:25 pm Guests and staff manifested on Nighthawk IV should board vans at Nonantum for transport to Biddeford Airport Landing Zone.
2:45 pm Guests and staff manifested on Marine One, Nighthawk II, and Nighthawk III, should board vans at Nonantum for transport to Walker's Point Landing Zone.
2:55 pm Nighthawk IV departs Biddeford Airport Landing Zone en route Pease Air Force Base.

THE PRESIDENT and Mrs. Bush board Marine One and depart Walker's Point Landing Zone en route Pease Air Force Base.

5:55 pm

Nighthawk IV (From Biddeford Airport)
J. Herrick
15 Press
1 WHCA A/V
2 WHTV
(b)(7)(e)
WHCA C/O
D. Edwards
D. Jenkins
M. Lukens

Nighthawk III
Marvin Bush - Marshall Bush
Margaret Bush - Walker Bush
T. McBride
R. Gates
J. Cloonan
S. Nojich
M. Fitzwater
D. Valdez
L. Casey
P. Switt

WHCA T/O
Dr. Bacon
(b)(7)(e)

Nighthawk II
WHCA T/O
Dr. Bacon
(b)(7)(e)
M. Lukens
H. Skinner
S. Nojich
C. Nojich
Mrs. Bush
THE PRESIDENT

HELICOPTER MANIFEST:

3:20 pm THE PRESIDENT and Mrs. Bush arrive Pease Air Force Base and proceed to board Air Force One.

3:25 pm THE PRESIDENT and Mrs. Bush depart Pease Air Force Base en route Andrews Air Force Base.

(Flying Time: 1 Hour 20 Minutes)
(Interchange: No)
(Time Change: None)
(Food Service: Snacks and Beverages)

4:45 pm THE PRESIDENT and Mrs. Bush arrive Andrews Air Force Base and proceed to board Marine One.

4:50 pm THE PRESIDENT and Mrs. Bush board Marine One and depart Andrews Air Force Base en route White House.

MARINE ONE MANIFEST:

THE PRESIDENT
Mrs. Bush
C. Neblett
S. Neblett
~~Dr. Gates~~ M. Bush
T. McBride
Doctor
Mil. Aide
(b)(7)(e)

(Flying Time: 10 Minutes)

5:00 pm THE PRESIDENT and Mrs. Bush arrive White House.

TELEPHONE MEMORANDUM

, 19⁹⁰

[illegible]

Withdrawal/Redaction Sheet

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THE WHITE HOUSE
WASHINGTON

TELEPHONE MEMORANDUM

SIGNAL SWITCHBOARD

May 25, 1990

	TIME		NAME	ACTION
	PLACED	DISC		
OUT	9:14 AM	9:40	Conference Call: President Violetta Chamorro (b)(6)	Tlkd-ok 9:34 AM
INC	PM			
OUT	AM		Mr. David A. Pacelli White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Ms. Stephanie Van Reigersberg Office, Washington, D.C. 647-2800	
INC	PM			
OUT	9:19 AM	10:13	Conference Call: President Guillermo Endara (b)(6)	Tlkd-ok 10:09 AM via Autovon
INC	PM			
OUT	AM		Mr. Corneilius O'Leary White House Situation Room White House Signal 2-2264	
INC	PM			
OUT	AM		Ms. Stephanie Van Reigersberg Office, Washington, D.C. 647-2800	
INC	PM			
OUT	11:04 AM	11:07	Mr. Kenneth R. Raynor Office, Cape Arundel Golf Club Kennebunkport, Maine 207-967-3494	Tlkd-ok 11:06 AM via Secure Satellite
INC	PM			
OUT	AM		Mr. Kenneth R. Raynor Office, Cape Arundel Golf Club Kennebunkport, Maine 207-967-3494	Tlkd-ok 1:43 PM
INC	1:41 PM	1:45		
OUT	AM		Mr. Timothy McBride Office, Walker's Point Kennebunkport, Maine Kennebunkport Signal x351	Tlkd-ok 2:21 PM
INC	2:21 PM	2:22		
OUT	AM		General John Hutton Office, Madigan Army Medical Center Fort Lewis, Washington 206-967-6921	Tlkd with Mr. McBride 5:21 PM
INC	5:17 PM			
OUT	AM		Mr. Timothy McBride En route Walker's Point Kennebunkport, Maine 301-520-3942	Tlkd-ok 9:17 PM via Cellular Phone
INC	9:15 PM	9:18		

PRESIDENTIAL MOVEMENTS

LOCATION Washington, D.C.
Kennebunkport, Maine

DATE 25 May 1990

TIME	MOVEMENTS
0657	Oval Office
0918	Roosevelt Room
0923	Oval Office
1027	South Grounds
1030	Depart South Grounds via Marine One
1040	Arrive Andrews Air Force Base, Maryland
1053	Depart Andrews Air Force Base via Air Force One
1153	Arrive Pease Air Force Base, New Hampshire
1207	Depart Pease Air Force Base via Marine One
1228	Arrive Walker's Point, Kennebunkport, Maine
1443	Depart Walker's Point via Motorcade (Low Key)
1456	Arrive Cape Arundel Golf Club (Low Key)
1758	Depart Cape Arundel Golf Club via Motorcade (Low Key)
1811	Arrive Walker's Point (Low Key)



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, MAY 25, 1990 -- 6:00 A.M. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

CONGRESS COMPLETES PANAMA-NICARAGUA AID MEASURE -- Congress, anxious to leave town for a Memorial Day recess, wrapped up work early Friday on a \$4 billion spending bill including aid President Bush has urgently sought for new democratic governments in Panama and Nicaragua. (AP)

CHINA TRADE DECISION PUTS BUSH, CONGRESS ON CRASH COURSE -- A congressional alliance of Democrats and Republicans, angry about China's human rights record, has vowed to thwart President Bush's decision to continue normal trade ties with Beijing.

(Los Angeles Times, Newsday, New York Daily News, UPI, Copley, Reuter Los Angeles Times, Washington Times, Washington Post)

KHMER ROUGE ACCEPTS THAI CEASE-FIRE PLAN -- The Chinese-backed Khmer Rouge resistance group has agreed to a Thai cease-fire plan to be signed in Tokyo next month, Deputy Prime Minister Gen. Chavalit Yongchaiyudh said Friday. (AP)

NATIONAL NEWS

KEMP REJECTS INCREASING TAXES, SAYS IT WOULD HURT ECONOMY -- Secretary Kemp broke ranks with the Bush Administration Thursday, insisting that the federal budget deficit "is not ballooning" and that any attempt to reduce it by raising taxes will hurt, not help, the economy. (Washington Post)

NETWORK NEWS (Thursday Evening)

POLL -- President Bush continues to get high marks from American voters.

CHINA -- President Bush said he will continue MFN status with the government of China.

CAMBODIA -- President Bush said he is reviewing U.S. policy towards Cambodia.

INTERNATIONAL NEWS...A-1

NATIONAL NEWS.....A-14

NETWORK NEWS.....B-1

EDITORIALS.....C-1

INTERNATIONAL NEWS

CONGRESS COMPLETES PANAMA-NICARAGUA AID MEASURE

Congress, anxious to leave town for a Memorial Day recess, wrapped up work early Friday on a \$4 billion spending bill including aid President Bush has urgently sought for new democratic governments in Panama and Nicaragua.

The House approved the measure on a 308 to 108 vote and the Senate followed suit with a voice vote shortly after midnight. That sent the bill to President Bush, who was expected to sign it into law quickly. (Jim Drinkard, AP)

SHLAUDEMAN APPROVED AS AMBASSADOR TO NICARAGUA

The Senate early Friday approved the nomination of veteran diplomat and Latin America expert Harry Shlaudeman as ambassador to the Nicaraguan government of President Chamorro.

The Senate acted on the nomination minutes after completing congressional action on a bill containing \$300 million in aid for Nicaragua. (Reuter)

PRESIDENT URGES RENEWAL OF TRADE STATUS FOR CHINA

President Bush recommended renewal of Most Favored Nation trading status for China Thursday but said the Soviet crackdown on Lithuania would make it "extraordinarily difficult" to justify giving the same trade status to the Soviet Union.

One week before his summit here with President Gorbachev, Bush noted that the Supreme Soviet has not yet passed legislation that would codify its recent emigration reforms into law, a prerequisite of granting MFN status....

Bush suggested that passage of the Soviet emigration law is not the only reason for the delay. "I think there's a political climate in this country that would make it extraordinarily difficult to grant it," Bush said, "but that is not a bridge we're having to cross at this juncture." He added that once the Soviet law is passed, "Let's hope there's some progress on the Lithuanian question, because I think many think there's a direct linkage there. And I must say, it concerns me." ...

Meanwhile, seven conservative senators, led by Sen. Helms, sent a letter to Bush raising "profound concerns" about the results of Secretary Baker's negotiations on strategic arms last week....

Bush...said he made the decision to grant the trade status to Beijing even though he considered China's human rights record "far from adequate." ... "I don't think this is a reward to Beijing," Bush told a White House news conference.

(David Hoffman & Lena Sun, Washington Post, A1)

Bush Extends Favorable Trade Status For China

President Bush, saying economic moves against Beijing would hurt American business and the Chinese people, announced Thursday that he would renew most-favored-nation trading status for China despite its anti-democracy crackdown.

The announcement...came less than two weeks before the first anniversary of the June 4 massacre in Tiananmen Square....

"This was a difficult decision, weighing our impulse to lash out in outrage that we all feel against a sober assessment of our nation's long-term interests," Bush told a news conference. "I concluded that it is in our best interest, and in the interest of the Chinese people to continue China's trade status.

"Not to do so would hurt the United States," he said.

In Beijing, the official Xinhua news agency offered no official comment from the government but the news agency belittled the campaign in the U.S. to derail China's most-favored-nation status on human rights grounds.

Democrats and some Republicans in Congress...vowed to overturn his decision.... Sen. Mitchell called the President's decision "profoundly wrong," and promised, "We're going to do everything we can to prevent it from taking effect." (Lori Santos, UPI)

China Trade Decision Puts Bush, Congress On Crash Course

A congressional alliance of Democrats and Republicans, angry about China's human rights record, has vowed to thwart President Bush's decision to continue normal trade ties with Beijing.

...Lawmakers planned to introduce measures to reverse Bush's decision, despite his claims that it would advance the interests of both the Chinese and American peoples....

"Sought-after trade concessions should not be given to the butchers of Beijing," Sen. D'Amato declared....

But Rep. Rostenkowski said that while the behavior of the Chinese leaders made the decision difficult, he would go along with Bush. "I will support the President's decision on this difficult matter in the hopes that the people of China will see their lives improved through this action," he said. (Kenneth Barry, Reuter)

China/MFN

President Bush renewed China's most-favored-nation trade status Thursday, triggering outcries from Democrats and Republicans alike on Capitol Hill and setting the stage for a major confrontation with Congress over U.S. policy toward the repressive Beijing government....

"I don't think this is a reward to Beijing," Bush said at a White House news conference. "I think it is very important to keep these commercial contacts.... It is the basis of everyday trade."

...Speaker Foley predicted Congress would adopt a resolution disapproving of Bush's action.... Asked about prospects of overriding a veto of the resolution, Foley pointed to last year's House vote overwhelmingly rejecting Bush's veto of legislation to protect Chinese students in the U.S. from being forced to return home.... Sen. D'Amato...said he could not support Bush now on the trade issue and predicted other Republicans would join him in overriding a possible Bush veto. (Gaylord Shaw, Newsday)

-more-

Bush Announces Decision To Grant China One-Year Extension Of MFN Status

President Bush, expressing irritation with congressional critics of his China policy, announced Thursday that he would grant Beijing a one-year extension of its preferential trading status.

Making the long-expected announcement at a White House news conference, the President said the decision to renew China's MFN trade designation should not be interpreted as a sign that the Administration is unconcerned about the bloody military repression of the pro-democracy movement in Tiananmen Square nearly a year ago. "This was a difficult decision, weighing our impulse to lash out in outrage that we all feel against a sober assessment...of our nation's long-term interest," said Bush....

Sens. Dixon and D'Amato reacted to Bush's decision by announcing that they would introduce a Senate resolution of disapproval to block MFN renewal for China.... "The renewal of most-favored-nation status...would be interpreted as support for a brutal and murderous regime," said Dixon. "This is simply inconsistent with the American spirit."

Speaker Foley criticized Bush for failing to link MFN renewal to specific improvements in China's human rights policies and warned that Bush faces a possible defeat in Congress on the issue.

(Finlay Lewis, Copley)

Bush To Give Trade Status

President Bush Thursday provoked congressional outrage by announcing he will renew special trade benefits for China despite its anti-democracy crackdown. But Bush said he will deny the same benefits to the Soviet Union....

Sen. D'Amato called Bush's move a "short-sighted accommodation with a blood-stained and discredited regime," and said he will co-sponsor a resolution to prevent renewal. [And] Sen. Moynihan said it was a "profound mistake that will send a hideously wrong message to the world." ...

At a news conference, Bush "vented a little spleen" over charges by foes that he was doing a "favor" for China. He said refusing to extend the most-favored-nation status would have hurt the Chinese people as well as American consumers and businesses.

(Maureen Santini, New York Daily News, 11)

China Trade Status Renewed By Bush

President Bush announced Thursday that he is extending China's most-favored-nation trade benefits without conditions. He said that acting otherwise would hurt American business, workers and consumers, and he saluted China's "modest steps" to ease human rights restrictions.

...While the President's decision had been anticipated, it set off a round of criticism from Republicans and Democrats. A resolution that would counter the President's move and take away the special status immediately was introduced in the Senate.

Sen. Mitchell said that he would "aggressively and vigorously" try to block Bush's action. "I think he faces some very severe problems here," added Speaker Foley. As of Thursday, Foley said, Bush lacked the votes needed to sustain a veto of the resolution in the House.

(James Gerstenzang, Los Angeles Times, A1)

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Democrats Hammer Bush On China

Democratic congressional leaders bitterly denounced President Bush Thursday for renewing China's lucrative trade preference without strings despite China's continuing human rights violations.

"It is inconsistent with American values, it is contrary to American interests, and it is profoundly wrong," Sen. Mitchell said in perhaps his harshest criticism ever of the President....

"Having made concession after concession, the President wants to make more concessions," Mitchell said as he called Bush's entire China policy "a complete failure" and vowed to do what he could to derail the extension.

(Frank Murray & Chris Harvey, Washington Times, A1)

**BEIJING LINKED ENTIRE RANGE OF TIES
WITH BUSH DECISION ON TRADE STATUS**

BEIJING -- China has made clear that President Bush's decision on trade relations would have bearing on political and cultural ties.

Chinese officials did not immediately comment on Bush's announcement Thursday extending China's MFN status for one year....

But the official Xinhua news agency said, "A small number of Americans, under the pretext of so-called human rights, opposed the renewal of China's MFN status. Their arguments have been strongly rejected by the majority of American people, who cherish the long-term interests of relations between the two countries." ...

In recent days, China indicated that raising tariffs on its goods would lead not just to higher duties on U.S. products and a sharp drop in trade, but diminished political and cultural contacts as well.

(Kathy Wilhelm, AP)

CHINA/FOREIGN RELATIONS

BEIJING -- The Chinese government has recently been sending subtle messages of regret for its violent suppression of last year's pro-democracy demonstrations. The messages have been intended, at least in part, to quiet critics in the U.S. Congress who opposed Thursday's renewal of China's MFN trade status in the wake of June's massacre, diplomats here say.

In a meeting this week with Helmut Schmidt, the former West German chancellor, Chinese leader Deng Xiaoping admitted "mistakes were made, and that the leadership deserves much of the blame for the pro-democracy movement that ended with the military opening fire on civilians last year." ...

Also, during the past several weeks, Communist Party chief Jiang Zemin has appeared on U.S. and Japanese television, saying that demonstrations are better cleared with non-lethal force, that the purge of student leaders was over and that no criminal charges would be filed against his predecessor, Zhao Ziyang, who was ousted....

"These aren't apologies nor concessions," a European diplomat said. "They aren't saying that Zhao was right or that the students were right. But they are softening a bit, giving their friends something to hang their hat on."

(Jim Mulvaney, Newsday)

U.S.-CHINA FRICTION HURTS JAPAN, LDP OFFICIAL FEARS

A key leader of Japan's ruling LDP has warned that Japan is seriously concerned it will suffer from continued confrontation between the U.S. and China over the Tiananmen Square crackdown last June.

"A continuing antagonism between China and the United States will naturally bear heavy consequences for Japan," said Michio Watanabe after a meeting Wednesday with President Bush....

"It would be better for all concerned if the United States does not clamp down further on the Chinese government," Watanabe added. (Gus Constantine, Washington Times, A11)

BUSH PRAISED FOR RENEWING CHINA'S FAVORED TRADE STATUS

TORONTO -- The governor of Hong Kong said Thursday the British crown colony would have lost \$10 billion in trade if President Bush had not renewed China's most-favorable-nation trading status.

Sir David Wilson said Bush's move will bolster Hong Kong's bright economic future even as it prepares for Chinese rule in 1997. "It certainly bodes well for Hong Kong and for south China, which is the most developed and developing section of China," Wilson told 1,000 businessmen at a luncheon meeting. "I was pleased that he did that. It is something which has a very marked effect on us in Hong Kong." (B.J. Del Conte, UPI)

CHINA TRADE DECISION BOON FOR TOY, CLOTHES IMPORTERS

NEW YORK -- President Bush's one-year extension of favorable trading status to China assures no supply disruption or price jumps in imports ranging from cashmere sweaters to teddy bears to portable hair driers, business people said Thursday.

Moreover, the decision means China won't retaliate by turning elsewhere for some of the most important U.S. exports, including grain, fertilizer, aircraft, cotton and machinery.

"We felt that in the interest of keeping trade lines open and allowing U.S. farm products to flow into China, it was critical that this be extended," said Jack King, spokesman for the American Farm Bureau Federation. (Rick Gladstone, Washington Post, F3)

BAKER CONCESSION IGNORES STAND ON SOVIET BOMBER

Secretary Baker reversed a long-standing U.S. arms control position in recent negotiations with the Soviet Union by proposing that nuclear-armed Backfire bombers not be counted as strategic weapons under the pending START treaty, according to Bush Administration officials.

It had been previously reported only that Baker was unable to convince the Soviets that the bomber be limited under the treaty.

In exchange for Baker's proposal, which reverses a U.S. negotiating demand dating back to 1992, Moscow would declare that the Backfire is not capable of flying intercontinental missions.

But as recently as February, the Defense Intelligence Agency in a report on Soviet forces said the Backfire has "an intercontinental strike capacity when equipped with a refueling probe."

(Bill Gertz, Washington Times, A3)

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BUSH LINKS BALTIC STATES, TRADE DEAL FOR MOSCOW

President Bush said Thursday the Soviet Union's handling of independence movements in the Baltic states could cost Mikhail Gorbachev U.S. trade benefits he wants to help resuscitate the Soviet economy.

Linking the situation in Lithuania and "economic aspects of this summit" for the first time, Bush told a news conference he was not "encouraged about where it stands right now."

Asked about the chances the U.S. would grant most-favored-nation trading status to the Soviet Union, a move once touted as a major feature of next week's superpower summit, Bush said, "I think there's a political climate in this country that would make it extraordinarily difficult to grant it."

"Let's hope there's some progress on the Lithuanian question, because I think many feel there's a direct linkage there," Bush said. "And I must say, it concerns me." (Lori Santos, UPI)

Bush Eager To 'Talk Frankly' At Summit

President Bush is spending the Memorial Day weekend in Kennebunkport, Maine, boning up on the issues for his summit with President Gorbachev next week.

"There's enormous problems that just need to be talked about," Bush told a White House news conference Thursday. But he hopes for "significant progress" on such issues as cuts in long-range nuclear weapons and signing a ban on chemical weapons.

Gorbachev is "a man with whom we can talk frankly," Bush told the BBC Thursday. (Johanna Neuman & Mimi Hall, USA Today, 1A)

EDITOR'S NOTE: "Bush Withholding Normal Trade Ties From The Soviets," by R.W. Apple, appears in The New York Times, page A1.

GORBACHEV SAID TO OFFER TO MEET LITHUANIAN GOAL

MOSCOW -- Mikhail Gorbachev, in an unexpected and major attempt at reconciliation with Lithuania, assured its representatives Thursday that their homeland could become independent in two or three years with his blessing if it bows to his demands now, Lithuanian sources said.

In a hastily arranged private meeting in the Kremlin, the Soviet president offered to lift punishing sanctions against the breakaway Baltic republic and open talks with its government if it suspends the unilateral declaration of independence adopted in March.

The Lithuanian news agency ELTA, in a dispatch from special correspondent Balys Bucelis, reported: "Gorbachev said in principle [that] he had nothing against Lithuania leaving the U.S.S.R." A participant in the talks said they marked the start of a "narrowing of differences" in the domestic political crisis....

Another journalist in Vilnius said he was informed by an official present at the meeting that Gorbachev spoke of Lithuania achieving independence in as little as two years.

(John-Thor Dahlburg, Los Angeles Times, A1)

LITHUANIANS ENCOURAGED BY TALK WITH GORBACHEV

MOSCOW -- President Gorbachev told a delegation of Lithuanian legislators Thursday that the breakaway Baltic republic could win independence from the Soviet Union in two or three years if it agrees to suspend its March 11 declaration of immediate secession.

"I came out of that meeting feeling we are getting closer to compromise," said Lithuanian lawmaker Nikolai Medvedev after the hour-long session at the Kremlin. "It was a friendly meeting, and I left there feeling that we will all work this out as free people." Medvedev said the four-member Lithuanian delegation handed Gorbachev a copy of the Lithuanian parliament's latest resolution offering to freeze some legislation passed after the declaration of independence if Moscow agrees to negotiations on an orderly transition to full sovereignty for the republic.

Gorbachev told the Lithuanians that he was aware of the resolution, but he insisted on a freeze of the independence declaration itself before any talks could begin.

(David Remnick, Washington Post, A1)

BALTIC STATES HOPE SUMMIT WILL REAFFIRM U.S. SUPPORT

VILNIUS -- The fine print on official U.S. maps denies this is part of the Soviet Union, and when President Bush meets President Gorbachev next week, many in the Baltic republics...want him not to forget it....

"We pin our hopes on the summit, in the sense that it will spark real negotiations between Moscow and the Baltic republics," said Sarmite Elerte, chief of the information department of Latvia's Parliament. (John-Thor Dahlburg, Los Angeles Times, A15)

WITH MOSCOW, U.S. IS TAKING A DIFFERNT LINE

President Bush made it clear Thursday that when it comes to linking human rights to "most-favored-nation" trade benefits, his Administration has two vastly different approaches: one for China and another for the Soviet Union....

This inconsistency is echoed throughout the top levels of the Bush Administration. Last week, Secretary Baker suggested that the Soviet Union would be disqualified from obtaining most-favored-nation benefits if it uses "force or coercion" in Lithuania, Latvia or Estonia. Of course, force and coercion are exactly what China used against pro-democracy demonstrators a year ago.

(News analysis, Jim Mann, Los Angeles Times, A1)

SOVIETS SEEK AIR-TRAVEL PACT IN TIME FOR SUMMIT

Soviet officials, working to salvage a U.S.-Soviet aviation agreement in time for next week's Bush-Gorbachev summit, will come to Washington this weekened in an effort to negotiate the last sticking point, U.S. sources said Thursday.

The problem involves the percentage of U.S. airline tickets to be sold in rubles in the Soviet Union.... "We have an agreement that is 98 percent done," said a source involved in the negotiations. But the unresolved economic problem is as important as "the battery in a transistor radio." There will be no agreement without it, he said.

(Don Phillips, Washington Post, A23)

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YANKING OF EMIGRATION BILL STARTLES SOVIET LEGISLATORS

MOSCOW -- Soviet deputies expressed surprise Thursday at the unexplained dropping, apparently by Kremlin leaders, of a liberal emigration bill from the agenda of the Supreme Soviet -- despite earlier assurances that it would be ready in time for next week's superpower summit....

Nikolai Fyodorov, the chairman of a subcommittee that reviews new legislation, said that the decision to take the emigration law off the agenda was taken behind closed doors by Kremlin leaders. He described it as "undemocratic" and "unconstitutional." ...

Western diplomats here speculated that the abrupt withdrawal of the bill could be linked to superpower maneuvering over Lithuania's bid for independence. They said that Kremlin leaders may have feared that Washington would hold the new trade agreement hostage to an ending of the Soviet Union's economic embargo of Lithuania.

(Michael Dobbs, Washington Post, A36)

GROUP ASKS FOR AN END TO NUCLEAR PRODUCTION

A group of distinguished American diplomats and scientists asked President Bush and President Gorbachev Thursday to use the forthcoming summit as an opportunity to halt the production of nuclear materials used in weapons....

In a letter to the two presidents, signed by seven Nobel laureates, two former Cabinet secretaries...and two former directors of the CIA, the 54 signers said, "The window of opportunity is fast closing" because the U.S....is now preparing to restart the nuclear reactors.... "Surely this unrelenting race to produce yet more ingredients for nuclear weapons...deserves serious re-examination in light of the progress being made to end the nuclear arms race," the letter stated. (Jim Anderson, UPI)

BONN, MOSCOW IN TUG OF WAR OVER PRICE OF GERMAN UNIFICATION

BONN -- ...Despite the confusing signals out of Moscow, Bonn's leaders are supremely confident that the Soviets will eventually approve unification of the two Germanys and its central sticking point, German membership in NATO. The backbone of the German confidence is an equally supreme willingness to pay for the Soviet "yes."

"What we are seeing now are the birth pains of a new relationship between Germany and the Soviet Union," a top West German official said. "They know we are not willing to bring about unification without Soviet consent. And we are prepared to accept obligations in exchange for that consent."

Put more plainly, "The Russians are fishing for a price the West will pay for NATO membership," said Josef Joffe, foreign editor of the Sueddeutsche Zeitung, a Munich daily.

(Marc Fisher, Washington Post, A34)

SOVIET DEPUTIES SEEK NO-CONFIDENCE VOTE OVER ECONOMIC PLAN

MOSCOW -- Radical legislators called Thursday for a vote of no confidence in the government, declaring that the Kremlin's latest economic reform package would fail to extricate the Soviet Union from a deepening economic crisis.

Prime Minister Ryzhkov, in a two-hour televised address to the Soviet legislature, said that citizens would receive full compensation for up to 70 percent of the huge price rises forecast under the government's plans. But he said there would be no compensation for price rises on a number of luxury items, including jewelry, liquor, tobacco and food delicacies.

The no-confidence motion was announced by Gennadi Filshin, a representative of the Inter-Regional Group, a fledgling political opposition. He described the government plan as a "camouflaged attempt to double state retail prices while making no progress toward a market."

(Michael Dobbs, Washington Post, A31)

EDITOR'S NOTE: "Soviet Economic Reforms Called Too Little, Too Late," by Warren Strobel, appears in The Washington Times, page A8.

KHMER ROUGE ACCEPTS THAI CEASE-FIRE PLAN

BANGKOK -- The Chinese-backed Khmer Rouge resistance group has agreed to a Thai cease-fire plan to be signed in Tokyo next month, Deputy Prime Minister Gen. Chavalit Yongchaiyudh said Friday.

..."Everything that Sihanouk has agreed to, the Khmer Rouge has also agreed to," Chavalit said.

Diplomatic sources said Chavalit this month signed separate but similar agreements with each of the factions for a cease-fire, and each group has agreed not to use the cease-fire to expand its territorial control.

(Vichai Phuphatana, UPI)

**U.S. POLICY ON CAMBODIA REAFFIRMED
Khmer Rouge Role Disturbs President**

After a high-level review, President Bush has reaffirmed U.S. policy toward Cambodia as the "right track" despite criticism that it indirectly aids the Khmer Rouge, Administration officials said Thursday.

An official said Bush reaffirmed the policy at a May 10 National Security Council meeting that also touched on other regional conflicts. "Everyone concurred that we are on the right course" during the meeting attended by Secretary Baker and other senior officials in addition to Bush, the official said.

Bush, in a news conference Thursday, called U.S. policy in Cambodia "very complicated" and said that "to the degree it has any effect to help them [the Khmer Rouge], yes, I am uncomfortable about it." He added, however, that a diplomatic compromise has been worked out and "at this juncture, I think we're on the right track."

Bush said, "We are reviewing the whole policy now." However, a White House official said that, to his knowledge, no current review is taking place. He said Bush apparently was referring to the review that culminated in the May 10 NSC meeting.

(Don Oberdorfer, Washington Post, A28)

CONGRESS PASSES BILL WITH ISRAELI HOUSING GUARANTEES

The Senate early Friday completed congressional action on a bill containing \$400 million in housing guarantees for Israel to help it cope with a flood of Soviet immigrants.

In line with U.S. policy, the guarantees are not to be used to support projects in the West Bank, Gaza and east Jerusalem.

(Reuter)

ISRAEL REJECTS PROPOSALS TO POST U.N. OBSERVERS IN TERRITORIES

JERUSALEM -- Israel said Thursday that it would defy any move by the U.N. Security Council to post observers in the occupied West Bank and Gaza Strip after an outbreak of violence set off by a mass slaying of Palestinian workers by an Israeli gunman.

A U.S. pledge this week to consider such an observer mission after Sunday's shooting, in which seven Palestinian workers from the Gaza Strip were killed, has signaled a worsening of U.S.-Israeli relations, Israeli government officials said.

Appearing on Israeli television Thursday night, acting Prime Minister Shamir said, "I don't assume the Security Council would decide" on such a step "since it would clearly know this decision would not be implemented, as many other U.N. decisions against Israel."

At a press conference earlier, Foreign Minister Arens said Israel was counting on U.S. support at a special Security Council meeting Friday in Geneva that was called to discuss the recent violence in the occupied territories.... Arens conceded that coordination between the U.S. and Israel has "not been as close as it had been in the past." (Jackson Diehl, Washington Post, A31)

ARAFAT TRIES TO EXPLOIT KILLINGS

The PLO is attempting to use Sunday's massacre of seven Palestinians by a deranged Israeli and subsequent calls for a U.N. peacekeeping force in the occupied territories to exploit heightened U.S.-Israeli tensions.

PLO Chairman Arafat is expected to call Friday for a U.N. force in the Israeli-occupied West Bank and Gaza Strip when he addresses a meeting of the U.N. Security Council in Geneva.

But senior PLO officials said Thursday that Arafat is willing to settle for some form of U.N. visit to investigate ways of protecting Palestinian lives, even though the U.S. has expressed a willingness to consider a presence by the U.N.

"The important fact is that the Americans are willing to discuss protection of the Palestinians," said a senior PLO official, who asked that his name not be used. "The political aspect of this is that it implies criticism of Israel, legally it emphasizes that the territories are occupied. The important thing is to get the Americans on board."

(James Dorsey, Washington Times, A1)

LAWMAKERS BLAST REPORT BY STATE DEPT. ON PLO

House members Thursday criticized a State Department report that the PLO has apparently complied so far with its 1988 pledge to give up terrorism, calling it a "whitewash and a pack of lies."

..."This report is a sham and a fraud and this Administration ought to be ashamed of itself," said Rep. Lawrence Smith at a hearing of the House Foreign Affairs subcommittee on Europe and the Middle East. "This is just a pack of lies."

Reps. Lantos and Gilman joined Smith in charging that Israel was the victim of a "double standard" and of a "predictable orgy of Israel-bashing" in the wake of the killing of seven Palestinian laborers Sunday....

President Bush called Thursday at his news conference for Israeli restraint and said he was "troubled about the loss of human life" in the territories. He added that the solution to the region's problems is to get peace talks moving. "I will do everything I can to get the talks for peace going," he said.

(Nora Boustany, Washington Post, A32)

CLERGY SAID TO MISUSE INDIA AID

NEW DELHI -- An audit by a U.S. accounting firm has turned up evidence that some bishops, priests and nuns within India's Roman Catholic Church could have "misused" millions of dollars worth of U.S. government food donated to feed malnourished mothers and children.

Indian Catholic officials...have used short-weighting measuring devices for distributing food, created false lists of food recipients, improperly used donations to support commercial businesses, and deliberately concocted inaccurate records to hide abuses, according to the report by Price Waterhouse, the accounting firm asked to audit the food program by the U.S. Agency for International Development....

U.S. officials, who asked not to be identified, said that a definitive judgment about whether Indian Catholic officials have deliberately stolen large amounts of U.S. food was beyond the scope of the Price Waterhouse audit, which omitted the names of any individuals involved. But they said the evidence uncovered by the audit suggested to them that significant theft and corruption had occurred.

(Steve Coll, Washington Post, A1)

U.S. LAUNCHES A NEW DRIVE AGAINST ILLICIT COCAINE LABS IN BOLIVIA

In an escalation of the drug war in South America, U.S. agents have launched a new coordinated attack against a network of cocaine laboratories in the Bolivian jungle, provoking threats of retaliation against the American-led teams, U.S. officials said Thursday.

The offensive, including night-time raids with inflatable boats in alligator-infested rivers, targets new processing plants believed responsible for one-fourth of Bolivia's burgeoning cocaine production.... "We're doing a lot of first-time things," said David Westrate, director of operations for the DEA.... The teams so far have met with no resistance in their raids on seven airstrips and three laboratories, Administration officials said.

(Douglas Jehl, Los Angeles Times, A6)

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CAR BOMB, ATTACK IN MEDELLIN LEAVE 5 DEAD AND 21 INJURED

BOGOTA -- Terrorist attacks three days before a presidential election left at least five people dead, including two policemen, and 21 injured Thursday in Medellin, according to authorities....

The two policemen and two others were killed and 21 injured when a car bomb exploded at 5:40 p.m. near the Intercontinental Hotel on the southern edge of the city.

(Douglas Farah, Washington Post, A32)

MARION BARRY TRIAL TEST OF BUSH DRUG POLICY

BOGOTA -- In the eyes of many Colombians, President Bush will be a co-defendant with Marion Barry when the Washington, D.C., mayor goes on trial next month on cocaine charges....

In the view of Colombians, a failure to convict Barry would raise more doubts about the sincerity of the U.S. anti-drug effort....

The case "creates a bad feeling in Colombia. Colombia wants to look to the United States to fight against drug trafficking," said Liberal Party candidate Cesar Gaviria, the expected winner of Sunday's presidential election. "Not one case of a kingpin being tried is known. It is difficult to understand what is happening with the mayor of Washington." (Tom Harvey, UPI)

**U.S. GOVERNMENT AGREEMENT
TO PAY FOR NORIEGA'S DEFENSE COSTS BLOCKED**

MIAMI -- A deal by the federal government to pay the legal bills of deposed Panamanian leader Manuel Noriega collapsed Thursday in court when a federal judge advised both sides that the government is limited, by law, to paying a maximum of \$75 an hour in attorneys' fees....

Under terms of Monday's agreement, the four defense lawyers understood that they could collect between \$200 and \$300 an hour in legal fees. Frank Rubino, lead defense lawyer, said the smaller fee was "ludicrous." (Laura Parker, Washington Post, A23)

MEXICO TO EXPAND MARKETS WITHOUT EXCLUDING LATIN AMERICA

BUENOS AIRES -- Mexican Foreign Minister Fernando Solanas said Thursday that Mexico does not plan to join a trade bloc with the U.S. and Canada.

"What exists now is a possibility of amplifying some trade areas. It is not defined as an economic integration," or trade bloc, Solanas said in a news conference in Buenos Aires after meeting with President Menem....

"The intention of Mexico is to broaden markets without excluding others," he said. (UPI)

GNP DISPUTED AS DEVELOPMENT INDEX

U.N. Program Charges Distortion Of Economic Growth Strategies

Western governments and international aid organizations have done a crude job of measuring world economic and social development for decades, thus contributing to ineffective development strategies, according to a U.N. report released Thursday....

The report uses a "human development index" that measures peoples' fundamental quality of life according to their life expectancy, literacy and ability to buy basic goods....

The study, called the Human Development Report 1990...found that west and central Africa...form the world's most desperate belt of want, with eight of the 10 least developed countries. According to the new measurements, the U.S. is the least developed of the major Western industrial nations.

(James Rupert, Washington Post, A16)

EDITOR'S NOTE: "Gorbachev Making Commitments," by Ann Devroy, appears in The Washington Post, page A36.

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NATIONAL NEWS

KEMP REJECTS INCREASING TAXES, SAYS IT WOULD HURT ECONOMY

Secretary Kemp broke ranks with the Bush Administration Thursday, insisting that the federal budget deficit "is not ballooning" and that any attempt to reduce it by raising taxes will hurt, not help, the economy.

Kemp...said he supports the current budget summit as a way to "reduce spending."

But he lamented that the negotiations between the White House and congressional leaders have turned into a "tax summit." "If no one else [in the Administration] will make the public case, I will. The transcendent issue is economic growth. Cutting taxes, not increasing taxes, is the route to economic growth," Kemp said.

Kemp's comments came as the budget group held its fourth meeting on Capitol Hill.... The session began as President Bush praised the group's progress, but he suggested it is Congress, not he, that caused the deficit problem. "I will point out that people understand that Congress bears a greater responsibility for this," Bush said, adding, "But I'm not trying to assign blame..."

Those comments irked some Democrats who do not want to make any proposals in the bargaining until Bush does.

(Ann Devroy, Washington Post, A1)

DEMOCRATS CHARGE THAT BUSH COMMENTS SOUR BUDGET TALKS

Democratic participants in the budget talks between the White House and Congress charged Thursday that President Bush "soured" the atmosphere by urging Congress to take a greater leadership role....

Before negotiators met, Bush told a White House news conference he believes Congress must share responsibility for proposing solutions to the deficit problem and disputed Democratic charges of lax leadership on the issue....

"I will point out that the Congress bears a greater responsibility for this," Bush said. "But I'm not trying to assign blame. That's why I'm doing it right now. That's why I'm saying we're going to sit and talk."

Democrats were displeased with Bush's remarks but said they were not discussed during the negotiations.

"It soured, I think, some of the attitude of the negotiators...when we're making a good faith effort to try to grapple with this problem, to try to come up with solutions," said Sen. Sasser....

Rep. Panetta said Bush's comments make him "perhaps one of the first presidents in recent history to say that the Congress has greater power than the presidency in determining the course of the economy, and I don't think anybody believes that." ...

Rep. Gephardt said "the President is wrong if he believes the budget is more the Congress's responsibility than his. It's a shared responsibility."

(Bud Newman, UPI)

Bush Upsets Democrats By Blaming Congress For Deficit

President Bush said Thursday that the Democratic-controlled Congress bears a greater responsibility than he does for reducing the soaring federal deficit, touching off angry denials from Democrats and renewed demands that Bush show greater leadership.

Bush reiterated that he will not address the American people on the deficit until he can endorse a negotiated bipartisan solution.... "If I outlined the problem now, I'd rely on some of the fact that the Congress appropriates all the money and raises all the revenues," the President said. "That's their obligation.... People understand that the Congress bears a greater responsibility for this."

Democrats instantly disagreed. Bush "should recommend what he believes is needed now," Speaker Foley said minutes after the President spoke. (William Eaton, Los Angeles Times, A38)

Democrats Irrate Over Bush Silence

President Bush ignited Democratic tempers in Congress Thursday when he refused once again to address the public on the severity of the deficit problem or to offer proposals to solve it.

Speaking at an impromptu White House news conference, Bush said Congress bears the primary responsibility for dealing with fiscal matters. He said he would not offer more detailed descriptions of the causes for the swelling deficit or make public any recommendations for a solution until after Administration and congressional negotiators reached a budget agreement.

Democrats wasted little time attacking the President's statement. "Sitting at Ronald Reagan's right hand, the President learned how to duck, not how to lead," said Rep. Obey, whose views were widely echoed by Democrats in the House and Senate. "The American people have learned more about the Soviet economy over the past two days than they have about their own."

(Susan Rasky, New York Times, A13)

DEMOCRATS' DEFICIT CUTS DIG DEEPER THAN GOP'S

Capitol Hill Democrats meeting in the budget summit with the White House want to cut the deficit by \$600 billion over five years, while a key Republican said \$425 or \$450 billion might be more realistic.

The competing figures were given Thursday after summit negotiators emerged from a three-hour closed-door meeting.

(Chris Harvey, Washington Times, A4)

PENTAGON TO AWAIT MISSILE SAFETY STUDY

The Department of Defense Thursday said it would not remove short-range, nuclear-tipped missiles from strategic aircraft on war "alert" before the Air Force completes a special study on the possibility that they might explode in an aircraft fire....

DOD spokesman Pete Williams told reporters at the Pentagon that the SRAM-A "meets all our current safety standards" and "it would be unwise and premature to predict the outcome of that study and to make any decisions now before it's done" later this summer.

(R. Jeffrey Smith, Washington Post, A23)

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USS IOWA PROBE REVIVED; TEST BACKS ACCIDENT THEORY

The Navy Thursday suspended all live firings of the massive 16-inch guns on its four World War II-vintage battleships after new testing showed that an accidental explosion could have caused the turret blast that killed 47 sailors aboard the USS Iowa in April 1989. The finding caught top Navy officials by surprise and prompted Navy Secretary Garrett to reopen the official investigation into the disaster....

The testing Thursday was conducted after Sen. Nunn made a strongly worded appeal May 14 to Admiral Carlisle A.H. Trost, chief of naval operations, citing results of laboratory tests by Sandia National Laboratories in Albuquerque indicating that a "high-speed overram" could lead to accidental ignition of the powder charges used in the 16-inch guns.... The Navy confirmed Sandia's theory yesterday at the Naval Surface Weapons Center in Dahlgren, Va.

(Patrick Tyler, Washington Post, A1)

GOP DUSTS OFF SUPPLY-SIDE ECONOMICS

Supply-side economics -- the Reagan-era notion that government tax revenue will go up when tax rates go down -- is trying to stage a comeback, even in this era of \$150 billion federal deficits.

Thursday, House Republicans released a study that contended that a Democratic proposal to raise marginal income tax rates to 33 percent for the 600,000 richest Americans would slow economic growth, mean 377,000 fewer jobs and lower the take-home pay of the average taxpayer.

"Those who hope to redistribute income to the poor by increasing tax progressivity may actually harm intended beneficiaries. In this case, average taxpayers end up worse off by over \$500," said a study by the Institute for Policy Innovation, a Lewisville, Tex. foundation chaired by Rep. Armey.

(Steven Mufson, Washington Post, F1)

REVISED FIGURES SHOW ECONOMY IS STILL SLUGGISH

Deflating a recent impression that the economy was chugging along quite nicely, the Commerce Department reported Thursday that the sluggish economic growth that had set in last September had continued through the first quarter.

In its second estimate of the quarter's economic growth, the Commerce Department said the GNP...had expanded at an annual rate of only 1.3 percent from January through March and not, as estimated last month, at a healthy 2.1 percent.

(Lousi Uchitelle, New York Times, A1)

SEC LINKS SLIDE OF STOCKS ON OCT. 13, FUTURES DEALS

The mini-stock market crash of Friday, Oct. 13, 1989, which drove the Dow Jones industrial average down 191 points in 90 minutes, was fueled by the combined selling of program traders in New York and futures speculators in Chicago, the SEC said Thursday.

...The SEC, which has criticized Chicago's low margin levels before, warned that the turbulence seen in October could return.

(Stan Hinden, Washington Post, F1)

**SULLIVAN SEEKING BAN ON CIGARETTE MACHINES
\$1.23 Billion In Illegal Sales To Youths Cited**

Citing the "moral outrage" of the estimated \$1.23 billion worth of cigarettes illegally sold to children every year, Secretary Sullivan Thursday called for a ban on cigarette vending machines, the licensing of tobacco retailers, and tougher enforcement of laws prohibiting tobacco purchase by minors.

"We have found it convenient to look the other way as cigarettes are openly sold to our nation's youth," Sullivan said, adding that as long as children begin smoking and "become addicted before they can make a mature judgment, we will never succeed in achieving a smoke-free society."

Sullivan's comments, which came before the Senate Finance Committee...drew immediate criticism from industry groups, which said vending machines contribute little to the problem of underage smoking. And his legislative proposals were attacked by some members of Congress as inadequate and contradicted by other Bush Administration policies.

"A much stronger effort is required to achieve adequate enforcement," Sen. Kennedy said. "But Secretary Sullivan's half-hearted pan to reach this goal is certain to be ineffective."

(Malcolm Gladwell & Anne Swardson, Washington Post, A3)

EDITOR'S NOTE: "Most States Shrug Off Cigarette Sales To Kids," by Karen Goldberg, appears in The Washington Times, page A6.

SENATE VOTES TO PROTECT RETARDED FROM EXECUTION

The Senate voted Thursday to forbid federal courts from imposing capital punishment against the mentally retarded as it moved toward approval of a major expansion of death penalty provisions in federal law.

While agreeing to protect the retarded, the Senate approved major new restrictions on appeals by death row inmates and it turned back an attempt to prohibit capital punishment in cases in which there is evidence that race was a factor in sentencing. It also voted to lower from 18 to 17 the minimum age at which a defendant can be sentenced to death.

(Helen Dewar, Washington Post, A7)

**HOUSE DEMOCRATS ASSAIL JUSTICE AGENCY
OVER SENTENCING FOR CORPORATE CRIME**

Democrats on a House Judiciary subcommittee challenged the Justice Department's explanation of why the agency rescinded its longstanding support for proposed tough new guidelines governing criminal sentencing of corporations.

...During the sometimes contentious questioning, the subcommittee's chairman, Rep. Schumer, suggested that, in fact, Attorney General Thornburgh ordered the endorsement withdrawn because business lobbyists, who vehemently oppose the guidelines as being too strict, had pressured the White House to intervene.... But a White House spokesman said Thursday that "It's simply not true" that the White House requested any changes in the sentencing guidelines. "The charge is groundless."

(Paul Barrett, Wall Street Journal, A18)

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BUSH VETOES AMTRAK AUTHORIZATION BILL

President Bush vetoed Thursday legislation to increase federal money for Amtrak, saying "an unprecedented new regulatory requirement represents a step backward for the entire railroad industry."

In a letter to Congress, Bush said the proposed provision that would tighten the regulation of takeovers of freight railroads by non-railroad entities represents an "unwarranted roadblock to financial restructuring."

"There is already adequate authority to protect the public interest in acquisition situations," said Bush....

The House, which passed the bill 322 to 93, is expected to be able to muster the necessary two-thirds vote for a veto override. But it is uncertain if the Senate will be able to do so. (UPI)

**FAA REBUKED FOR REMOVING CONTROLLERS
Discrimination Cited On Insulin-Dependent**

The FAA came under congressional fire Thursday for removing air traffic controllers who are dependent on insulin from their jobs.

"That's discrimination," said Rep. Gerry Sikorski at a House civil service subcommittee hearing.

"That's discrimination in favor of safety, sir," said Dr. William Hark, manager of the FAA's medical specialties division.

Sikorski accused the FAA of disqualifying controllers based on fear, rumors and a false report that a controller had been incapacitated by diabetes and found lying on the floor of his control tower. (Judith Havemann, Washington Post, A19)

**U.S. FACES \$150 BILLION IN TOXIC CLEANUP COSTS
Every Large Agency Involved, CBO Says**

The federal government owns or is responsible for thousands of facilities and sites contaminated by toxic wastes and faces long-term cleanup costs of more than \$150 million, the Congressional Budget Office said in a report released Thursday.

In addition to the well-documented environmental liabilities at the Energy Department's nuclear weapons manufacturing plants, the report said nearly every large government agency owns sites that it is legally responsible for cleaning up....

At some facilities, such as portions of the Energy Department complex at Hanford, Wash., radioactive contamination is so extensive that "complete cleanup may technically and economically unfeasible," the report said.

(Thomas Lippman, Washington Post, A19)

DEM CHAIRMAN SAYS AILES CONNECTED WITH HORTON ADS

COLUMBUS, Ohio -- Democratic state chairman James Ruvolo said Thursday he will ask the FEC to investigate the connection between Republican political consultant Roger Ailes and the notorious "Willie Horton" campaign ads of the 1988 presidential campaign.

Ruvolo told reporters he has proof of an illegal connection between Ailes and a Bush-Quayle political action committee that produced television advertisements featuring furloughed murderer Willie Horton.

Ruvolo, who planned to file his complaint Friday with the FEC, said the ads were racist, and noted that Ailes is now working for Republican gubernatorial nominee George Voinovich.

(Lee Leonard, UPI)

3 GOP NATIONAL COMMITTEES OUTSPEND DEMOCRATS, FEC SAYS

The three national Republican campaign committees raised \$113 million over the first 15 months of this election cycle, more than four times the \$24 million contributed to rival Democratic committees, according to FEC figures released Thursday.

In an effort to bolster its fund-raising image, the Democratic National Committee, which reported \$8.8 million in contributions for the period, announced Thursday that it received another \$3.6 million in so-called "soft money" donations from unions, corporations and individuals through April. Soft money contributions are not subject to federal regulation or included in FEC reports.

"The FEC figures shortchange our success," said Michael McCurry, DNC communications director....

Mary Matalin, chief of staff at the RNC, said her committee, which raised \$43.2 million in the 15-month period, raised another \$11.6 million in soft money through April -- about 21 percent of its total.

(Charles Babcock, Washington Post, A13)

EDITOR'S NOTES: "Profiteering In The Parks?" by John Lancaster, appears in The Washington Post, page A19.

"Wife Of Aide Cut Down With Reagan Scoring Hits Against The Gun Lobby," by Philip Shenon, appears in The New York Times, page A18.

"McFarlane Says Weinberger Libeled Him In Recent Book," by Roger Cohen, appears in The New York Times, page A19.

NETWORK NEWS

Thursday evening, May 24

POLL

NBC's Jane Pauley: President Bush continues to get high marks from American voters in our latest NBC News/Wall Street Journal poll. Almost 3/4 [72 percent] approve of the job he's doing; [21 percent disapprove.] And 2/3 [68 percent] say they have positive feelings about him; [16 percent have negative feelings.] For Dan Quayle it's a very different story. Only 29 percent have positive feelings about the Vice President; [37 percent have negative feelings.] And when asked who they would prefer as Bush's running mate in 1992, Quayle or Secretary Baker, Baker is preferred almost two-to-one [47 percent to 25 percent.]

Our poll also found that the President has lost a little ground with American voters when it comes to handling the economy. That's not surprising given the challenges he faces. (NBC-11)

NBC's John Chancellor comments that the latest NBC News/Wall Street Journal poll shows that voters not only think a tax increase is on the way, most of them would not blame President Bush if taxes went up. The public is divided on the merits of more taxes, but the number of voters who say taxes should be raised has increased significantly in the last month. My view is that the cost of the S&L crisis is a factor in the public's new mood, and there's a new mood among some senior Republicans. Sen. Dole and Rep. Michel have been talking about raising additional revenue. Many people now believe that something serious needs to be done about the deficit and that nothing serious can be done without taxes being part of the package. Spending cuts alone won't do the job. When the President was asked today about his famous pledge, "Read my lips. No new taxes," all he would say is, "Things are complicated out there." The new poll makes them less complicated because it makes raising taxes less dangerous politically.

Pauley: One more finding of our poll. Mikhail Gorbachev remains highly popular with Americans. As next week's summit approaches, 59 percent give him positive marks. The poll was conducted last weekend among 1,000 registered voters. (NBC-12)

CHINA

ABC's Peter Jennings: President Bush announced today that he will continue most-favored-nation trading status with the government of China, which means that China, like America's other large trading partners, will continue to benefit from the lowest possible trade tariffs. There was pressure on the President not to do this, but at a news conference this morning Mr. Bush said that punishing the Chinese government for its anti-democratic behavior would hurt American business, and that in his view economic contexts were the best way to promote reform in China. (ABC-2)

Pauley: President Bush had to make what he called an agonizing decision today -- punish the Chinese government or preserve the jobs of its people, and American jobs. The issue, renewing China's trade status as most-favored-nation. The President decided that that was the way he had to go, just 11 days before the anniversary of the Tiananmen Square massacre.

NBC's John Cochran: The images of Tiananmen Square and the repression that followed aroused emotions in the U.S. President Bush has always said he is not a very emotional person, and today he emphasized that he tried to be calm and collected when he decided to renew most-favored-nation trading status for China.

(President Bush: "And this was a difficult decision, weighing our impulse to lash out in outrage that we all feel against a sober assessment -- weighing that against a sober assessment of our nation's long-term interests.")

If the U.S. were to take away most-favored-nation status from China, that would result in new American tariffs on Chinese imports like Barbie dolls. And the President said China would retaliate.

(President Bush: "China buys about \$6 billion a year of American aircraft and wheat and chemicals, lumber and other products. Lose this market and we lost American jobs: aircraft workers in the west, farmers in the great plains, high-tech employees in the northeast.")

Bush's decision was welcomed at an electronics firm which expects to sell about \$25 million in robotic parts to China this year.

(John Fuller, Foxboro Company: "By enabling us to continue to do business in China with the Chinese they will be exposed to the American economic system.")

In Congress today some Democrats and Republicans said Bush should have punished China.

(Sen. D'Amato: "I don't want and think that we should be giving comfort and support to the slavery, to the enslavement of Chinese people.")

(Sen. Mitchell: "The answer is not more concessions. That doesn't make sense. It does not serve American interests.")

(President Bush: "And what irks me is when some of the people up on the Hill accuse me of being less interested than they are in human rights.")

But Bush is confident he has the votes in Congress to put down any attempt to take away China's trading privileges. (NBC-2)

CBS's Dan Rather: President Bush today renewed China's most-favored-nation trade status, saying it was the best way to promote the reforms for which the victims of Tiananmen Square gave their lives. At the same time Mr. Bush indicated he will not grant that same trade status to the Soviet Union, not at least now because of human rights problems there. The China decision set off an uproar in Congress which could overrule the President.

CBS's Lesley Stahl: The President's decision ran into an immediate bombardment of criticism from Congress today, but the White House is still betting that the reaction will not be as intense nor as politically damaging as it was last year when he sent officials on a secret mission to Beijing shortly after the massacre in Tiananmen Square. Mr. Bush cited mainly economic reasons in defending his decision to renew the special trade concessions for China.

Stahl continues:

(President Bush: "Isolation is bad, and economic involvement is good. And economic -- the whole fact that we've had economic involvement I think has moved China more towards reform than if we hadn't had it.")

The President claimed that Chinese intellectuals favor his decision.

(President Bush: "Students in China, according to our ambassador, want to see this MFN continue.")

But Chinese students in the U.S. were quick and harsh in disagreeing. In a press release, they said the Goddess of Democracy is weeping, and protested that the hard-liners in Beijing will use the President's decision to consolidate their power.

(Shen Tong, Democracy for China Fund: "President Bush on the one hand publicly says he will support the human rights struggle for China, for our movement. On the other hand he constantly did a lot of things against what he said publicly.")

The White House may have miscalculated the depth of outrage in Congress.

(Sen. Mitchell: "The President's repeated concessions to the Chinese government have been met with intransigence. The answer is not more concessions. That doesn't make sense.")

(Sen. D'Amato: "We'll trade with any killer, that we'll give any pirate, any bandit, anyone on the altar of political expedience the opportunity to do business with us.")

Congressional leaders predict that majorities in both Houses are so incensed they'll vote to rescind the special trade status. But officials here say that Mr. Bush took his action only after being assured that Congress could not override a veto. (CBS-2)

CAMBODIA

Jennings: Just one other note from the President's news conference. Mr. Bush said he is reviewing U.S. policy towards Cambodia. The U.S. provides aid to the non-communist coalition that's been trying to overthrow the present Cambodian government. When Mr. Bush was asked about reports that this has the side effect of helping the murderous Khmer Rouge, also trying to overthrow that government, he said, "I am uncomfortable about it and we are reviewing the whole policy." (ABC-4)

U.S.-SOVIET SUMMIT

Jennings: Having dealt with China at his news conference, the President moved on to the much more complicated relationship the U.S. has with the Soviet Union. Mikhail Gorbachev arrives in Washington next Wednesday evening.

ABC's Brit Hume: With less than a week to go before the summit the President suddenly seemed worried that people would expect too much from him, perhaps because of the headway on a strategic arms deal his Secretary of State brought back from Moscow last weekend.

(President Bush: "I don't want to over-promise, but I don't want to act like I think it's just, you know, some kind of a dance out there on this meeting. Because what we're going to talk about is really substantive. We've got a lot of things that I think will be seen properly as progress. But there's enormous problems that just need to be talked about where I can't say there'll be an answer.")

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Hume continues: The President cited differences with the Soviets over German unification and lack of progress on reducing both sides' troops, tanks, and guns in Europe despite all the changes there.

(President Bush: "I'll tell you what troubles me is that we're not -- somebody asked the question here -- not further along on conventional forces. And I think it does send a bad signal if the Soviets look like they are refusing to go forward and don't want to take full forces out of countries in accordance with previous deals.")

The President was gloomy as well about breakaway Lithuania, where continuing Soviet pressure has made a deal for increased U.S.-Soviet trade politically impossible in this country.

(President Bush: "I can't tell you I'm encouraged about where it stands right now. I have told you, told the American people, that this Lithuanian situation does cause certain tensions.")

It's hard to know how seriously to take all this. With Mr. Bush lowballing the expectations, it might not take much give from the Soviets at the summit to create the appearance of major progress. Remember how Mr. Bush stole the show from Gorbachev at Malta by making unexpected concessions. (ABC-3)

LITHUANIA

Pauley: The latest on Lithuania's standoff with Moscow. Soviet President Gorbachev hinted at a compromise today. He told a Lithuanian politician that the republic could win independence in two or three years if it suspends its declaration of independence. The Lithuanian's response, "We'll think about it." (NBC-4)

USS IOWA

Jennings: The U.S. Navy came as close as it ever has today to admitting that it botched the investigation into what caused the explosion aboard the USS Iowa last April, that it missed the truth. What it said, the explosion was most likely caused deliberately by gunners mate Clayton Hartwig, one of the 47 sailors to die. There was widespread cynicism about the Navy's investigation from the very beginning, about its methods and its conclusions all the way down the line. Today following new tests the Navy says it will reopen the case, which it had closed, and after an incident with gunpowder today has ordered that no more of the big 16-inch guns on any battleship be fired until further notice.

ABC's Bob Zelnick reports that until today the Navy had claimed its strongest evidence that gunners mate Hartwig deliberately caused the explosion was the discovery of the remains of a foreign chemical device in the gun. But ABC News has learned that new tests by the highly respected Sandia Weapons Laboratory found no foreign chemical substance. The tests, ordered by a skeptical Senate Armed Services Committee, found only materials common throughout the ship. The Navy said it had ruled out all causes except for an intentional act. Sandia's scientists concluded it could have been accidental. They were able to duplicate the explosion using the Iowa's own gunpowder together with the ramming device used to pack the powder in the gun. Sandia concluded that friction caused by an overextended rammer could have caused the blast.

Zelnick continues: The Navy was conducting its own tests of the accident theory today at the naval weapons station in Virginia, when an unexplained ignition occurred in one of the powder bags. It was a powder bag that exploded aboard the Iowa. And as a safety precaution the Navy suspended the live firing of 16-inch guns on all four battleships. Critics say the Navy owes Clayton Hartwig's family an apology. The Senate Committee devastated the Navy's technical case. Earlier, a House committee had all but destroyed the Navy's psychological theory that Hartwig had been driven to suicide by the collapse of his relationship with fellow Iowa sailor Kendall Truitt. Veteran Pentagon observers could recall no similar occasion when a major military investigation appeared to miss the mark by so much. (ABC-Lead)

Pauley: It was a startling turnaround today by the U.S. Navy. More than a year after the deadly explosion aboard the battleship Iowa and many months after concluding the blast was probably set off intentionally, the Navy is reopening the investigation on indications it could have been an accident. (NBC-Lead)

Rather: The U.S. Navy was forced tonight to reopen the investigation into last year's fatal explosion aboard the USS Iowa. The Navy also ordered an immediate halt to firing the big guns aboard all U.S. battleships. This is the first indication Navy brass may be backing off its insistence that the Iowa blast was deliberate and blaming it on one of the 47 sailors who died in the explosion. (CBS-Lead)

ISRAEL

Jennings: There is new tension today in the relationship between the U.S. and Israel. It grows out of the violence last weekend. Seven Palestinians were murdered and then others who were demonstrating were killed and several hundred were wounded. Now the State Department has indicated that U.N. observers might be useful in the occupied territories. Israel strongly disagrees.

ABC's Dean Reynolds reports that the continuing violence is what moved the Bush Administration to say it would consider supporting the use of a U.N. observer team in the occupied territories. The Palestinians continue to be killed and wounded despite Israel's assurances that its military is acting with utmost restraint. But Israel is dead-set against U.N. observers in what it regards as its own backyard.

(Foreign Minister Moshe Arens: "No, Israel would not accept U.N. observers on territory under Israeli control. Those people who incite the violence in the area and engage in violence in the area would feel encouraged.")

Israelis are afraid the Palestinians would use the U.N. as a way to loosen Israel's grip on the territories, making it possible for Palestinians to negotiate their future with the U.N. instead of Israel. The Palestinians say Washington's consideration of the U.N. observer idea is a plus. The turmoil has moved other nations to send their own observers here. A French team toured Gaza today, and tonight a Soviet delegation arrived to visit the occupied territories. All of this attention is affecting Israel.

Reynolds continues: Tonight, when Palestinians defied a curfew in Gaza, the army steered clear in accordance with brand new orders restricting the use of force. That response to international pressure might quiet things down a bit, but the bloodshed this week has simply put the problem back in the world spotlight and shown once again how far it is from a solution.

Jennings: From the American point of view this new level of violence -- six Palestinians killed and 650 wounded by the army in a single day last Sunday -- is a powerful argument for Israel to sit down and talk with the Palestinians.

ABC's John McWethy: It is especially the reports of Palestinian children being killed that are moving President Bush to slightly toughen U.S. policy toward Israel.

(President Bush: "I am troubled about the loss of human life in this area. I am deeply troubled about -- well, totally human life, but I think particularly of children in this kind of situation.") Despite strong Israeli objections American officials say that tomorrow in Geneva at the U.N. Security Council meeting the U.S. will not stand in the way of an Arab-backed resolution to send U.N. observers to inspect the West Bank and Gaza.

(State Department spokeswoman Tutwiler: "Let me remind you, which I know you know, that U.N. officials have visited the occupied territories before to investigate the situation.")

The U.S. reportedly will veto any tougher resolutions calling for a permanent observer group in the occupied territories. Even so, American officials are well aware that the milder measure is still sending a strong message to Israel that the Bush Administration is finding the violence plus Israel's refusal to sit and negotiate with the Palestinians less and less tolerable. (ABC-7)

NBC's Martin Fletcher reports that aides to Prime Minister Shamir believe President Bush is using the idea of a U.N. observer group as yet another stick to beat Israel. They believe Bush just doesn't like Shamir and that's affecting U.S. policy. Bush says he just wants to get peace talks going, and he's also worried about the surge in violence in the occupied territories.

(President Bush: "I am troubled about the loss of human life in this area, particularly of children in this kind of situation.") Today in one clash three Palestinians under 10 years of age were hit by rubber bullets. One is seriously wounded. And a five-month-old Jewish baby was hit in the head by a rock thrown by Palestinians. But the violence is just the latest strain in the relationship between America and Israel. The root of the problem between Jerusalem and Washington is that President Bush just doesn't believe Prime Minister Shamir seriously wants to talk peace with the Palestinians. And until he does things can only get worse. (NBC-3)

ECONOMY

Rather: It turns out the U.S. economy was growing a lot more slowly in the first quarter of the year than the government first reported. New facts and figuring today indicate that the GNP grew at an annual rate of just 1.3 percent. Inflation, as measured by the GNP, was running at an eight-year high -- 6.7 percent.

(CBS-5)

CLEAN AIR

Pauley: After a 13-year battle the House has voted overwhelmingly to approve the clean-air bill, but some big questions remain. Just how much will clean air cost, and exactly who will pay for it?

NBC's Andrea Mitchell reports that Congress' sweeping clean-up bill could cost \$21.5 billion -- higher prices for cars, gasoline and utility bills in return for less smog, less toxic fumes, less acid rain. Automobiles. The government says tougher curbs on tailpipe emissions, the first in 20 years, will add at least \$100 to the price of a new car. The auto industry says the cost will be even higher. Three-hundred-thousand new cars which can burn clean fuel will have to be built at great expense and sold in Los Angeles by 1997. That was a last-minute cave-in to the auto industry. Gasoline. By 1992 all cars in the nine cities with the worst smog will have to burn cleaner gas. Toxic chemicals. Plants ranging from big factories to small dry cleaners will have to install technology over the next 10 years to control poisonous fumes. The goal, reducing at least 2,200 yearly cancer deaths attributed to toxic emissions. Acid rain. Utilities would have to cut their sulfur dioxide emissions in half over the next 10 years. Electricity bills in some areas could almost double. This bill is already in trouble, because it includes payments to workers who lose their jobs as industries are forced to clean up. The White House says that would simply cost too much and is threatening a veto. (NBC-5)

SMOKING

Jennings: There was a call today for new laws to protect children from tobacco. Forty-four states already have laws that are supposed to prevent children from buying tobacco. HHS Secretary Sullivan has told Congress that all states should have them and should take even stronger action.

ABC's Sheilah Kast reports that Sullivan says state laws against selling to minors are rarely enforced.

(**Sullivan:** "It is a moral and medical outrage that our society permits so many of its children to have such ready access to a product that does so much harm.")

Sullivan wants the states to regulate licenses and cigarette machines. But some congressional Democrats say he's passing the buck. They want a federal law.

(**Rep. Atkins:** "The Administration is trying to have it both ways by placating the American citizen with soothing words about health while winking to the cigarette industry that no federal action will be forthcoming.")

The tobacco industry said Sullivan's proposals will not work. The strength of the tobacco lobby guarantees a struggle over federal or state action. (ABC-5)

Pauley reports that Sullivan's stand was criticized by Democrat Edward Kennedy who called it ineffective and half-hearted. Kennedy said the problem is national and should be addressed at the federal level. (NBC-6, CBS-4)

DEATH PENALTY

Pauley: The Senate voted today to block the use of the death penalty against the mentally retarded. That would reverse a Supreme Court decision of last year. Sen. Biden argued, "Just because the Supreme Court says we can do it doesn't mean we should."
(NBC-10, CBS-10)

SKIN CANCER

Pauley: Federal health officials today issued a summertime skin cancer warning saying Americans should cut down on sunbathing. They said that in the past decade the death rate from the most deadly form of skin cancer linked to some exposure, melanoma, rose more than 25 percent.
(NBC-7)

NATIONAL PARK INCOME

Rather: President Bush's Interior Secretary Lujan today proposed raising the fees on private operators of hotels and other concessions allowed in national parks. Lujan said the fees should go up for park upkeep. This follows a report showing the Park Service got only \$13 million out of the \$506 million private business made off the public's parkland in 1988.
(CBS-6)

BOMB

Rather: A bomb blast ripped open a car in Oakland, CA, today. Two people inside, a 30-year-old man and a 40-year-old woman were injured. Both are environmental activists involved in a protest against cutting down redwood trees in Northern California. The woman reportedly had received death threats.
(CBS-7)

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EDITORIALS/COLUMNISTS

BUDGET SUMMIT

Reading Wall Street's Lips -- "...Raising taxes, which now seems more politically possible than at any time in recent years, is... good for the stock market. It would tend to reverse [many] pernicious [economic] trends,... and could provide a psychological boost as the country appears finally to be solving one of its worst domestic difficulties. Quite apart from any political reservations Bush may feel about taxes and government, he has attributed much of his opposition to tax increases to his worry that they would tend to stifle the economy. The alternative, however, is to force the Federal Reserve System to address another consequence of persistent deficits, inflation, with a stringent monetary policy that could be harsher on the economy than the effects of a tax increase."
(Boston Globe, 5/18)

Bush Should Go On TV And Let Us Read His Lips -- "...The President should be ready and willing to start building a consensus for the hard choices that deficit reduction will demand, even if the details aren't set yet. That would help commit both sides to a successful outcome and prepare the American people for the sacrifices they will have to bear. Bush says a speech would unduly alarm the financial markets by overdramatizing the deficit problem, with painful consequences. That's an unnecessary fear: If the Administration marched out, flags flying, to fight the deficit, there would be no louder huzzahs than from the business and financial communities."
(Newsday, 5/17)

The Deficit -- Let's Cut Spending To Fix It -- "...The federal government must now decide whether to help or hurt a nation struggling to regain its competitive edge. Will Congress spend less, thus helping Americans adjust to competition? Or will Congress demand more, further cutting the income of people who have already tightened their belts considerably? Americans have answered those questions over and over again -- poll after poll, presidential election after presidential election. They want the federal government to cut spending. Why doesn't the federal government just do it?"
(Charleston Daily, 5/17)

Read My Lips: 'Boooo!' -- "George Bush doesn't want to frighten you. Sure, he's worried about the budget deficit, and he's asked a lot of leaders from Congress, even mean ol' Democrats, to worry with him. But he doesn't want you to worry. Not yet, anyway. The mean ol' Democrats want to shove him in front of the TV cameras right away and make him say the economy is going to hell in a handbasket. They'd probably even like to make him cry -- right there on national television! But George knows that would frighten you. Heck, it might even frighten The Markets, and if that happened the economy really would go to hell in a handbasket.... George went on television to say that he wouldn't go on television because 'I don't want to inadvertently send the wrong signals to The Markets.' The Markets didn't know what to think. They didn't go up and they didn't go down. And the budget deficit? It just kept on getting bigger -- which would frighten us if we were really paying attention."
(Louisville Courier Journal, 5/17)

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The Solution: Spend Less -- "...Instead of looking for new taxes, government should look for ways to trim spending. In Washington, one of those is by sticking to not only the provisions but the intent of the Gramm-Rudman-Hollings Balanced Budget Act.... Instead of looking for the President to give his blessing to a tax increase, congressional leaders should gird their loins and take battle-axes to the deficit in their own appropriations process. If they cannot make Gramm-Rudman work, the Balanced Budget Amendment is still lurking off in the corner, waiting to be given new life."
(Sunday Chieftain, New Mexico, 5/13)

A Budget Opening -- "...In a \$6 trillion economy, what counts is not hitting the target precisely but a national policy that keeps reducing the deficit over the long term. To do that, the summit must produce a multiyear plan for spending and taxation that charts a sound fiscal policy and a set of priorities for the challenges of the 1990s. That should include higher revenues from closing income tax loopholes and bigger taxes on gasoline and spending cuts in programs such as farm price supports. Equally important, the policy that emerges should present a blueprint for redirecting the nation's resources from the Cold War to the investments -- in education, infrastructure, scientific research and in dealing with the problems of children and the inner cities -- necessary to build equal economic opportunity at home and competitive vigor abroad."
(Sacramento Bee, 5/11)

A Balancing Act -- "...If President Bush, who made 'no new taxes' the centerpiece of his presidential campaign, is willing to consider the dreaded 'T word,' the least they can do is ponder several options. The most likely revenue sources under discussion will be value-added taxes, more user fees and higher taxes on gasoline, liquor and cigarettes. A combination of some or all of these revenue enhancements, coupled with significant spending cuts, could produce the 1991 savings required by Gramm-Rudman without raising income taxes. And indeed, an income tax increase at this point would be a mistake. It would stunt economic growth overall and slow new jobs creation."
(Torrance Daily Breeze, 5/11)

Read Our Lips -- "...No doubt trimming the deficit will be painful all the way around, whether the medicine is in the form of spending cuts or tax increases, or, more likely, a combination of both. But the President has to be careful. The problem is not that Washington has too little money. It spends too much money. If there are to be more taxes, they should come as the last resort, and Bush should have an ironclad way of making sure they will go only toward deficit reduction. Otherwise, people might start wondering which side of the mouth we're supposed to 'read my lips' on."
(Birmingham News, 5/10)

-end of News Summary-

CONGRESSIONAL MONITOR



Friday, May 25, 1990

Volume 26, Number 83

News From the Hill

SENATE FLOOR: Mitchell to file cloture on omnibus crime bill.

The Senate yesterday continued to debate S 1970, an omnibus anticrime bill.

But late yesterday, Sen. Majority Leader George J. Mitchell, D-Maine, announced that over 250 amendments were pending to the bill and acknowledged that it could not be finished before members left for a Memorial Day recess. Mitchell said he would file for a cloture vote, to end debate, on June 5.

Before leaving for the recess, however, Mitchell said the Senate would consider the conference report on the \$4.4 billion "dire emergency" fiscal 1990 supplemental bill (HR 4404) once the House completed work on it.

Earlier, the Senate rejected, 38-59, an amendment to S 1970 by Strom Thurmond, R-S.C., that would have allowed the death penalty for the mentally retarded except for those individuals who do not know the difference between right and wrong. Provisions in the bill overturn a Supreme Court decision allowing the death penalty for the mentally retarded.

Members adopted, 58-38, an amendment by Bob Graham, D-Fla., striking from the bill a provision that would have allowed the use of racial statistics to support appeals in capital punishment cases.

Graham said the plan would "have the practical consequence of repealing capital punishment" because states would not have been able to meet the proposal's standards.

The Senate also reversed a decision it had made Wednesday night and approved, 52-46, an amendment by Thurmond to shorten the habeas corpus appeals process for death row inmates. Before reconsideration of the amendment, it had been defeated, 47-50.

HOUSE FLOOR: Supplemental funding bill moves toward approval.

The House voted 308-108 yesterday to adopt a conference report to the \$4.4

billion fiscal 1990 emergency supplemental appropriations bill (HR 4404), but rejected conferees' proposal to provide \$238 million for an ammunition plant in Louisiana.

The bill would provide \$720 million to Panama and Nicaragua and \$3.5 billion for other foreign aid and domestic programs.

Late yesterday, after approving the conference report, the House was continuing debate on its amendments. Under the procedure for clearing a conference report, members first vote on approval of the report itself and then on each amendment agreed upon by conferees.

Members spent the afternoon debating and voting on a variety of programs, including pet projects for members' districts, which the Senate had added to the House bill. Members agreed, 246-160, for instance, to a Senate amendment to provide funds for a fish farm in Arkansas and a fish and wildlife refuge in Iowa.

By a vote of 33-376, House lawmakers refused to fund an ammunition plant in Louisiana, which was favored by influential Democratic Sen. J. Bennett Johnston, chairman of the Energy and Water Appropriations Subcommittee.

Members also agreed, 284-143, to a Senate amendment to acquire and transfer a ferry boat to American Samoa.

Senate Majority Leader George J. Mitchell, D-Maine, said the Senate would dispense with the bill before leaving for the Memorial Day recess.

Late Wednesday, the House passed, 401-21, a sweeping overhaul (HR 3030) of the Clean Air Act. The measure includes a compromise between Energy Committee Chairman John D. Dingell, D-Mich., and Energy Health Subcommittee Chairman Henry A. Waxman, D-Calif., over clean-fuel requirements for vehicles.

BUDGET NEGOTIATORS hear more economic data.

The White House and congressional

budget negotiators met for more than three hours yesterday, with a large portion of the time devoted to a briefing on the administration's updated economic forecasts.

The leaders will eventually try to negotiate a deficit-reduction package to lower the anticipated red ink for fiscal 1991. But first, the negotiators want to get a handle on the magnitude of their task.

During yesterday's session, Budget Director Richard G. Darman told negotiators that the administration has revised downward its original forecast for 1991 economic growth, from 3.3 percent to 2.9 percent. And, according to Darman, the estimated interest rate for 10-year Treasury bills for 1991 has been raised from 6.8 percent to 8 percent. The sluggish performance of the economy has caused the administration to raise its estimate of the fiscal 1991 deficit.

Some Democrats observed after the meeting that the administration's long-range forecasts were changed only little, however.

Senate Budget Committee Chairman Jim Sasser, D-Tenn., told reporters that Democratic leaders seem to be reaching the consensus that a deficit-reduction package should cut about \$600 billion over five years. But his GOP counterpart, Pete V. Domenici, N.M., said that Republicans agree only that the agreement must be credible and multiyear.

The leaders will meet again on June 6, after Congress returns from its Memorial Day recess.

SECURITIES FRAUD measure approved by Senate Banking.

The Senate Banking Committee yesterday approved by voice vote a bill (S 647) granting the Securities and Exchange Commission (SEC) expanded power to combat securities fraud.

The bill, which was requested by the SEC, would allow courts to permanently bar a person who has been convicted of securities violations from working for a securities firm.

The SEC would be able to impose penalties of up to \$500,000 against a per-

Notice To Subscribers

Because of the Memorial Day holiday the *Congressional Monitor* will not be published on Monday. The next issue will be on Tuesday, May 29. Since Congress will be in recess, there will not be any other issues during the week of May 28. The first post-recess issue will be published on Monday, June 4.

The Senate and the House are both scheduled to reconvene on Tuesday, June 5.

son convicted of violating securities laws.

The committee also approved by voice vote another bill (S 2028) designed to pressure foreign countries to open up their financial markets to U.S. banks.

The legislation would establish a policy of "reciprocal national treatment," which would require regulators to treat foreign banks in the same fashion as U.S. banks are treated in those countries. Under the current policy of "national treatment," foreign banks are treated essentially the same as domestic banks.

In addition to approving S 2028 as a free-standing bill, the committee also attached it as a new title to S 1379, a bill to

reauthorize for three years the Defense Production Act.

S 1379, which also was approved by voice vote, is designed to promote a stronger industrial U.S. base. An amendment approved by voice vote would allow American companies loan guarantees to continue development of defense-related technology.

HOUSE AGRICULTURE works on commodity target prices.

The House Agriculture Committee moved towards completion of the 1990 farm bill (HR 3950) late yesterday after reaching agreements on subsidy levels for

the nation's farmers.

Lawmakers have been grappling with how to provide farmers with adequate support while enabling the government to keep spending down.

The panel approved a proposal by Dan Glickman, D-Kan., chairman of the Wheat, Soybeans and Feed Grains Subcommittee, and Ron Marlenee, R-Mont., that would freeze target prices on wheat at \$4 a bushel until 1995.

The proposal would set loan rates at 85 percent of the average market price from the previous five years. That would be an increase over current law.

The target price is the amount the government sets as the ideal price for a commodity. The loan rate is the amount the government gives the farmers before planting to assure they can afford to put crops in the ground.

Besides wheat, the committee completed work on three other sections: feed grains, oilseeds and sugar.

Late yesterday, the panel was planning to delay action on the conservation and research titles until after lawmakers return from the Memorial Day recess. Still, Chairman E. "Kika" de la Garza, D-Texas, said that the committee's work on the reauthorization measure was essentially done.

The committee worked late on Wednesday night to complete the bill's sections on wool, honey, dairy and general commodity provisions.

Meanwhile, the Senate Agriculture Committee postponed further action on its version of the farm bill until it devises a commodities price support system acceptable to both Republicans and Democrats on the committee.

CHINA GAINS MFN status; Congress reacts against decision.

President Bush yesterday extended China's most-favored-nation (MFN) trade status for another year. The action drew immediate criticism from Congress, and many vowed to try to overturn the decision.

Congress could pass a resolution blocking Bush's granting of MFN, but Republican leaders told the president earlier this week that they believe it is unlikely such an effort would be successful.

The MFN privilege gives Beijing the lowest tariffs on exports to the U.S. market. The decision to continue the policy to China has generated fierce controversy in the United States since China's bloody crackdown a year ago on pro-democracy demonstrators in Tiananmen Square.

"This was a difficult decision, weighing our impulse to lash out in outrage that we all feel... [and] weighing that against a sober assessment of our nation's long-term interests," Bush said.

Chinese officials had made it clear that they would retaliate against U.S.

Bush Vetoes Amtrak Authorization

President Bush yesterday vetoed a bill (HR 2364) to authorize \$2 billion over three years to Amtrak, the national passenger railroad, because of a provision in the legislation to bring railroad acquisitions under new government scrutiny.

It was the president's first veto of 1990 and the 11th of his presidency. None has been overturned by Congress. (See chart, below)

The provision in HR 2364 that attracted the veto would have required the Interstate Commerce Commission to review proposed acquisitions of major railroads by non-railroad companies. Bush said that provision would set an unnecessary "regulatory burden" on those types of transactions.

The bill also would have permitted Amtrak to provide commuter rail service between Northern Virginia and Washington, D.C.

An Amtrak spokesman, Clifford Black, said the veto would have no effect on daily train operations because the railroad is working from money that Congress already appropriated for 1989-1992. But he said the veto would indefinitely postpone plans for a commuter line being developed between Washington and its Northern Virginia suburbs.

The following table shows President Bush's vetoes:

1989

Bill	Bill Description	Date	Outcome*
HR 2	Minimum Wage Increase	June 13	House sustained, 247-178
S J Res 113	FS-X Plane Codevelopment	July 31	Senate sustained, 66-34
H J Res 390	Thrift-bailout bill enrollment requirements	Aug. 16	No override attempt (pocket-vetoed)
HR 2990	Labor, HHS, Education FY 1990 Appropriations	Oct. 21	House sustained, 231-191
HR 3026	District of Columbia FY 1990 Appropriations	Oct. 27	No override attempt
HR 2939	Foreign Aid FY 1990 Appropriations	Nov. 19	No override attempt
HR 3610	District of Columbia FY 1990 Appropriations	Nov. 20	No override attempt
HR 1231	Eastern Airlines Strike Resolution	Nov. 21	No override attempt
HR 1487	State Department Authorization	Nov. 21	No override attempt
HR 2712	Chinese Immigrant Status	Nov. 30	Senate sustained, 62-37

1990

Bill	Bill Description	Date	Outcome*
HR 2364	Amtrak Authorization	May 24	

*Veto overrides require a two-thirds majority vote of both houses.

goods sold in their country if the trade status was canceled.

The decision drew sharp criticism from Democrats and some Republicans in Congress.

Senate Majority Leader George J. Mitchell, D-Maine, told a news conference, "I very much regret the president's decision. It is inconsistent with American values, it is contrary to American interests. It is profoundly wrong." Utah Sen. Jake Garn, a conservative Republican, also opposed the decision, saying, "Tiananmen Square was so abhorrent to me. The Chinese should be punished."

Three subcommittees of the House Foreign Affairs Committee held a hearing on China's MFN status yesterday, where both Democrats and Republicans said that the president should have imposed conditions on China before granting the trade status.

Stephen J. Solarz, D-N.Y., said that the Congress should pass legislation requiring that the Chinese meet certain human rights conditions before MFN is extended into next year. But Tom Lantos, D-Calif., and Sam Gejdenson, D-Conn., argued that Congress should simply pass legislation disapproving the action now.

Richard Solomon, assistant secretary of State, said that lawmakers should keep in mind that MFN is a normal trade status, not a special designation. "If we take a highly punitive approach we are likely to play to the most xenophobic and reactionary elements in China," Solomon said.

Sen. Alan Cranston, D-Calif., said the Senate Foreign Relations Committee will hold a hearing June 5 on the economic and political implications of the MFN decision and on the status of human rights in China.

In a related development, Bush said he would not grant MFN trade status to the Soviet Union during next week's superpower summit because Moscow has failed to overhaul its emigration policy.

MANUFACTURED housing changes get HUD's backing.

The Department of Housing and Urban Development came out yesterday behind Indiana Republican John Hiler's efforts to change the federal law governing manufactured housing in the 1990 housing bill (HR 1180).

At a hearing before the House Banking Subcommittee on Housing and Community Development, HUD's deputy assistant secretary for single family housing, Ronald A. Rosenfeld, said, "We applaud Congressman Hiler's longstanding and positive efforts to create a suitable regulatory environment that enhances the production of manufactured homes."

Rosenfeld said HUD Secretary Jack F. Kemp views the manufactured housing industry as a major source of affordable housing. The agency, however, is

meeting with Hiler to work out concerns about some of his proposals, he said.

The subcommittee approved a massive overhaul of all federal housing programs May 10, including an amendment from Hiler to relax the National Manufactured Housing Construction and Safety Standards Act of 1974.

The issue will be revisited as the full committee begins marking up the legislation June 5 and 6. Chairman Henry B. Gonzalez, D-Texas, strenuously objected to the changes, which he said would risk the health and safety of millions of homeowners.

FISH INSPECTION should not be in hands of FDA, Mitchell says.

Senate Majority Leader George J. Mitchell, D-Maine, yesterday told the Senate Commerce Committee that any mandatory fish inspection system should be overseen by the Department of Agriculture (USDA).

Mitchell and Health and Human Services Secretary Louis W. Sullivan offered differing views to the committee on which agency should regulate the fish industry. Currently, the Food and Drug Administration (FDA) oversees the fish industry's self-regulation program.

Mitchell said the USDA already regulates meat and poultry and "is best positioned to support the [fish] industry to achieve global competitiveness." He added that the USDA also has more "public confidence" than does the FDA.

Sullivan said the administration believes that the FDA and the Department of Commerce should be allowed to run the seafood quality programs through user fees imposed on the industry. The federal government pays for all food inspection programs operated by the USDA.

The committee is considering a bill (S 2228) that would authorize the Commerce Department to establish a comprehensive system for inspecting seafood and to issue standards on the safety and quality of seafood sold in interstate commerce.

Earlier this week, the Senate Agriculture Committee approved a seafood inspection bill (S 1245) that would direct the FDA to set standards but have the USDA administer the mandatory inspection program.

CIGARETTE VENDING machine ban proposed by Sullivan.

Health and Human Services (HHS) Secretary Louis W. Sullivan yesterday urged that states be required to ban cigarette vending machines as part of a plan to curb tobacco sales to minors.

Sullivan told the Senate Finance Committee that beer is not sold through vending machines, so "why should you be able to purchase cigarettes there?"

The HHS secretary also said the administration recommends that states li-

cense stores that sell tobacco, just as licenses are now required to sell alcohol.

Sullivan said the proposed plan was approved this week by President Bush.

He said his department had drafted a model law for adoption by the states. The law would set graduated penalties, including fines and license suspensions, for illegal cigarette sales to minors. ■

Not As Scheduled

- The Senate Foreign Relations Committee postponed a markup session yesterday because of a Republican objection to the meeting. The panel was scheduled to vote on a fiscal 1991 State Department authorization bill (S 2296) and on several ambassadorial nominations.

- The Senate Judiciary Committee also postponed its session yesterday, because key members were busy on the floor working on the omnibus anticrime bill (S 1970). The panel was scheduled to mark up an administrative law judges bill (S 594) and consider pending nominations.

CONGRESSIONAL MONITOR

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News Events & Committee Meetings Today

Senate Committees

★ USS IOWA INVESTIGATION

Senate Armed Services Committee

The full committee (Chmn Nunn, D-Ga) will hold a hearing on the Navy's investigation into a gun turret explosion aboard the USS *Iowa*. The results of the Navy investigation have been challenged.

9am SH-216 Hart Bldg **May 25**

Witnesses scheduled: Frank Conahan - Gen Accounting Ofc; Richard Schwoebel - Sandia Natl Lab

House Committees

■ MANUFACTURED HOME AND SAFETY STANDARDS ACT

Housing and Community Development Subcommittee (Chmn Gonzalez, D-Texas) of House Banking, Finance and Urban Affairs Committee will hold oversight hearings on the Manufactured Home Construction and Safety Standards Act of 1990.

10am 2128 Rayburn Bldg **May 25**

Note: This hearing has not been rescheduled.

News Events

The *Monitor* has received notice of the following events scheduled to take place in Washington. Associations, non-profit organizations and public interest groups who wish to have events listed in the section should send pertinent information to: The Congressional Monitor, Other Events Editor, 1414 22nd St. N.W., Washington, D.C. 20037. Notices must include a telephone number. Notices may be transmitted by facsimile to 728-1862, attn: Robert Healy. Only events related to Congress can be listed. Deadline is Noon. For further information call (202) 887-8686.

ESOP CONFERENCE

Employee Stock Ownership Plan (ESOP) Association's 13th annual conference is held. Attending the conference is Dr. Valery Rutgaizer, director of economic science and deputy director of the National Public Opinion Research Center in the Soviet Union, as well as envoys from 10 other countries. Final of three days.

8am, Grand Hyatt, 1000 H St NW **May 25**

Contact: Todd Bernhardt, 202-293-2971 or the hotel, 202-582-1234

Congressional highlight

8am: Rep Rohrbacher, R-Calif, addresses the convention

LIMITS ON TRUCK SIZE

Citizens for Reliable and Safe Highways (CRASH) will hold a meeting to announce official formation of the organization and to launch a campaign urging Congress and the president to oppose plans to legalize 100-foot long double and triple trailer trucks.

11am, Capitol Bldg (House Triangle - in case of rain this event will be in 2253 Rayburn Bldg) **May 25**

Contact: Bill Bronrott at 652-6016

Participants: Joan Claybrook - pres, Public Citizen; John Jackson - brother of individual killed in crash with a double trailer truck; Gerald Donaldson - dir of hwy safety, Ctr for Auto Safety; Paul Loveday - vpres, Ite Corp; driver of triple trailer truck TBA

ECONOMIC INDICATORS AND REPORTS

8:30am: Commerce Department releases merchandise trade on balance of payments basis for the first quarter

9am: National Association of Realtors releases the April Existing Home Sales report

10am: Commerce Department releases personal income for April

4pm: Treasury Department auctions a 52-week T-bill issue

4:15pm: Federal Reserve releases weekly conditions report of large commercial banks

1990 Congressional Schedule

Congressional recesses are in boldface type

SENATE

May 25-June 4 Senate not in session
May 28 Memorial Day
June 5 Senate reconvenes

July 2-9 Senate not in session
July 4 Independence Day
July 10 Senate reconvenes

August 6-Sept. 4 Senate not in session

September 3 Labor Day
September 20 Rosh Hashana
September 29 Yom Kippur

October 5 ADJOURNMENT TARGET
October 8 Columbus Day

November 6 Election Day
November 22 Thanksgiving Day

HOUSE

May 25-June 4 District Work Period
May 28 Memorial Day
June 5 House reconvenes
June 10 Appropriations reports last bill
June 15 House completes reconciliation
July 2-9 District Work Period
July 4 Independence Day
July 10 House reconvenes
July 15 President's mid-season budget report

August 6-Sept. 4 District Work Period
August 15 Initial CBO 'snapshot'
August 20 Initial CBO report
August 25 Initial OMB report
September 3 Labor Day
September 20 Rosh Hashana
September 29 Yom Kippur
October 1 FY91 begins
October 5 ADJOURNMENT TARGET
October 8 Columbus Day
October 10 Final CBO report
October 15 Final OMB report
November 6 Election Day
November 22 Thanksgiving Day

Senate Committees Future Listings

Agriculture, Nutrition & Forestry

224-2035

1990 FARM BILL

Full Committee Markup

Senate Agriculture, Nutrition and Forestry Committee (Chmn Leahy, D-Vt) will continue marking up draft legislation to authorize farm programs.

Time TBA SR-332 Russell Bldg dates TBA

Appropriations

224-3471

FY91 DEFENSE APPROPS

Subcommittee Hearings

Defense Subcommittee (Chmn Inouye, D-Hawaii) of Senate Appropriations Committee will hold hearings on fiscal 1991 appropriations for programs under its jurisdiction.

9am SD-124 Dirksen Bldg closed June 7

9am SD-192 Dirksen Bldg June 12

Agenda:

June 7: European command

June 12: Defense secy

FY91 FOREIGN OPS APPROPS

Subcommittee Hearings

Foreign Operations Subcommittee (Chmn Leahy, D-Vt) of Senate Appropriations Committee will hold hearings on fiscal 1991 appropriations for programs under its jurisdiction.

Note: This schedule is tentative

2:30pm SD-138 Dirksen Bldg June 5, 12 & 19

9am & 2:30pm room TBA June 26

Agenda & witnesses:

June 5: Managing US foreign aid: William Roskens - adminr, AID; Herbert Beckington - inspector gen, AID; Glen Rudd - dpty dir, Defense Security Assistance

June 12: Eastern Europe: Lawrence Eagleburger - dpty secy of State

June 19: US military assistance in the 1990s: Reginald Bartholomew - under secy of State; Gen Charles Brown - dir, Defense Security Assistance

June 26: Outside witnesses

FY91 INTERIOR APPROPS

Subcommittee Hearings

Interior Subcommittee (Chmn Byrd, D-WVa) of Senate Appropriations Committee will hold hearings on fiscal 1991 appropriations for programs under its jurisdiction.

Time TBA S-128 Capitol Bldg Date TBA

Agenda: Interior secy; Energy secy; Agriculture secy (tentative); congressional witnesses

Armed Services

224-3871

B-2 STEALTH BOMBER

Strategic Forces and Nuclear Deterrence Subcommittee (Chmn Exon, D-Neb) of Senate

★ New listing

Armed Services Committee will continue hearings on the defense authorization request for fiscal 1991 (S 2171), focusing on the B-2 stealth bomber program.

9am SR-253 Russell Bldg June 6

Witnesses scheduled: Donald Rice Jr - secy of the Air Force; Larry Welch - chief of staff, Air Force

Banking, Housing & Urban Affairs

224-7391

FINANCIAL SERVICES

INDUSTRY MODERNIZATION

Senate Banking, Housing and Urban Affairs Committee (Chmn Riegle, D-Mich) will continue hearings on modernizing the financial services industry.

Time TBA SD-538 Dirksen Bldg dates TBA

Commerce, Science & Transportation

224-5115

FTC & ANTITRUST ISSUES

Consumer Subcommittee (Chmn Bryan, D-Nev) of Senate Commerce, Science and Transportation Committee will hold a hearing on the Federal Trade Commission (FTC) and antitrust issues.

9:30am SR-253 Russell Bldg June 6

■ COMMERCE CMTE BUSINESS

Senate Commerce, Science and Transportation Committee (Chmn Hollings, D-SC) will meet to consider pending business.

10:30am SR-253 Russell Bldg June 7

NOAA OVERSIGHT

Senate Commerce, Science and Transportation Committee and National Ocean Policy Study (Acting Chmn Kerry, D-Mass) will hold hearings on the National Oceanic and Atmospheric Administration (NOAA).

9:30am SR-253 Russell Bldg June 12 & 14

Agenda:

June 12: NOAA satellite programs

June 14: NOAA ocean and coastal programs

DIGITAL RECORDERS

Communications Subcommittee (Chmn Inouye, D-Hawaii) of Senate Commerce, Science and Transportation Committee will hold hearings on digital recorders.

9:30am SR-253 Russell Bldg June 13 & 20

Agenda:

June 13: S 2358 - Digital Audio Tape Recorder Act of 1990

June 20: S 1974 - Require new televisions to have built-in decoder circuitry

USE OF RECYCLED MATERIALS

Consumer Subcommittee (Chmn Bryan, D-Nev) of Senate Commerce, Science and Transportation Committee will hold a hearing on legislation (S 1884) to promote the use of recycled materials derived from municipal refuse.

2pm SR-253 Russell Bldg June 13

Environment & Public Works

224-6176

ENVIRONMENT CMTE MARKUP

Senate Environment and Public Works Committee (Chmn Burdick, D-ND) will mark up pending legislation.

10am SD-406 Dirksen Bldg June 12

Agenda:

S 203 - Authorize research into groundwater contaminants and ways to improve groundwater quality

S 1140 - Provide that fed facilities meet and comply with fed and state environmental laws and requirements

S 1178 - Improve and expand prgms for the protection of marine and coastal waters

S 1731 - Provide for the creation, restoration, protection, enhancement, and conservation of coastal wetlands, conserve North American wetland ecosystems and waterfowl and other migratory birds and fish and wildlife that depend upon such habitats

S 1893 - Reauthorize the Asbestos School Hazard Abatement Act

S 2176 - Provide better enforcement of the U.S. environmental laws *Short title: Pollution Prosecution Act of 1990*

S 2371 - Direct the National Academy of Sciences to conduct a study of the feasibility of an umbrella research arm to support research on a variety of environmental issues

S 1875 - Redesignate the Calamus Dam and Reservoir authorized under the Reclamation Project Authorization Act as the Virginia Smith Dam and Calamus Lake Recreation Area

16 General Services Admin prospectuses

11(b) resolution

other pending business

Ethics

224-2981

DURENBERGER ETHICS PROBE

Senate Select Ethics Committee (Chmn Heflin, D-Ala) will hold a series of open hearings on the investigation concerning Sen. Dave Durenberger, R-Minn.

9:30am SH-216 Hart Bldg June 12 & addl dates TBA

Finance

224-4515

IMPROVING HEALTH-CARE ACCESS

Field Hearing

Health for Families and the Uninsured Subcommittee (Chmn Riegle, D-Mich) of Sen-

■ Revised listing

Senate continued...

ate Finance Committee will hold a field hearing on problems faced by children who do not have health insurance.

2pm Prudden Hall, Lansing Civic Arena, 505 West Allegan, Lansing, Mich **May 30**

TEXTILE & FOOTWEAR IMPORTS

Senate Finance Committee (Chmn Bentzen, D-Texas) will hold a hearing on legislation (S 2411) to provide for orderly imports of textiles, apparel and footwear.

10am SD-215 Dirksen Bldg **June 7**

★ TRADE WITH CHINA

Senate Finance Committee (Chmn Bentzen, D-Texas) will hold a hearing on whether Congress should approve the administration request to continued most-favored-nation status for China.

Time & room TBA early June date TBA

Foreign Relations

224-4651

U.S. & PERUVIAN MILITARY

Western Hemisphere and Peace Corps Affairs Subcommittee (Chmn Dodd, D-Conn) of Senate Foreign Relations Committee will hold a hearing on proposed U.S. military training for Peru.

11am S-116 Capitol Bldg **June 13**

Note: This hearing was originally scheduled for May 16.

Governmental Affairs

224-4751

COMMERCE DEPT REORGANIZATION

Senate Governmental Affairs Committee (Chmn Glenn, D-Ohio) will hold a hearing on legislation (S 1978) to reorganize the Commerce Department into an Industry and Technology Department.

9:30am SD-342 Dirksen Bldg **June 12**

★ PROGRAM FRAUD ACT OVERSIGHT HEARING

Oversight of Government Management Subcommittee (Chmn Levin, D-Mich) of Senate Governmental Affairs Committee will hold an oversight hearing on provisions of the Program Fraud Civil Remedies Act that established a streamlined, administrative process to handle cases of fraud against the government that involve small amounts of money.

9:30am SD-342 Dirksen Bldg **June 21**

Indian Affairs

224-2251

HAWAIIAN HOMES

Field Hearing

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a hearing on amendments to the Hawaiian Homes Commission Act.

Time TBA Honolulu, Hawaii **May 30, 31**

★ New listing

CHILDREN'S PROTECTION/ SUBSTANCE ABUSE

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a hearing on legislation (S 2340) on children's protective services and alcohol and substance abuse, and Trust Counsel proposals.

9:30am SR-485 Russell Bldg **June 7**

INDIAN HEALTH SERVICE NURSE SHORTAGE

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a hearing on the Indian Health Service nurse shortage.

2pm SR-485 Russell Bldg **June 14**

INDIAN TRUST COUNSEL

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a hearing on legislation to establish in the Department of the Interior a Trust Counsel for Indian Assets.

2pm SR-485 Russell Bldg **June 21**

INDIAN SUBSTANCE ABUSE

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a hearing on legislation to reauthorize certain Indian alcohol and substance abuse prevention and treatment programs.

9:30am SR-485 Russell Bldg **July 12**

FEDERAL ACKNOWLEDGMENT PROCESS

Senate Select Indian Affairs Committee (Chmn Inouye, D-Hawaii) will hold a hearing on legislation (S 611 & S 912) to establish administrative procedures to determine the status of certain Indian groups.

Time & room TBA Date TBA

Judiciary

224-5225

INFANT FORMULAS

Antitrust, Monopolies and Business Rights Subcommittee (Chmn Metzenbaum, D-Ohio) of Senate Judiciary Committee will hold a hearing on competitive pricing in the infant formula industry.

10am SD-226 Dirksen Bldg **May 29**

JUDICIAL NOMINEES & DISCRIMINATORY CLUBS

Senate Judiciary Committee (Chmn Biden, D-Del) will hold a hearing on the issue of judicial nominees who belong to private clubs that discriminate.

9:30am SD-226 Dirksen Bldg **June 7**

COURT-ORDERED TAXATION

Constitution Subcommittee (Chmn Simon, D-Ill) of Senate Judiciary Committee will hold a hearing on a resolution (S J Res 295) proposing a constitutional amendment that would prevent courts from ordering states and localities to impose or increase taxes. The resolution is in response to the recent Supreme Court ruling in *Missouri v. Jenkins* that up-

held a district judge's order to force the municipal government of Kansas City to raise property taxes to help finance a school-desegregation plan.

10am SD-226 Dirksen Bldg **June 19**

SPORTS LOTTERIES

Patents, Copyrights and Trademarks Subcommittee (Chmn DeConcini, D-Ariz) of Senate Judiciary Committee will hold a hearing on legislation (S 1772) to prohibit states and local governments from establishing lotteries on professional sports contests.

2pm SD-226 Dirksen Bldg **June 26**

Rules & Administration

224-6352

RULES LEGISLATION

Full Committee Markup

Senate Rules and Administration Committee (Chmn Ford, D-Ky) will meet to consider pending draft legislation.

9:30am SR-301 Russell Bldg **June 13**

Agenda:

Draft legislation - Authorize funds for fiscal 1991 for the Federal Election Commission

Draft legislation - Provide for the management of Senate official mail

Draft legislation - Authorize the purchase of 1991 calendars for the use of the Senate

Veterans' Affairs

224-9126

VA NOMINATIONS

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will hold a confirmation hearing on pending nominations.

9:30am SR-418 Russell Bldg **June 6**

Agenda:

Donald Ivers - assoc judge, Court of Veterans Appeals

Jonathan Steinberg - assoc judge, Court of Veterans Appeals

VETERANS' DISABILITIES PROGRAMS

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will hold a hearing on prosthetics and special disabilities programs.

9:30am SR-418 Russell Bldg **June 7**

VETERANS' COMPENSATION, HOUSING AND EDUCATION

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will hold hearings on pending legislation.

9:30am 334 Cannon Bldg **June 14**

Agenda:

S 2100 - Increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; improve veterans' compensation, health-care, insurance, and housing programs; and provide for transitional group residences for veterans recovering from substance-abuse disabilities

■ Revised listing

Senate continued...

- S 1860 - Require the secretary of Veterans Affairs to furnish outpatient medical services for any disability of a former prisoner of war
- S 2455 - Provide for recovery by the US of the cost of medical care and services furnished for a non-service-connected disability
- S 2456 - Extend expiring laws authorizing the Department of Veterans Affairs to contract for needed care and revise VA authority to furnish outpatient dental care
- S -- Revise compensation payments to physicians and dentists

VA NOMINATIONS

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will hold a con-

firmation hearing on pending nominations.

9:30am SR-418 Russell Bldg **June 19**

Agenda:

- James Holsinger Jr - to be chief medical dir, Veterans Affs Dept
- Stephen Trodden - to be inspector gen, Veterans Affs Dept

VETERANS' AFFAIRS MARKUP

Senate Veterans' Affairs Committee (Chmn Cranston, D-Calif) will mark up pending legislation.

9:30am SR-418 Russell Bldg **June 28**

BUDGET TALKS

Representatives from the White House and members of the congressional leadership will continue discussions on the budget.

Time & room TBA closed week of **June 4**

House Committees Future Listings

Aging

OLDER AMERICANS ACT OVERSIGHT

Human Services Subcommittee (Chmn Downey, D-NY) of House Select Aging Committee will hold an oversight hearing on the implementation of the Older Americans Act, focusing on provisions dealing with partnerships between government agencies and private companies.

9:30am Room TBA **June 5**

**OLDER AMERICANS ACT OVERSIGHT
Field Hearing**

Human Services Subcommittee (Chmn Downey, D-NY) of House Select Aging Committee will hold an oversight field hearing on implementation of the Older Americans Act, focusing on provisions dealing with health education for the elderly.

9:30am Rochester, N.Y. **June 11**

Agriculture

225-2171

**ANIMAL FACILITY
PROTECTION ACT
Hearing and Markup**

Department Operations, Research and Foreign Agriculture Subcommittee (Chmn Brown, D-Calif) of House Agriculture Committee will hold a hearing on and mark up legislation (HR 3270 - Farm Animal and Research Facilities Protection Act) to make it a federal offense to damage an animal research facility.

9:30am 1302 Longworth Bldg **June 14**

Note: This hearing and markup was originally scheduled for May 15.

1990 FARM BILL**Full Committee Markup**

House Agriculture Committee (Chmn de la Garza, D-Texas) will continue to mark up the 1990 farm bill (HR 3950 - Food and Agricultural Resources Act of 1990). HR 3950 will serve as a vehicle for the panel's deliberations

★ *New listing*

on reauthorization of farm programs.

Time TBA 1300 Longworth Bldg **dates TBA**

Armed Services

225-4151

**SPECIAL ACCESS PROGRAMS
Joint Hearing**

Procurement and Military Nuclear Systems Subcommittee (Chmn Aspin, D-Wis) and Research and Development Subcommittee (Chmn Dellums, D-Calif) of House Armed Services Committee will continue joint hearings on the fiscal 1991 defense authorization request, focusing on special access programs, commonly known as black budget programs. Such programs cover secret activities whose funding is camouflaged or otherwise hidden within the defense budget request.

Time and room TBA **Date TBA**

Note: This hearing was originally scheduled for May 16.

Banking, Finance & Urban Affairs

225-4247

HOUSING BILL MARKUP

House Banking, Finance and Urban Affairs Committee (Chmn Gonzalez, D-Texas) will continue marking up legislation (HR 1180) to amend and extend certain laws relating to housing, community and neighborhood development and preservation and related programs.

10am 2128 Rayburn Bldg **June 6 & 7**

FAIR CREDIT REPORTING ACT

Consumer Affairs and Coinage Subcommittee (Chmn Lehman, D-Calif) of House Banking, Finance and Urban Affairs Committee will hold a hearing on legislation (HR 3740, HR 4122 & HR 4213) to revise the Fair Credit Reporting Act.

10am 2128 Rayburn Bldg **June 12**

SILVERADO SAVINGS & LOAN

House Banking, Finance and Urban Affairs Committee (Chmn Gonzalez, D-Texas) will continue hearings on the failure of Denver-based Silverado Savings and Loan.

10am 2128 Rayburn Bldg **dates TBA**

Education & Labor

225-4527

JOB TRAINING ACT

House Education and Labor Committee (Chmn Hawkins, D-Calif) will hold a hearing on legislation (HR 2039) to amend the Job Training Partnership Act to improve the delivery of services to hard-to-serve adults and to youth.

Time and room TBA **June 6**

CONSTRUCTION SAFETY

Health and Safety Subcommittee (Chmn Gaydos, D-Pa) of House Education and Labor Committee will hold hearings on legislation (HR 4652) to improve inspections, investigation, reporting and recordkeeping in the construction industry; to require certain construction contractors to establish construction safety and health programs and to appoint construction safety specialists.

Time and room TBA **June 12**

**CONSTRUCTION SAFETY
Subcommittee Markup**

Health and Safety Subcommittee (Chmn Gaydos, D-Pa) of House Education and Labor Committee will mark up legislation (HR 4652) to improve inspections, investigation, reporting and recordkeeping in the construction industry; to require certain construction contractors to establish construction safety and health programs and to appoint construction safety specialists.

Time & room TBA **June 21**

■ *Revised listing*

House continued...**DISPLACED HOMEMAKERS MARKUP**

Employment Opportunities Subcommittee (Chmn Martinez, D-Calif) of House Education and Labor Committee will mark up legislation (HR 3069 - Displaced Homemakers Employment & Family Self Sufficiency Act) to establish an employment training program for displaced homemakers.

Time & room TBA Date TBA

Energy & Commerce

225-2927

TOURISM GROWTH

Transportation and Hazardous Materials Subcommittee (Chmn Luken, D-Ohio) of House Energy and Commerce Committee will hold a hearing on legislation (HR 4369, S 1791) to assist in the growth of international travel and tourism in the United States.

9:30am Room TBA June 13

OCTANE LABELING

Energy and Power Subcommittee (Chmn Sharp, D-Ind) of House Energy and Commerce Committee will hold a hearing on mislabeling of octane levels.

10am Room TBA June 20

LAWRENCE LIVERMORE LAB

Oversight and Investigations Subcommittee (Chmn Dingell, D-Mich) of House Energy and Commerce Committee will hold a hearing on the adequacy of controls to protect government property and other interests at the Lawrence Livermore National Laboratory.

Time & Room TBA Date TBA

ADDITIONAL FREQUENCIES Subcommittee Markup

Telecommunications and Finance Subcommittee (Chmn Markey, D-Mass) of House Energy and Commerce Committee will mark up legislation (HR 2965), the Emergency Telecommunications Technologies Act.

Time & Room TBA Date TBA

STATE ENERGY CONSERVATION PROGRAMS MARKUP House Energy and Commerce Committee

Energy and Power Subcommittee (Chmn Sharp, D-Ind) will mark up legislation (HR 711) to amend the Energy Policy and Conservation Act to increase the efficiency and effectiveness of state energy conservation programs.

Time & Room TBA Date TBA

PESTICIDE RESIDUES IN FOOD Subcommittee Markup

Health and the Environment Subcommittee (Chmn Waxman, D-Calif) of House Energy and Commerce Committee will mark up legislation (HR 1725 - Food Safety Amendments) to regulate pesticide chemical residues in food.

Time & room TBA date TBA

★ New listing

Foreign Affairs

225-5021

FOOD FOR PEACE Subcommittee Markup

International Economic Policy and Trade Subcommittee (Chmn Gejdenson, D-Conn) of House Foreign Affairs Committee will mark up legislation to reauthorize PL 480 (Food for Peace) and other agricultural trade programs.

1:30pm 2255 Rayburn Bldg June 5

REFUGEES IN ASIA

Asian and Pacific Affairs Subcommittee (Chmn Solarz, D-NY) of House Foreign Affairs Committee will hold a hearing on refugees in Asia.

Time & room TBA Date TBA

Witnesses scheduled: Princeton Lyman - dir, bureau for refugee prgms, State Dept; David Lambertson - dpty asst secy of State for East Asian & Pacific affs; Lionel Rosenblatt - exec dir, Refugees Internatl; Dawn Calabia - assoc dir, Ofc of Migration & Refugee Services, US Catholic Conference; Court Robinson - policy analyst, US Cmte for Refugees

Note: This hearing was originally scheduled for May 22.

DEMOCRATIC REFORMS & SOVIET HUMAN RIGHTS

Human Rights and International Organizations Subcommittee (Chmn Yatron, D-Pa) of House Foreign Affairs Committee will continue hearings on the pace of democratic reforms and status of human rights in the Soviet Union.

Time & room TBA Date TBA

Witnesses scheduled: Rep. Smith, D-Fla; Sen DeConcini, D-Ariz; Richard Schifter - asst secy of State for human rights and humanitarian affs; European & Canadian affs burea rep TBA

Note: This hearing was originally scheduled for May 22.

Government Operations

225-5051

DC HOMELESS PROGRAMS

Human Resources and Intergovernmental Relations Subcommittee (Chmn Weiss, D-NY) of House Government Operations Committee will hold a hearing on mismanagement in programs for the homeless in Washington, D.C.

9:30am 2247 Rayburn Bldg June 12

Witnesses scheduled: Otis Troupe - city auditor, Washington, DC; Cornelius Pitts, Tony Russo, Ann Ryan, Roy Littlejohn, Earnest Green & James Griffin - homeless shelter providers, Washington, DC; Carol Thompson - city adminr, Washington, DC

Interior & Insular Affairs

225-2761

WATER SUBSIDIES**House Interior Committee**

Water, Power and Offshore Energy Resources Subcommittee (Chmn Miller, D-Calif)

will hold a hearing to receive a GAO report entitled "Water Subsidies: Basic Changes Needed to Avoid Abuse of the 960-Acre Limit."

Time & Room TBA Date TBA

CALIFORNIA DROUGHT

Water, Power and Offshore Energy Resources Subcommittee (Chmn Miller, D-Calif) of House Interior and Insular Affairs Committee will hold a hearing on the drought in California.

Time TBA San Francisco Date TBA

Merchant Marine & Fisheries

225-4047

CRUISE SHIP SAFETY

Merchant Marine Subcommittee (Chmn Jones, D-NC) of House Merchant Marine and Fisheries Committee will hold a hearing on cruise ship safety.

Note: This is a continuation of an April 19 hearing.

10am 1334 Longworth Bldg June 6

COAST GUARD NEW COMMANDANT

Coast Guard and Navigation Subcommittee (Chmn Tauzin, D-La) of House Merchant Marine and Fisheries Committee will hold a hearing to introduce J William Kime, who will become the new commandant of the Coast Guard, on June 1.

2pm 1334 Longworth Bldg June 7

MARINE SANCTUARIES

Oversight and Investigations Subcommittee (Chmn Foglietta, D-Pa) of House Merchant Marine and Fisheries Committee will hold a hearing on the National Marine Sanctuary Program.

9:30am 1334 Longworth Bldg June 7

★ LONG ISLAND SOUND ENVIRONMENTAL QUALITY Field Hearing

Fisheries and Wildlife Conservation and the Environment Subcommittee (Chmn Studds, D-Mass) of House Merchant Marine and Fisheries Committee will hold a field hearing on the environmental integrity of the Long Island Sound.

10am Rye, N.Y. June 11

MARINE BILLS Subcommittee Markup

Oceanography and Great Lakes Subcommittee (Chmn Hertel, D-Mich) and Fisheries and Wildlife Conservation and the Environment Subcommittee (Chmn Studds, D-Mass) of House Merchant Marine and Fisheries Committee will mark up pending legislation.

11am 1334 Longworth Bldg June 13

Agenda:

HR 2840 - Coastal Barrier Improvement Act of 1989

HR 3719 - to establish the Florida Keys National Marine Sanctuary

■ Revised listing

House continued...**PIPELINE SAFETY
Subcommittee Markup**

Coast Guard and Navigation Subcommittee (Chmn Tauzin, D-La) of House Merchant Marine and Fisheries Committee will mark up pipeline draft safety legislation (HR -)

10am 1334 Longworth Bldg **June 14**

ZEBRA MUSSELS

Oceanography and Great Lakes Subcommittee (Chmn Hertel, D-Mich) of House Merchant Marine and Fisheries Committee will hold a hearing on zebra mussels.

2pm 1334 Longworth Bldg **June 14**

DELAWARE RIVER PORTS**Field Hearing**

Oversight and Investigations Subcommittee (Chmn Foglietta, D-Pa) of House Merchant Marine and Fisheries Committee will hold a field hearing on the governance and management of Delaware River ports.

Time TBA Philadelphia, Pa **Date TBA**

SHIPBUILDING TECHNOLOGY**Joint Hearing**

Oversight and Investigations Subcommittee (Chmn Foglietta, D-Pa) and Merchant Marine Subcommittee (Chmn Jones, D-NC) of House Merchant Marine and Fisheries Committee will hold a joint hearing on the state of U.S. and foreign shipbuilding technology.

Time & room TBA date TBA

**Post Office &
Civil Service**

225-4054

**FED EMPLOYEES &
CONTRACTING OUT
Subcommittee Markup**

Human Resources Subcommittee (Chmn Kanjorski, D-Pa) of House Post Office and Civil Service Committee will mark up legislation (HR 4049) to establish procedures necessary to protect federal employees from certain adverse personnel actions which may result by the contracting out of agency functions or activities

10:30am 304 Cannon Bldg **June 6**

**Public Works
& Transportation**

225-4472

FAA TRAINING PRGMS

Investigations and Oversight Subcommittee (Chmn Anderson, D-Calif) of House Public Works and Transportation Committee will hold a hearing on the Federal Aviation Administration's training programs for air traffic controllers, maintenance workers and safety inspectors

10am 2167 Rayburn Bldg **June 6**

★ *New listing*

★ ADDL CHICAGO AIRPORT**Field Hearing**

Aviation Subcommittee (Chmn Oberstar, D-Minn) of House Public Works and Transportation Committee will hold a field hearing to review potential sites for a third Chicago-area airport.

6:30pm Calumet City, Ill., **June 11**

**FAA SAFETY ENFORCEMENT/
RECERTIFICATION PRGMS**

Investigations and Oversight Subcommittee (Chmn Anderson, D-Calif) of House Public Works and Transportation Committee will hold hearings on the Federal Aviation Administration's safety enforcement programs and the recertification of carriers that have had operating certificates revoked.

10am 2167 Rayburn Bldg **June 12 & 13**

**Science, Space &
Technology**

225-6371

**HIGH-SPEED RAIL
MAGNETIC TECHNOLOGY**

Transportation, Aviation and Materials Subcommittee (Chmn Torricelli, D-NJ) of House Science, Space and Technology Committee will hold a hearing on magnetic levitation technology.

10:30am 2325 Rayburn Bldg **June 7**

FAA TRAINING PROGRAMS

Transportation, Aviation and Materials Subcommittee (Chmn Torricelli, D-NJ) of House Science, Space and Technology Committee will hold a hearing on the Federal Aviation Administration's training programs.

9:30am 2325 Rayburn Bldg **June 14**

CRITICAL MATERIALS COUNCIL

Transportation, Aviation and Materials Subcommittee (Chmn Torricelli, D-NJ) of House Science, Space and Technology Committee will hold an oversight hearing on the National Critical Materials Council.

2pm 2325 Rayburn Bldg **June 26**

TILT-ROTOR TECHNOLOGY

Transportation, Aviation and Materials Subcommittee (Chmn Torricelli, D-NJ) of House Science, Space and Technology Committee will hold a hearing on tilt-rotor technology.

9:30am 2325 Rayburn Bldg **June 28**

COMPUTER SECURITY

Transportation, Aviation and Materials Subcommittee (Chmn Torricelli, D-NJ) of House Science, Space and Technology Committee will hold an oversight hearing on the Computer Act of 1987.

1:30pm 2318 Rayburn Bldg **July 10**

Small Business

225-5821

CREDIT CRUNCH

House Small Business Committee (Chmn LaFalce, D-NY) will hold a hearing on the problems borrowers are experiencing securing commercial financing:

10:30am 2359A Rayburn Bldg **June 6**

Witnesses scheduled: L. William Seidman - chmn, Federal Deposit Insurance Corporation; Robert Clarke - comptroller, Office of the Comptroller of the Currency; John LaWare - gov, Fed Reserve Bd of Govs

LENDER LIABILITY

House Small Business Committee (Chmn LaFalce, D-NY) will hold a hearing on legislation (HR 4494) to limit the liability under that act of lending institutions acquiring facilities through foreclosure or similar means and corporate fiduciaries administering estates or trusts.

10am 2359A Rayburn Bldg **June 7**

Veterans' Affairs

225-3527

**VA LEGISLATION MARKUP
Compensation Subcommittee**

Compensation, Pension and Insurance Subcommittee (Chmn Applegate, D-Ohio) of House Veterans' Affairs Committee will mark up legislation (HR 4418) to revise the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, to make certain improvements in veterans' compensation and pension programs, and for other purposes.

9am 334 Cannon Bldg **June 6**

Ways & Means

225-3625

U.S.-MEXICO RELATIONS

Trade Subcommittee (Chmn Gibbons, D-Fla) of House Ways and Means Committee will hold a hearing on economic relations between the United States and Mexico.

9:30am 1100 Longworth Bldg **June 14**

Note

The offices of all members of Congress and all congressional committees and subcommittees may be reached by calling (202) 224-3121.

Conference Committees Future Listings

★ CLEAN AIR

Conferees will meet on legislation (S 1630) to amend the Clean Air Act to provide for attainment and maintenance of health protective national ambient air quality standards.

Time & room TBA date TBA

S 1630 reported by Senate Environment and Public Works Committee Dec 20, 1989 (S Rpt 101-228)

S 1630 passed Senate April 3, 1990

HR 3030 reported by House Energy and Commerce Committee May 17 (H Rpt 101-490, pt I)

HR 3030 reported by House Ways and Means Committee May 21 (H Rpt 101-490, pt II)

HR 3030 reported by House Public Works Committee May 21 (H Rpt 101-490, pt III)

S 1630 passed House May 23 (House voted to amend S 1630 to contain the text of HR 3030 as amended by the House)

CHEMICAL WEAPONS

Conferees will meet on legislation (HR 3033) to control the export to countries pursuing or expanding the ability to produce or deliver chemical or biological weapons of items that would assist such countries in acquiring such ability, to impose sanctions against companies that have aided in the proliferation of chemical or biological weapons and to provide for sanctions against countries that use or prepare to use chemical or biological weapons in violation of international law

Time & room TBA date TBA

Senate conferees: TBA

House conferees: TBA

HR 3033 reported by House Foreign Affairs Committee Nov 7, 1989 (H Rpt 101-334 pt I)

HR 3033 reported by House Ways & Means Committee Nov 8, 1989 (H Rpt 101-334, pt II)

HR 3033 passed the House Nov 13, 1989

S 195 reported by Senate Foreign Relations Oct 17, 1989 (S Rpt 101-166)

HR 3033 passed the Senate May 17 (Senate amended HR 3033 to contain text of S 195)

Senate insisted on its amendments and requested a conference May 17

HATCH ACT REVISION

Conferees will meet on legislation (HR 20) to revise the Hatch Act.

Time & room TBA date TBA

Senate conferees: Glenn, Levin, Pryor, Kohl, Lieberman, Roth, Stevens & Rudman

House conferees: TBA

HR 20 reported by House Post Office and Civil Service Committee April 13, 1989 (H Rpt 101-27)

HR 20 passed House April 17, 1989

S 135 reported by Senate Governmental Affairs Committee Oct 17, 1989 (S Rpt 101-165)

S 135 passed Senate May 10, 1990 (Senate then took up HR 20 and amended it to contain the text of S 135)

Senate insisted on its amendments, requested a conference and named conferees May 10

★ New listing

TRADE ISSUES

Conferees will meet on legislation (HR 1594) to revise and extend the Caribbean Basin Initiative and extend most-favored-nation status to Hungary.

Time & room TBA date TBA

House conferees:

From the Ways & Means Committee, for consideration of the House amendment to the Senate amendment, and the Senate amendment, and modifications committed to conference: Rostenkowski, Gibbons, Jenkins, Downey, Pease, Russo, Guarini, Archer, Vander Jagt, Crane & Frenzel

As additional conferees, solely for the consideration of Title II of the House amendment to the Senate amendment, and for Title II of the Senate amendment, and modifications committed to conference: Pickle & Schulze

From the Agriculture Committee, for consideration of Titles VI and VII of the Senate amendment, and the Senate amendment, and modifications committed to conference: de la Garza, Volkmer, Brown of Calif, Olin, Stallings, Morrison of Wash, Bob Smith & Herger

From the Interior Committee, for consideration of Titles VI and VII of the Senate amendment, and modifications committed to conference: Udall, Vento, Williams, DeFazio, McDermott, Young of Alaska, Craig & Denny Smith

From the Foreign Affairs Committee, for consideration of Titles VI and VII of the Senate amendment, and modifications committed to conference: Fawell, Wolpe, Gejdenson, Kostmayer, Feighan, Broomfield, Roth & Miller of Wash

Senate conferees: Bentsen, Moynihan, Baucus, Packwood, Dole

HR 1594 reported by House Ways and Means Committee June 21, 1989 (H Rpt 101-99)

HR 1594 passed House June 27, 1989

HR 1594 reported by Senate Finance Committee March 22, 1990

HR 1594 passed Senate, amended, April 24, 1990

House agreed to Senate amendment with an amendment, insisted on its amendment and requested a conference May 9

Senate agreed to a conference and named conferees May 14

CHILD CARE

Conferees will meet on legislation to extend Head Start programs and programs under Elementary and Secondary Education Act to include child-care services (HR 3)

Time & room TBA Date TBA

Senate conferees:

From the Labor and Human Resources Committee: Kennedy, Dodd, Pell, Harkin, Adams, Mikulski, Hatch, Kassebaum, Jeffords & Coats

From the Finance Committee: Bentsen, Moynihan, Baucus, Mitchell, Packwood, Dole & Roth

House conferees:

From the Education & Labor Committee, for consideration of the House bill (except Titles III and VI), and the Senate amendment (except Titles II and III), and modifications committed to conference: Hawkins, Ford of Mich, Clay, Miller of Calif, Kildee, Williams, Martinez, Owens of NY, Hayes of Ill, Perkins, Sawyer, Payne of NJ, Lowey of NY, Unsoeld, Washington, Jontz, Goodling, Petri, Gunderson, Bartlett, Tauke, Henry, Grandy, Ballenger & Fawell

From the Ways & Means Committee, for consideration of Titles III and VI of the House bill and Title II of the Senate amendment, and modifications committed to conference: Rostenkowski, Downey, Ford of Tenn, Pease, Matsui, Kennelly, Andrews, Archer, Vander Jagt, Crane & Shaw

From the Ways & Means Committee, for consider-

ation of Title I (except section 125) of the Senate amendment, and modifications committed to conference: Rostenkowski, Downey & Archer

From the Ways & Means Committee, for consideration of Title III of the Senate amendment, and modifications committed to conference: Rostenkowski, Jacobs, & Brown of Colo

From the Energy & Commerce Committee, for consideration of section 124 of the Senate amendment, and modifications committed to conference: Dingell, Walgren & Lent

HR 3 reported by House Education and Labor Committee July 27, 1989 (H Rpt 101-190, pt I)

HR 3 reported by House Ways and Means Committee Sept 12, 1989 (H Rpt 101-190, pt II)

HR 3 passed House March 29, 1990

S 5 reported by Senate Labor and Human Resources Committee April 12, 1989

S 5 passed Senate June 23, 1989

HR 3 passed Senate April 24, 1990 (Senate amended HR 3 to contain the text of S 5 as previously passed by the Senate)

Senate insisted on its amendment, requested a conference and named conferees April 24

House agreed to a conference and named conferees May 9

VOCATIONAL EDUCATION

Conferees will meet on legislation to reauthorize vocational education programs (HR 7).

Time & room TBA date TBA

Senate conferees: Kennedy, Pell, Metzenbaum, Dodd, Simon, Mikulski, Hatch, Kassebaum, Cochran, Jeffords, Thurmond

House conferees: Hawkins, Ford of Mich, Miller of Calif, Kildee, Williams, Martinez, Perkins, Hayes of Ill, Sawyer, Owens of NY, Payne of NJ, Lowey of NY, Poshard, Unsoeld, Rahall, Goodling, Fawell, Grandy, Smith of Vt, Bartlett, Gunderson, Petri, Roukema, Coleman of Mo

HR 7 reported by House Education and Labor Committee April 28, 1989 (H Rpt 101-41)

HR 7 passed House May 9, 1989

S 1109 reported by Senate Labor and Human Resources Committee Nov 21, 1989 (S Rpt 101-221)

HR 7 passed Senate April 5, 1990 (Senate amended HR 7 to contain text of S 1109)

Senate insisted on its amendments, requested a conference and named conferees April 5

House agreed to a conference and named conferees May 9

NASA AUTHORIZATION

Conferees will meet on legislation to reauthorize the National Aeronautics and Space Administration (NASA) (HR 3729).

Time & room TBA date TBA

House conferees: Roe, Nelson of Fla, Valentine, Brown of Calif, Lloyd, Glickman, Volkmer, Mineta, Torricelli, Nagle, Walker, Sensenbrenner, Lewis of Fla, Buechner, Packard, Slaughter of Va & Rohrabacher

Senate conferees: TBA

HR 3729 passed House Nov 20, 1989

HR 3729 passed Senate, amended, Nov 22, 1989

House disagreed to the Senate amendment, requested a conference and named conferees Feb 28, 1990

■ Revised listing

Conference continued...

OIL-SPILL COMPENSATION

Conferees will meet on legislation (HR 1465) to establish limits on liability for damages resulting from oil pollution and to establish a fund to pay compensation for such damages.

Time & room TBA addl dates TBA

Senate conferees: From Environment and Public Works Committee: Burdick, Moynihan, Mitchell, Baucus, Lautenberg, Breaux, Chafee, Durenberger, Warner, Jeffords, Humphrey
From Commerce, Science and Transportation Committee: Hollings, Inouye, Kerry, Breaux, Danforth, Packwood, Stevens

House conferees:

From the Merchant Marine Committee, for consideration of the House bill (except Title VIII), and the Senate amendment (except sections 601 and 602), and modifications committed to conference: Jones of NC, Studds, Tauzin, Carper, Hughes, Davis, Young of Alaska, Lent (Shumway is appointed in place of Young of Alaska for consideration of Title I and section 2004 of the House bill and Title I and section 405 of the Senate amendment). From the Public Works Committee, for consideration of the House bill (except Title VIII), and the Senate amendment (except sections 601 and 602), and modifications committed to conference: Anderson, Roe, Mineta, Oberstar, Nowak, Hammerschmidt, Shuster, Stangeland (Kolter is appointed in place of Anderson for consideration of section 4114 of the House bill; Rahall is appointed in place of Roe for consideration of Title VII of the House bill, and sections 205, 309, 354, and 356 of the Senate amendment; Laughlin is appointed in place of Roe for consideration of sections 1002 and 1004 of the House bill, and corresponding sections of section 102 of the Senate amendment; Borski is represented in place of Roe for consideration of sections 4101 through 4205 of the House bill, and corresponding portions of the Senate amendment; and, Upton is appointed in place of Shuster for consideration of section 4203 of the House bill and section 203 of the Senate amendment).

From the Foreign Affairs Committee, for consideration of sections 603 and 604 of the House bill, and sections 603 and 604 of the Senate amendment, and modifications committed to conference: Fascell, Yatron, Owens of Utah, Lantos, Feighan, Broomfield, Bereuter, Miller of Wash

From the Science & Technology Committee, for consideration of Title VII of the House bill, and sections 205, 309, 354, 356, and 506 of the Senate amendment, and modifications committed to conference: Scheuer, Brown of Calif, Lloyd, Walgren, Walker, Schneider, Morrison of Wash

From the Interior Committee, for consideration of Title I and section 2004 of the House bill, and Title I and section 405 of the Senate amendment, and modifications committed to conference: Udall, Miller of Calif, Sharp, Young of Alaska, Craig

From the Interior Committee, for consideration of Title VIII and section 2004 of the House bill, and sections 601 and 602 of the Senate amendment, and modifications committed to conference: Udall, Miller of Calif, Sharp, Vento, DeFazio, Young of Alaska, Marlenee, Craig

From the Energy & Commerce Committee, for consideration of sections 8103, 8201, and 8202 of the House bill, and section 601 of the Senate amendment, and modifications committed to conference: Dingell, Hall of Texas, Lent.

From the Merchant Marine Committee, for consideration of Title VIII of the House bill and sections 601 and 602 of the Senate amendment, and modifications committed to conference: Jones of NC, Tauzin, Carper, Davis, Fields

From the Public Works Committee, for consideration of Title VIII of the House bill, and sections 601 and 602 of the Senate amendment, and modifications committed to conference: Anderson, Mineta, Nowak, Hammerschmidt, Stange-

land

HR 1465 reported by House Public Works Committee Sept 18, 1989 (H Rpt 101-242, pt I)

HR 1465 reported by House Merchant Marine Committee Sept 18, 1989 (H Rpt 101-242, pt II)

HR 1465 reported by House Science Committee Sept 20, 1989 (H Rpt 101-242, pt III)

Supplemental report filed by House Public Works Committee Oct 3, 1989 (H Rpt 101-242, pt IV)

Supplemental report filed by House Merchant Marine Committee Oct 4, 1989 (H Rpt 101-242, pt V)

HR 1465 passed House, amended, Nov 9, 1989

S 686 reported by Senate Environment Committee July 28, 1989 (S Rpt 101-94)

S 686 passed Senate Aug 4, 1989

Senate amended HR 1465 to contain the text of S 686 Nov 19, 1989

Senate insisted on its amendments and requested a conference Nov 19, 1989

House agreed to a conference Feb 7, 1990

DRUG PROGRAMS AUTHORIZATION

Conferees will meet on legislation (S 1735/HR 3630, HR 3550) to authorize drug

control programs.

Time & room TBA date TBA

Senate conferees: Kennedy, Dodd, Pell, Hollings, Inouye, Biden, Sarbanes, Hatch, Coats, Danforth, Wilson, Helms, Gramm

House conferees:

For HR 3630: Dingell, Waxman, Scheuer, Lent, Madigan

For HR 3550 from the Judiciary Committee: Hughes, Mazzoli, Feighan, McCollum, Gekas

For HR 3550 for the Energy & Commerce Committee: Dingell, Waxman, Lent

S 1735 passed Senate Oct 5, 1989

HR 3614, HR 3630, HR 3550, HR 3611 passed House Nov 13, 1989

By unanimous consent the Senate agreed that when the House bills were received by the Senate, all after the enacting clause was stricken, the text of S 1735 was substituted, the bills were deemed as passed and the Senate insisted on its amendments and requested a conference.

HR 3614 and HR 3611 passed the House and Senate Nov 21

HR 3611 signed by the president Dec 13 (PL 101-231)

HR 3614 signed by the president Dec 12 (PL 101-226)

HR 3630 and HR 3550 remain in conference

Other Events

The Monitor has received notice of the following events scheduled to take place in Washington. Associations, non-profit organizations and public interest groups who wish to have events listed in the section should send pertinent information to: The Congressional Monitor, Other Events Editor, 1414 22nd St. N.W., Washington, D.C. 20037. Notices must include a telephone number. Notices may be transmitted by facsimile to 728-1862, attn: Robert Healy. Only events related to Congress can be listed. Deadline is Noon. For further information call (202) 887-8686.

U.S.-SOVIET RELATIONS & ARMS CONTROL

Lawyers Alliance for Nuclear Arms Control will hold a luncheon meeting to hear House Armed Services Committee Counselor Larry Smith discuss "U.S.-Soviet Confidence Building Measures - The View From Congress."

12:15pm, Natl Lawyers Club, 1815 H St NW May 29

Contact: Philip Fleming at 624-2755

Note: There is a \$13.50 charge for this event. For reservations call Phil Fleming at 624-2755.

CURBSIDE RECYCLING

National Soft Drink Association will sponsor a briefing for members of Congress and staff on curbside recycling programs.

2pm to 3:30pm 2261 Rayburn Bldg May 29

Contact: Barbara Hiden at 463-6740

POLICE LEGISLATIVE CONFERENCE

National Association of Police Organizations will hold a legislative conference to discuss law enforcement issues currently before Congress, including drug control, gun control,

and police pension and fringe benefits issues.

Quality Hotel Capitol Hill, 415 New Jersey Ave NW June 2, 3, 4, 5 & 6

Contact: Nora Glushakow 223-6515

Note: There is a \$125 charge for this event.

ICBM & ARMS CONTROL

Institute for Foreign Policy Analysis will sponsor a series of breakfast meetings for members of Congress and congressional staff working on defense-related issues. The sessions will focus on various aspects of ICBM modernization and arms control.

8am to 9am Capitol Hill Club June 5 & 7

Contact: Peter Huessy at 463-7942

Agenda:

June 5: Midgetman: Insuring Survival in a New Deterrent Framework - Sen Cohen, R-Maine

June 7: The Twin Races to Disarm and Negotiate: What Path Toward Prudence and Enhanced Strategic Stability? - Sen Nunn, D-Ga

Date TBA: The Emerging Strategic Framework - Rep Aspin, D-Wis

NOTE: The meeting originally scheduled for June 6 has been moved forward to May 24

MEDICAID DIRECTORS

State Medicaid Directors' Association and Health Care Financing Administration will co-sponsor a conference on issues affecting the administration of Medicaid programs.

Omni Shoreham Hotel June 5 & 6

Contact: Gloria Price (HCFA - 245-6257) or Debbie Burt (American Public Welfare Assn - 682-0100)

SPACE STATION ISSUES

Center for National Program Evaluation will sponsor a series of breakfast meetings to discuss the space station Freedom and related topics.

Other continued...

8am 188 Russell Bldg **June 6**

Contact: Margaret Roberts at 391-6414

Note: This event is for members of Congress and staff only.

EMPLOYEE BENEFITS

Manufacturers' Alliance for Productivity and Innovation will sponsor a conference on "New Trends in Employee Benefits."

Crystal City Marriott Hotel, Arlington, Va **June 7 & 8**

Contact: Mary Louise Shaffer or Frank Holman at 331-8430

LONG-TERM HEALTH CARE

American Health Care Association will hold a conference to discuss long-term health-care issues.

8:30am to Noon Hyatt Regency Capitol Hill **June 11, 12 & 13**

Contact: Norma Blankenship at 898-2836

Agenda (partial):

June 12:

Keynote speaker - Gail Wilensky, adminr, Health Care Financing Admin

Legislative update - Paul Willging

Effective lobbying seminar - David Rehr, Natl Fedn of Indpt Businesses

June 13:

Keynote speaker - Sen Packwood, R-Ore; Rep Stark, D-Calif

Panel on long-term care - Joseph Califano, former HEW secy; Judith Feder, Mary Harper, Margo Vignola; George Will (moderator)

Note: There is a \$250 charge for this event.

HUMAN RESOURCE ISSUES

National Association of Manufacturers will sponsor a conference on human resources legislation currently pending in Congress, including child care, civil and disability rights, pension issues and parental leave.

Ramada Renaissance Techworld 999 Ninth St NW **June 11 & 12**

Contact: Monica Gliva at 637-3126

UNDERSTANDING CONGRESS

Congressional Quarterly will sponsor a seminar on "Understanding Congress."

8:30am to 1pm, Quality Hotel Capitol Hill, 415 New Jersey Ave NW **June 12**

Note: There is a charge of \$195 for this event. For information and registration call Irene Cuffy at 887-8620.

RESEARCH WORKSHOP ON CONGRESS

Congressional Quarterly will sponsor a research workshop on Congress.

8:30am to 1pm, Congressional Quarterly, 1414 22nd St NW **June 13**

Note: There is a charge of \$195 for this event. For information and registration call Irene Cuffy at 887-8620.

AMERICAN BUSINESS & GLOBAL ENVIRONMENT

American Foreign Service Association will sponsor a conference on the global environment to discuss business and governmental collaboration on environmental issues.

State Dept (23rd St entrance) **June 14**

Contact: Brian Hennessey (202) 338-4045

Agenda (partial):

9am: Carl Sagan - scientist, Cornell Univ

1pm: Luncheon address: Legislative Incentives to Environmental Consciousness, Sen Wirth, D-Colo

★ ENVIRONMENTAL LIABILITY

Women in Government Relations will sponsor a discussion on insurance of environmental liability. Legislative alternatives that may be included in a revision of the Resource Conservation and Recovery Act will be discussed.

8:30am to 10am, Bell Communications, 2101 L St NW **June 15**

Contact: Ann Hadley vom Eigen at 861-6977

Note: There is a charge for this event of \$15 for members and \$25 for non-members.

OPENING CONSTRUCTION MARKET IN JAPAN

Asian Studies Center of the Heritage Foundation will sponsor a policy forum on the barriers facing American construction firms in their efforts to gain access to the Japanese market and the current state of negotiations between the United States and Japan on the subject.

9:30am to noon, Lehrman Aud of the Heritage Foundation, 214 Mass Ave NE **June 19**

Contact: Daniell Doane at 546-4400 ext 381

Participants: Sen Murkowski, R-Alaska - keynote

PANEL: Roger Brooks - dir, Asian Studies Ctr;

Franco Eleuteri - dir, Asia Operations, The Austin Co;

Yasumasa Nagamine - first secy, Embassy of Japan;

Hajime Sako - chmn, Japanese Fedn of Construction Contractors;

Maureen Smith - dpty asst secy of Commerce for Japan;

Donn Smith - vpres, Morrison-Knudsen Internatl

CONGRESS & LEGISLATIVE PROCESS

Congressional Quarterly will sponsor a seminar on "Congress and the Legislative Process."

8:30am to 4pm, Washington Marriott Hotel, 1221 22nd St NW **June 20**

Note: There is a charge of \$275 for this event (includes lunch). For information and registration call Irene Cuffy at 887-8620.

FEDERAL REGULATORY PROCESS

Congressional Quarterly will sponsor a seminar on the federal regulatory process.

8:30am to 4pm, Washington Marriott Hotel, 1221 22nd St NW **June 21**

Note: There is a charge of \$295 for this event (includes lunch). For information and registration call Irene Cuffy at 887-8620.

Status of Appropriations

Week of May 21

FULL COMMITTEE

House 225-2771; Senate 224-3471

FY90 SUPPLEMENTAL APPROPRIATIONS

Bill No:	HR 4404
House Full Cmte reported	March 27 (HRpt 101-434)
Senate cmte reported	April 24 (SRpt 101-272)
Passed House:	April 3
Passed Senate:	May 1
Conferees appointed in House:	May 4
Conferees appointed in Senate:	May 1
Conf rpt filed:	May 23 (HRpt101-493)

AGRICULTURE

House: 225-2638; Senate: 224-7240

House subcmte hearings completed: March 30
Senate subcmte hearings completed: April 4

COMMERCE, JUSTICE, STATE, & THE JUDICIARY

House: 225-3351; Senate: 224-7277

House subcmte hearings completed: April 3
Senate subcmte hearings completed: May 2

DEFENSE

House: 225-2847; Senate: 224-7255

House subcmte hearings completed: May 8

DISTRICT OF COLUMBIA

House: 225-5338; Senate: 224-7236

ENERGY & WATER DEVELOPMENT

House: 225-3421; Senate: 224-7260

House subcmte hearings completed: April 4
Senate subcmte hearings completed: May 3

FOREIGN OPERATIONS

House: 225-2041; Senate: 224-7209

House subcmte hearings completed: April 4

INTERIOR

House: 225-3081; Senate: 224-7233

LABOR/HHS/EDUC

House: 225-3508; Senate: 224-7283

House subcmte hearings completed: May 1
Senate subcmte hearings completed: March 29

LEGISLATIVE BRANCH

House: 225-5338; Senate: 224-7338

House subcmte hearings completed: Feb 8
Senate subcmte hearings completed: April 6

MILITARY CONSTRUCTION

House: 225-3047; Senate: 224-7255

House subcmte hearings completed: March 29
Senate subcmte hearings completed: April 2

TRANSPORTATION

House: 225-2141; Senate: 224-7245

House subcmte hearings completed: April 26
Senate subcmte hearings completed: May 16

TREASURY/POSTAL SERVICE

House: 225-5834; Senate: 224-6280

House subcmte hearings completed: April 4

VA, HUD & INDEPENDENT AGENCIES

House: 225-3241; Senate: 224-7211

House subcmte hearings completed: May 3

House Floor Action

Week of May 21

Monday, May 21:

- HR 4252 **Authorize the secretary of the Air Force to purchase certain property at Pease Air Force Base, NH**
BENNETT substitute amendment, agreed to by voice
- HR 3030 **Provide for the attainment and maintenance of the national ambient air quality standards, the control of toxic air pollutants, the prevention of acid deposition, and other improvements in the quality of the nation's air** began general debate
- Under suspension of the rules
S 286 **Petroglyph Natl Monument Establishment Act** began consideration (debate completed, vote on final passage scheduled for Tuesday)
- H Con Res 324 **Regarding Burmese Elections** passed by voice
- H Res 393 **Concerning the First Anniversary of the Tianamen Square Massacre** passed by voice

Tuesday, May 22:

- HR 2273 **Establish a clear and comprehensive prohibition of discrimination on the basis of disability**
[continued from May 17]
JUDICIARY COMMITTEE substitute amendment, as amended, agreed to by voice
- LIPINSKI amendment to JUDICIARY COMMITTEE substitute amendment to exempt commuter rail services from the requirement that all new rail cars purchased or leased must be readily accessible to and usable by persons with disabilities if the commuter rail service provided at least one car per train accessible to those with disabilities within 5 years, rejected by 100-290
- SHUSTER amendment to JUDICIARY COMMITTEE substitute amendment to exempt fixed-route public transit systems in urbanized areas with less than 200,000 from the requirement that new vehicles be accessible to persons with disabilities, rejected by 148-266
- SENSENBRENNER amendment to JUDICIARY COMMITTEE substitute amendment to provide that the victims of job discrimination based on a disability would be entitled only to remedies currently available under title VII of the Civil Rights Act of 1964, rather than any future expanded remedies, rejected by 192-227 (modified)
- DeLAY motion to recommit the bill to the COMMITTEE on RULES with instructions to report it back forthwith containing an amendment to provide that an employer could take into consideration an individual's history of drug addiction or alcoholism before assigning or continuing to assign such individual to a safety sensitive position, and to extend the application of the purposes of the Act in their entirety to the executive and judicial branches of the federal government, rejected by 143-280
- HR 2273, as amended, passed by 403-20

HOYER motion to strike all after the enacting clause of the Senate companion measure, S 933, and insert in lieu thereof the provisions of the bill, HR 3030, as amended, agreed to by voice

S 933, as amended, passed by voice

Subsequently, HR 2273 was laid on the table.

Petroglyph National Monument Establishment Act

[continued from May 21]

S 286, as amended, passed by 415-0 (suspension of the rules - 2/3's vote required) (title amended)

Authorize supplemental economic assistance for fiscal 1990 to support democracy in Panama and Nicaragua, and for other purposes

Rule, H Res 395, agreed to by 305-108

FASCELL en bloc amendment to strike provisions which repealed the existing cap setting most fiscal 1990 State Department and USIA funds at fiscal 1989 levels or lower and which removed the current law requirement that funds for the Board for International Broadcasting cannot be provided without prior authorization; provided that the \$7.3 million authorized for the US pavilion at the World's Fair in Seville, Spain, also be spent for the US pavilion at the World's Fair in Genoa, Italy; authorized \$10 million in fiscal year 1991 funds for the creation of a North-South Center in Florida; provided the Defense Department with the authority to finance the leasing of up to 11 Huey helicopters to Bolivia and Peru for anti-narcotics purposes; and restored the administration's authority to transfer up to 10 percent of military aid to economic aid accounts, agreed to by voice

KOSTMAYER amendment to require that 50 percent of the aid for Panama be withheld until Panama signs an agreement with the US providing for the sharing of records for investigations into the laundering of drug-related funds through financial institutions, agreed to by voice

DREIER of Calif amendment to add 3 additional items to the list of cooperative steps taken by the Endara government to control money laundering in Panama: signing of a counter-narcotics agreement; establish legal requirements for information for regulatory and legal authorities; and signing of the United Nation Against Illicit Narcotics Trafficking, agreed to by voice

BROOMFIELD amendment to provide substitute provisions on El Salvador that would permit the president to determine whether certain specified actions by the Salvadoran government have occurred that warrant withholding military aid, and would have provided funds and programs for the military, the police, a Judicial-Democratization program, and national reconciliation, rejected by 175-243

MOAKLEY amendment to provide substitute provisions to those in the bill providing additional conditions on FMLN and Salvadoran military attacks on civilians, requiring the Salvadoran president to control military aid, authorizing election monitoring funds, and requir-

House Floor continued...

ing additional information for the presidential report to Congress, agreed to by 250-163

S J Res 231 HR 4636, as amended, rejected by 171-244
Designate the week of June 10, 1990, through June 16, 1990, as "State-Supported Homes for Veterans Week" passed by voice
S J Res 231 is cleared for the president.

Wednesday, May 23:

HR 3030 **Provide for the attainment and maintenance of the national ambient air quality standards, the control of toxic air pollutants, the prevention of acid deposition, and other improvements in the quality of the nation's air**
 [continued from May 21]
 Rule, H Res 399, agreed to by 317-105

(modified)

Earlier, the House agreed, by a 312-106 vote, to order the previous question on consideration of the rule.

ENERGY COMMITTEE substitute amendment, as amended, agreed to by voice

DINGELL en bloc amendments to ENERGY COMMITTEE substitute amendment to provide compromise language regarding the protection of air quality in national parks, the accidental release into the air of hazardous pollutants, reformulated gasoline standards, and transportation provisions submitted by the PUBLIC WORKS COMMITTEE, agreed to by voice

ROE amendment to ENERGY COMMITTEE substitute amendment that extends air pollution research programs within the EPA so that the effects on air pollution and acid rain on human health and the environment will continue to be explored; and requires research to be continued regarding the effect of alternative fuels and pollution control technologies, agreed to by voice (modified)

DYMALLY amendment to ENERGY COMMITTEE substitute amendment to provide that the EPA administrator require that not less than 10 percent of any research relating to the requirements made by the Clean Air Act amendments be conducted by a disadvantaged business concern; and prohibits the use of eligibility quotas, agreed to by voice (modified)

ROSTENKOWSKI en bloc amendments to ENERGY COMMITTEE substitute amendment to eliminate provisions requiring certain fees and charges, rejected by 170-253

WISE amendment to ENERGY COMMITTEE substitute amendment that authorizes \$250 million for a "Clean Air Employment Transition Assistance" program to be disbursed over a 5-year period, providing those workers who become unemployed or suffer a reduction of hours as a result of the provisions of the bill with two years of retraining and up to six months of unemployment benefits, agreed to by 274-146

SIKORSKI amendment to ENERGY COMMITTEE substitute amendment that extends the 5-year/50,000 mile warranties on "major" auto emission control devices to 8-year/80,000 mile warranties, agreed to by 239-

180

DINGELL amendment to ENERGY COMMITTEE substitute amendment to provide that modified facilities would only be subject to new source Maximum Achievable Control Technology (MACT) standards if the modification increases hazardous emissions by more than a de minimis amount of emissions of a pollutant that was not previously emitted from the facility; and strikes language stating that MACT must be at least as stringent as the emission controls achieved in practice by the best controlled similar source, and establishes instead a "floor" on MACT, requiring that it must be no less stringent, and may be more stringent, than the average emission limitation achieved by a certain number of the best-performing sources in the same industry, agreed to by voice

DINGELL amendment to ENERGY COMMITTEE substitute amendment that requires complete elimination of the most destructive chemicals that destroy the ozone layer by mid-2000 and less destructive types of chemicals by the beginning of 2020; but does not permit the limited use of these substances for medical purposes, aviation safety, and fire suppression, agreed to by 416-0

DINGELL amendment to ENERGY COMMITTEE substitute amendment that would require EPA to establish regulations to control air pollution from offshore oil and gas platforms on the Outer Continental Shelf located offshore of the states along the Pacific and Atlantic Coasts and the Gulf Coast off Florida, comparable to those governing emission sources in corresponding onshore areas; expands the bill's requirements for an EPA study on airborne toxic effects on coastal waters; and requires the Interior Department to issue regulations to limit emissions of air pollutants from OCS platforms of California only, while requiring a similar study over 3 years on the impact of OCS emissions on ozone and nitrogen dioxide non-attainment areas of the Gulf of Mexico, agreed to by 411-5

DINGELL amendment to ENERGY COMMITTEE substitute amendment that modifies the clean fuel provisions in the bill, agreed to by 405-15

COOPER amendment to ENERGY COMMITTEE substitute amendment that directs the EPA to promulgate regulations requiring monitoring and reporting of carbon dioxide emissions of electric utility power plants subject to the acid rain provisions of the bill, agreed to by voice

HR 3030, as amended, passed by 401-21

DINGELL motion to strike out all after the enacting clause of the Senate companion measure, S 1630, and insert in lieu thereof the provisions of HR 3030 as passed by the House

S 1630, passed by voice (title amended)

DINGELL motion pursuant to the Rule to insist on the House amendments to S 1630 and request a conference with the Senate, agreed to by voice

Subsequently, HR 3030 was laid on the table.

S Con Res 133 **Concurrent resolution providing for the use of the Capitol Rotunda** agreed to by voice

S Con Res 133 has now cleared both chambers.

House Floor *continued...*

Thursday, May 24:

HR 4404 **CONFERENCE REPORT: Dire emergency supplemental appropriations for disaster assistance, food stamps, unemployment compensation administration, and other urgent needs, and transfers, and reducing funds budgeted for military spending for the fiscal year ending September 30, 1990** began consideration

Friday, May 25:

The House hoped to complete action on the conference report to HR 4404, FY90 supplemental appropriations, and adjourn until Tuesday, June 5. If action on the conference report was not completed Thursday, the House may be in session today.

Senate Floor Action

Week of May 21

Monday, May 21:

S 1970 **Omnibus crime legislation** began consideration
S Res 289 **Direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in United States ex rel Rudd, et al General Contractors, Inc, et al** agreed to by voice

Tuesday, May 22:

S 1970 **Omnibus crime legislation**
[continued from May 21]
METZENBAUM amendment 1676 to define the term assault weapon and to ban the sale of large-capacity magazines, tabled by 82-17
HATCH amendment 1681 to strike provisions that would prohibit the manufacture, sale, and possession of certain semi-automatic (assault) weapons, pending at recess
MITCHELL unanimous consent to provide for further consideration of above HATCH amendment 1681, with a vote, to occur on May 23
MITCHELL unanimous consent providing for consideration of certain additional amendments to be proposed to Title II of the bill
[continued May 23]
S 1413 **Settle all claims of the Aroostook Band of Micmacs resulting from the band's omission from the Maine Indian Claims Settlement** passed by voice
S 2354 **Amend the Housing and Community Development Act of 1974 to make technical corrections for grants to Indian tribes, and for other**

HR 644

purposes passed by voice
Designate segments of the East Fork of Jemez and Pecos rivers in NM as components of the National Wild and Scenic Rivers System passed by voice

HR 644 is now cleared for the president.

S 2088

Amend the Energy Policy and Conservation Act to extend the authority for titles I and II, and for other purposes

ENERGY COMMITTEE substitute amendment, agreed to by voice

S 2088, as amended, passed by voice

HR 1159

Designate Juan Bautista de Anza National Historic Trail, and for other purposes; with an amendment

ENERGY COMMITTEE substitute amendment, agreed to by voice

HR 1159, as amended, passed by voice

S 2388

Yosemite National Park Centennial Medal Act

BANKING COMMITTEE substitute amendment, as amended, agreed to by voice

McCLURE amendment 1682 to BANKING COMMITTEE substitute amendment to establish procedures for the minting of silver coin proof sets, agreed to by voice

S 2388, as amended, passed by voice

Wednesday, May 23:

S 1970

Omnibus crime legislation

[continued from May 22]

HATCH amendment 1681 to strike provisions that would prohibit the manufacture, sale, and possession of certain semi-automatic (assault) weapons, rejected by 48-52

DOLE motion to reconsider the vote by

Senate Floor *continued...*

which above HATCH amendment 1681 was agreed to, rejected by 49-50

GRAHAM amendment 1686 to provide for reform of habeas corpus procedures, agreed to by voice

THURMOND amendment 1687 to provide special habeas corpus procedures in capital cases, rejected by 47-50

MITCHELL unanimous consent providing for the Senate to vote on reconsideration of the THURMOND amendment 1687, with a vote to occur May 24

THURMOND amendment 1690 to add a "right vs. wrong" standard to the term mentally retarded, pending at recess

MITCHELL unanimous consent providing for the Senate to vote on THURMOND amendment 1690 on May 24

[continued May 24]

S 2075 **Indian Environmental Regulatory Enhancement Act of 1990**

INDIAN AFFAIRS COMMITTEE amendments, agreed to by voice

S 2075, as amended, passed by voice

Thursday, May 24:

S 1970 **Omnibus crime legislation** continued consideration

Friday, May 25:

Schedule uncertain

The Senate hoped to complete action on the conference report to HR 4404, FY90 supplemental appropriations, and adjourn until Tuesday, June 5. If action on the conference report was not completed Thursday, the Senate may be in session today.

CQ EXEU-20500-00A 20500
WHITE HOUSE OFFICE
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CONGRESSIONAL MONITOR



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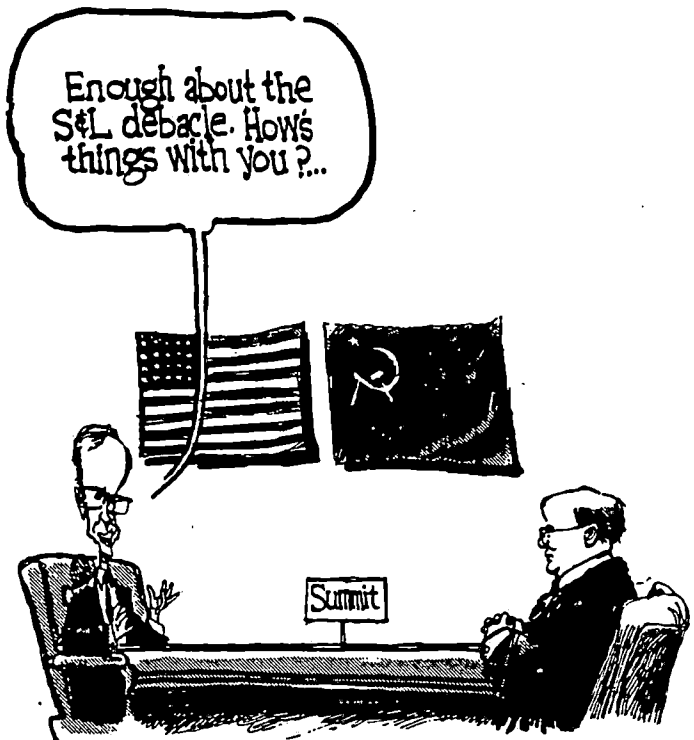
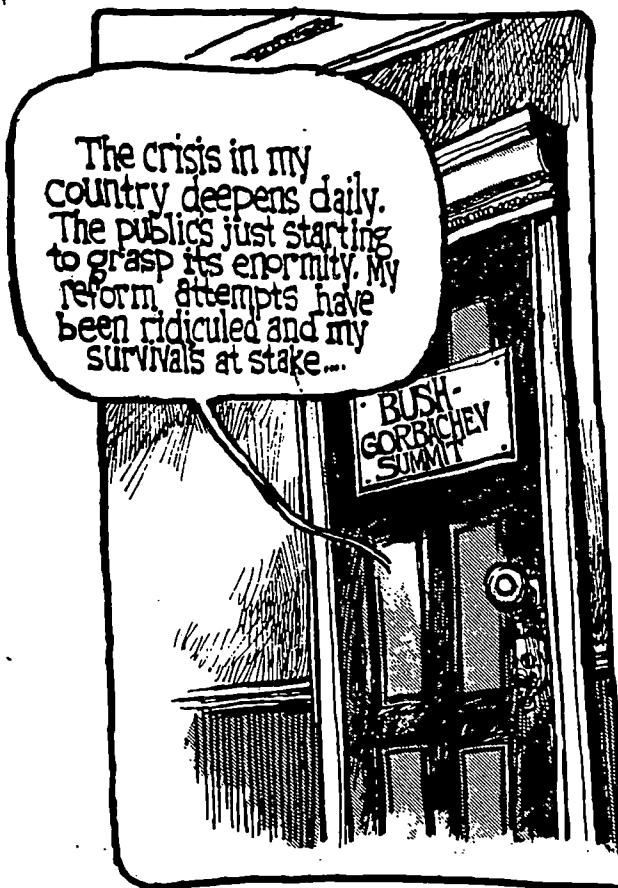
Friday Follies



- a look at politics through the eyes of the political cartoonist -

"I don't care a straw for your newspaper articles. My constituents don't know how to read. But they can't help seeing them damned pictures."
(William Marcy Tweed speaking of Thomas Nast, 1871)

WHITE HOUSE NEWS SUMMARY SPECIAL EDITION
VOLUME II ISSUE 21 -- May 25, 1990



JUST LET ME
KNOW IF YOU
THINK WE'RE
OVERDOING IT.....



NEXT, WE HAVE A VINYL SIDING SALES
REP FROM SAUK CENTRE WHO WOULD
LIKE A CHANCE TO PRESENT GORBACHEV
WITH SAMPLES OF THEIR LATEST LINE.



DON'T HAVE
A COW, MAN!!!



APOLOGIES TO MATT GROENING
MIKE SMITH
CROSSING GASSUNORTHWAYER, SYNDICATE LTD



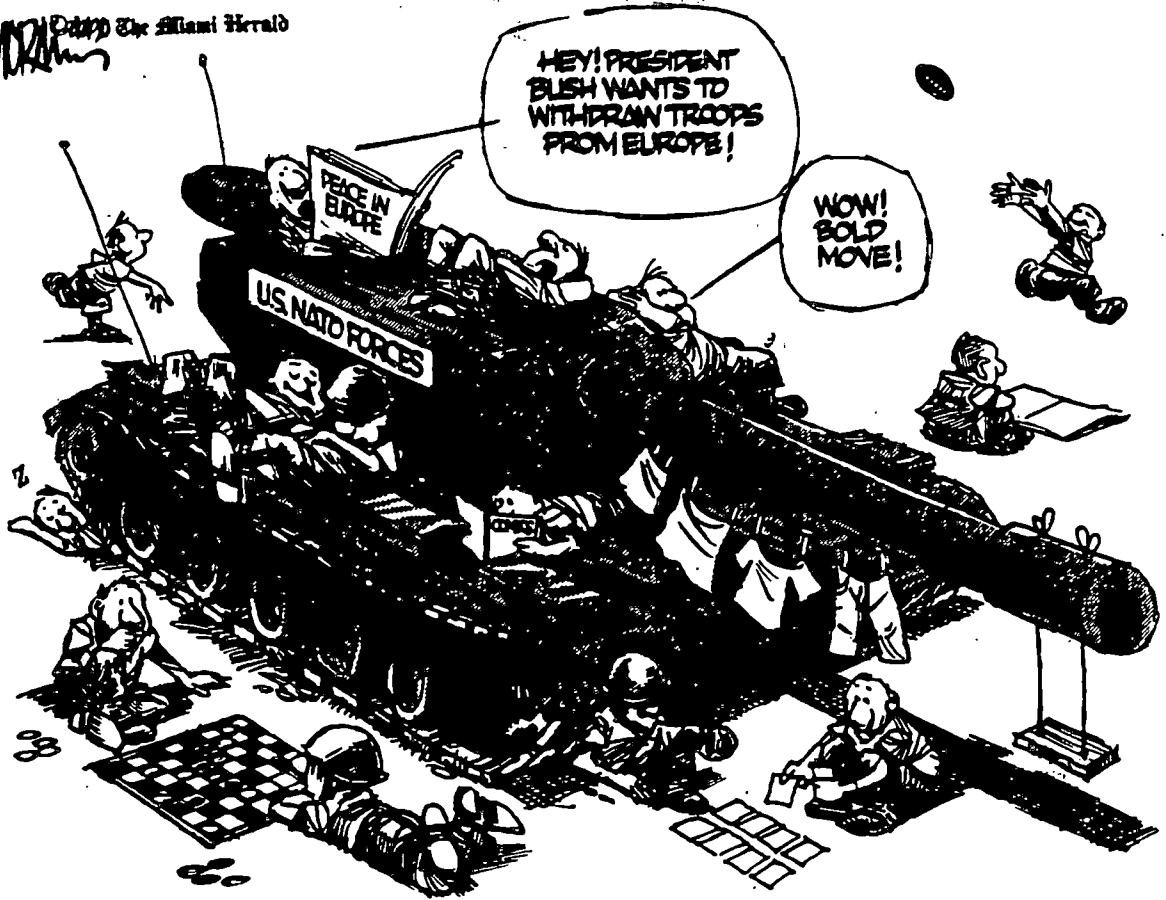
HORSEY ©1990 SEATTLE
POST-INTELLIGENCER
NORTH AMERICA SYNDICATE

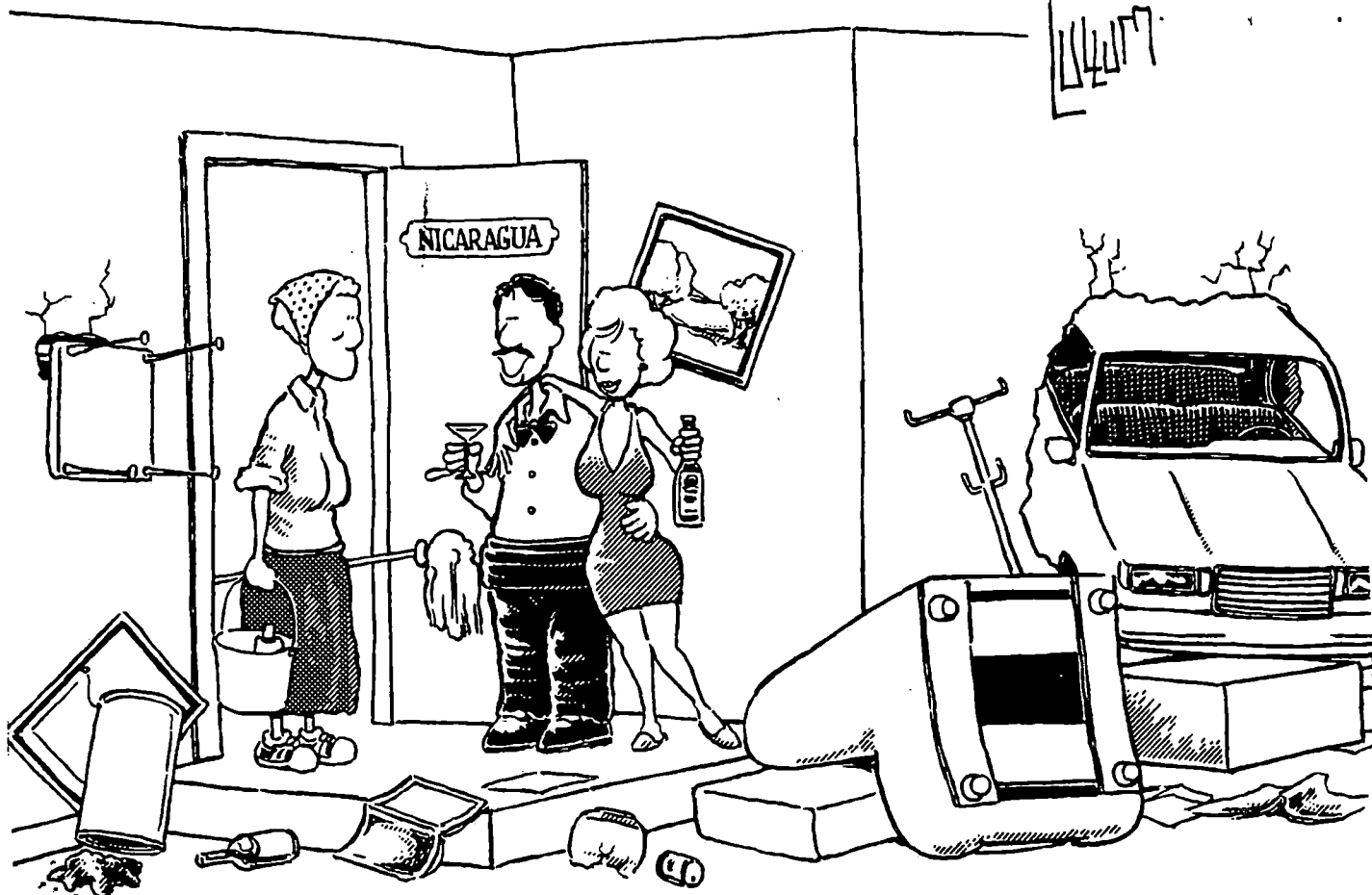
...WHERE HAVE ALL
THE COMMIES GONE...?
♪ THEY'RE OUT
VO-O-O-TING...



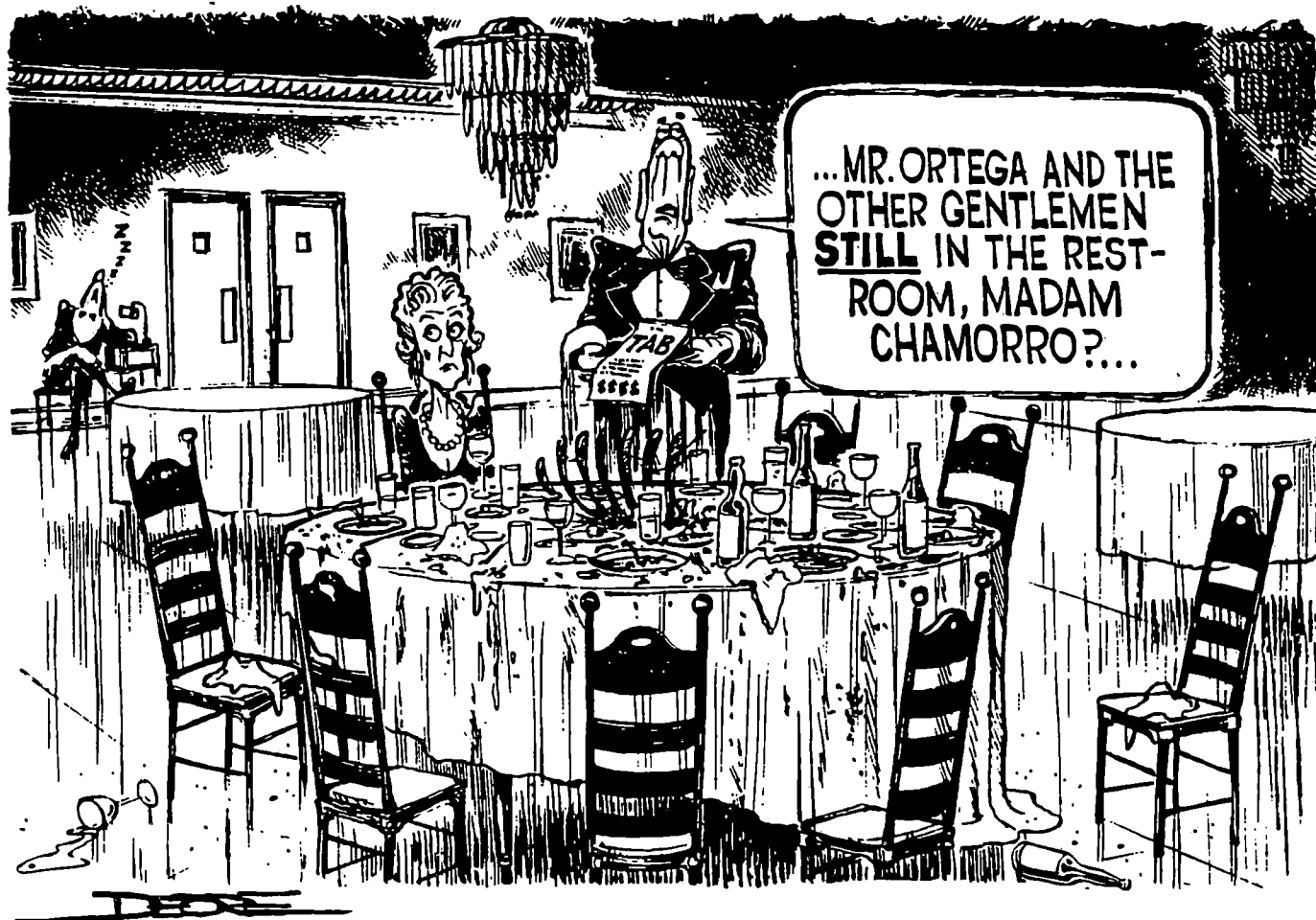
PRIVATIZATION AT THE OCTOBER REVOLUTION CASTING WORKS

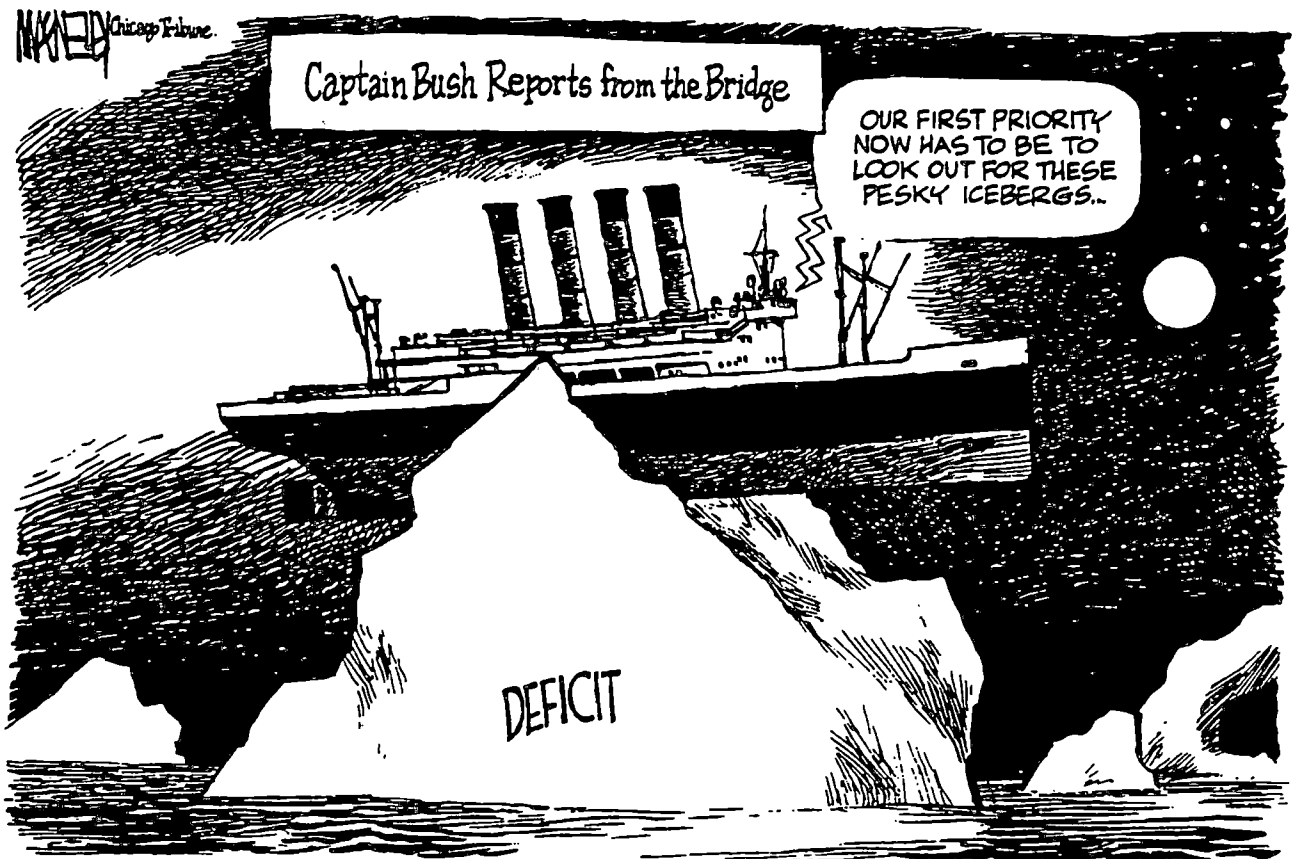






"IF YOU NEED ANYTHING, VIOLETA, WE'LL BE ON STRIKE."

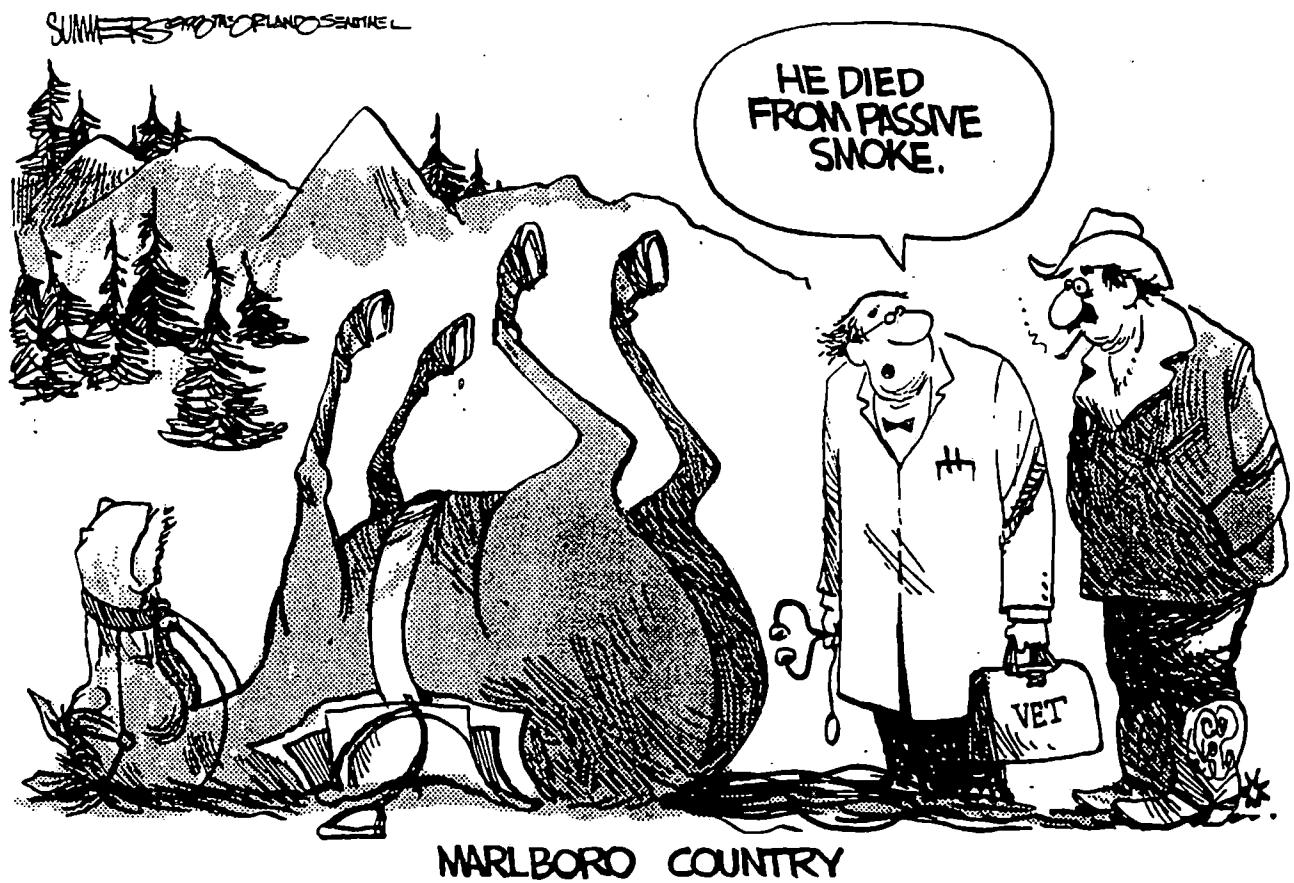
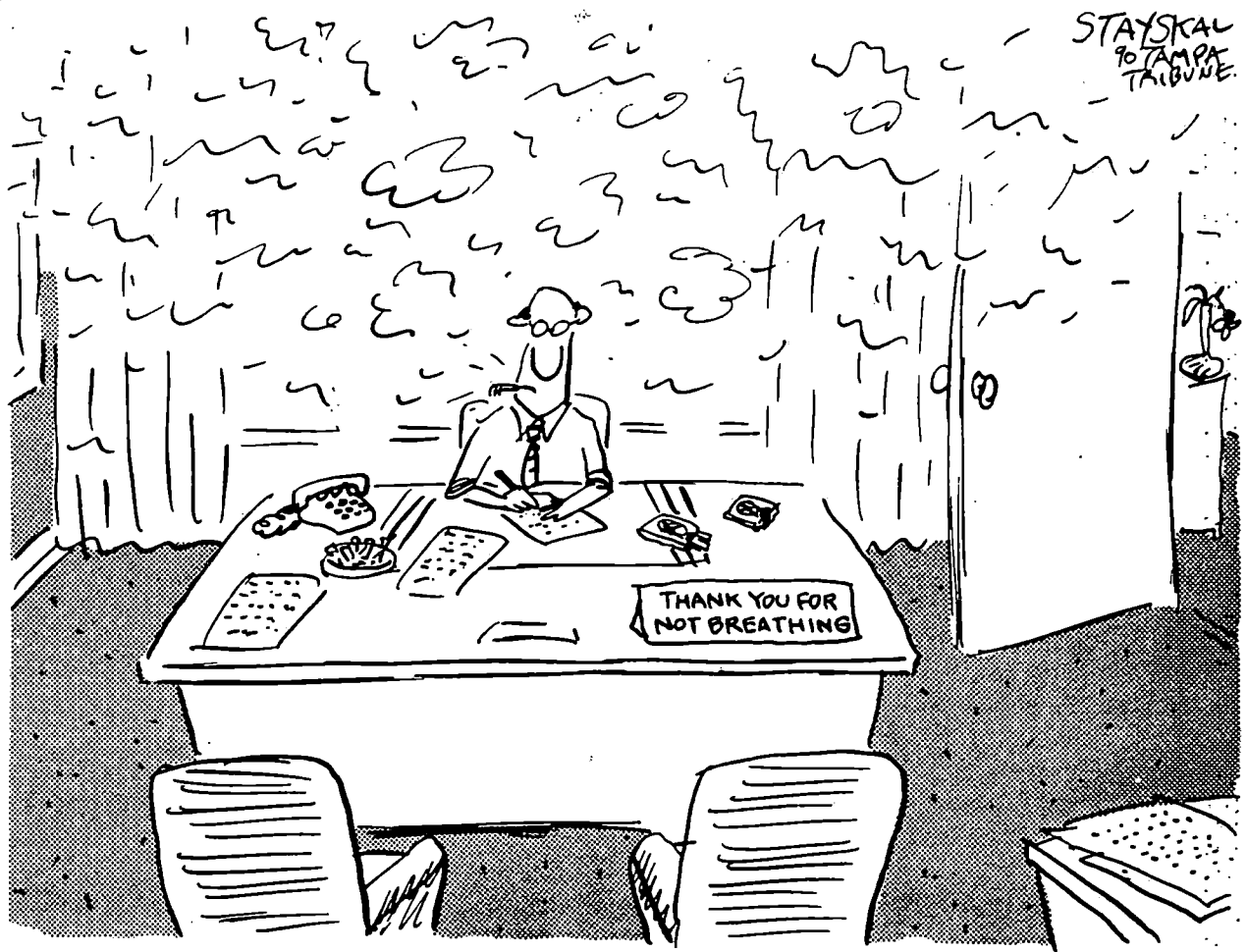






'I have \$500 billion for this priceless 20th-century sleazeball . . . \$500 billion. . . Do I hear \$550 billion? 550! I have 550. . . Do I hear 600? . . .

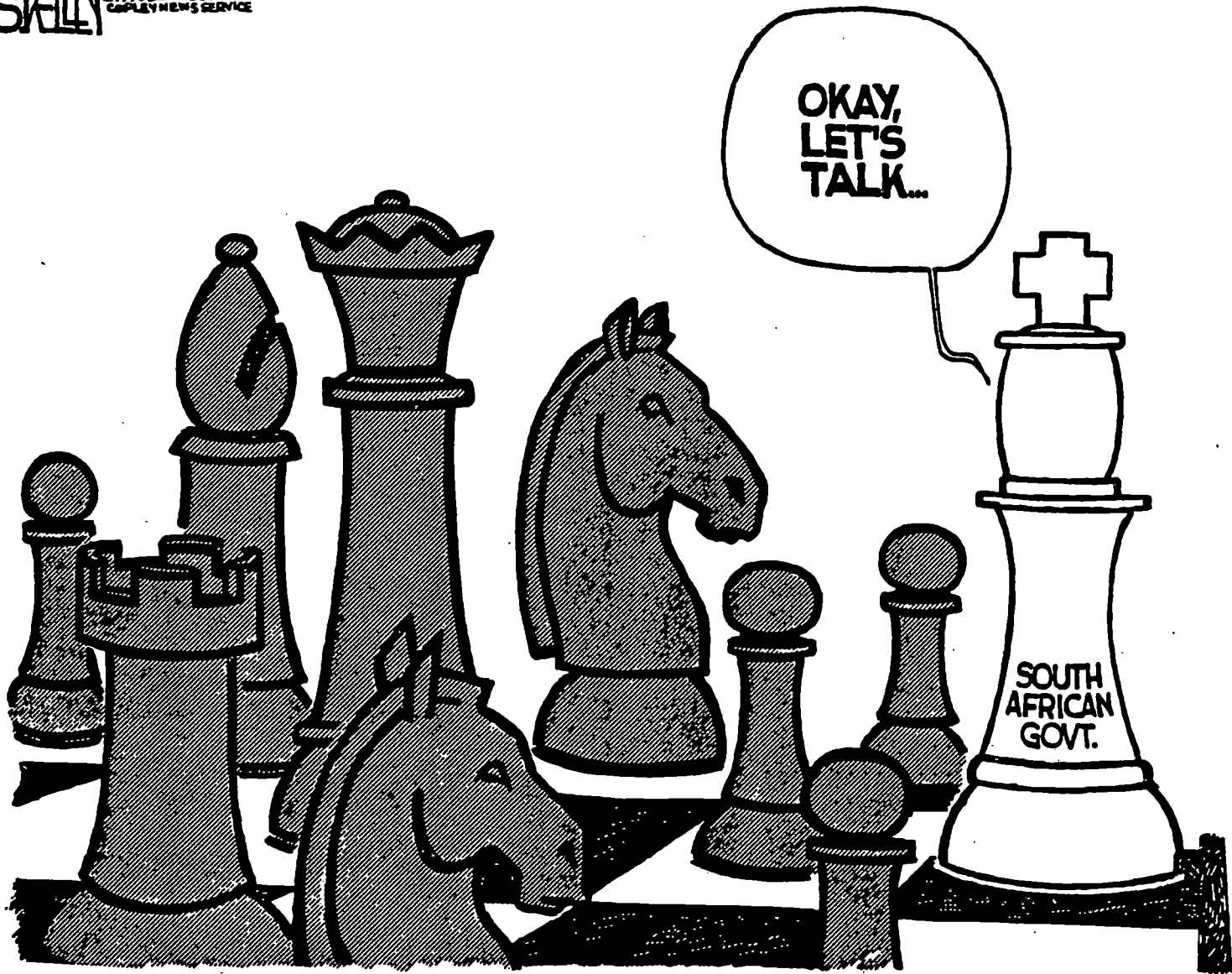


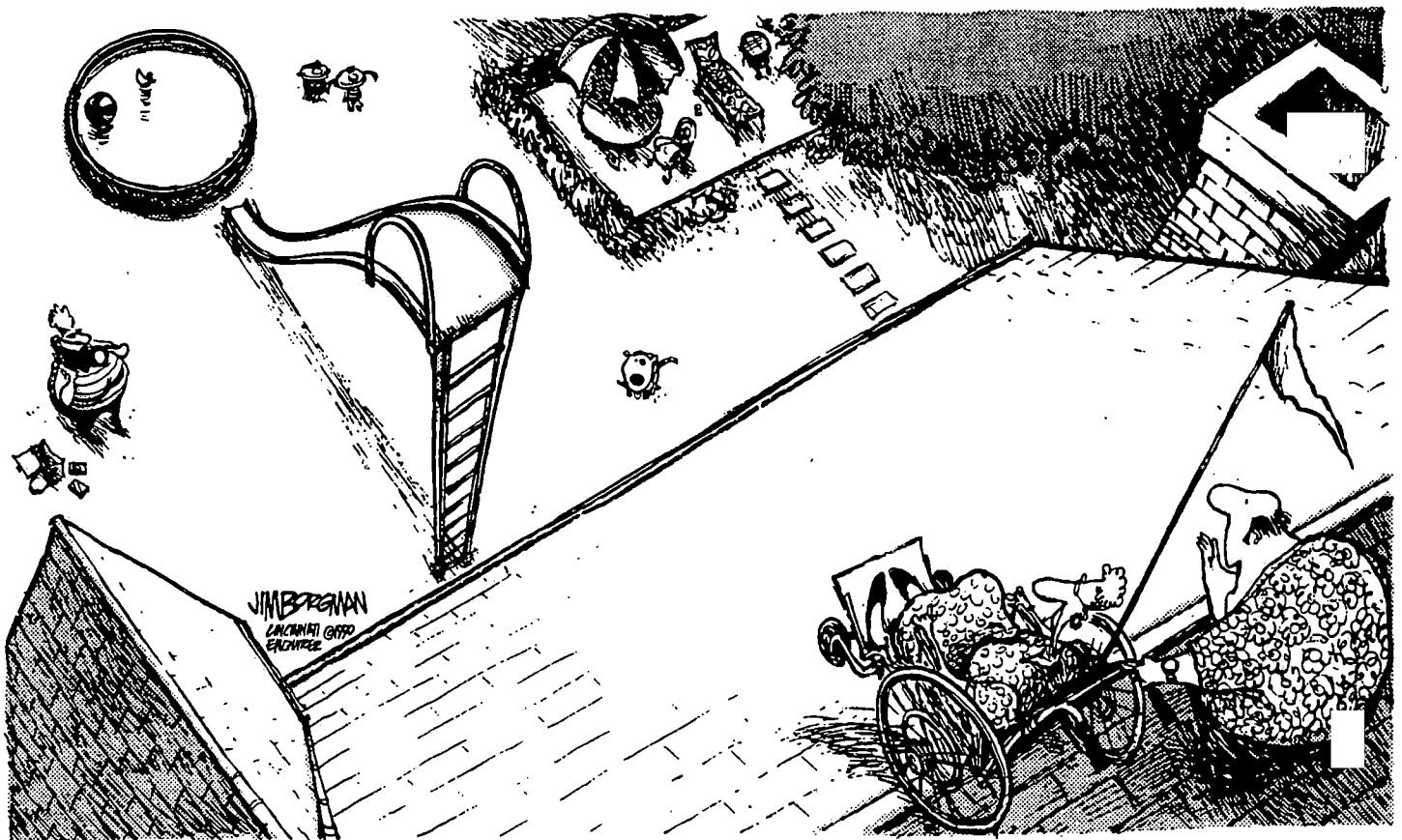




SCHORR/from the Kansas City Star

'Actually, it's the only artwork Jesse Helms and Congress would allow the National Endowment for the Arts to fund.'





"OK, ROLL 'EM, HONEY! THIS OUGHT TO GET US ON 'AMERICA'S FUNNIEST HOME VIDEOS' FOR SURE!"

CAN ANYONE
GET INTO
HEAVEN?

THE
CANDY MAN
CAN-



LECHER

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The White House
Office of Public Affairs

THE WHITE HOUSE

WASHINGTON

May 25, 1990

MEMORANDUM TO PUBLIC AFFAIRS DIRECTORS

FROM: CHRISS WINSTON *W*
DEPUTY ASSISTANT TO THE PRESIDENT FOR COMMUNICATIONS

SUBJECT: WEEKLY PACKAGE

In this week's package, you will find copies of the President's remarks to the following events: the University of Texas Commencement, a fundraiser for David Frohnmayer of Oregon, an Oakland, California "Points of Light" event, remarks to the Council of the Americas, a ceremony highlighting World Trade Week, and a ceremony celebrating the 25th anniversary of Head Start.

For further information please contact Kristen Gear at 456-2930.

AT THE WHITE HOUSE.....

Thursday, May 31

President Bush welcomes Soviet President Gorbachev to the White House for the U.S.- Soviet Summit. The two President's will hold meetings during the day and President and Mrs. Bush will host a State Dinner for President and Mrs. Gorbachev in the evening.

Friday, June 1

President Bush and Soviet President Gorbachev will continue to hold meetings during the day. In the afternoon, there will be a signing ceremony for U.S.- Soviet agreements. The Official Return Dinner for President and Mrs. Bush will be hosted by President and Mrs. Gorbachev at the Soviet Embassy, in the evening.

Saturday, June 2

President and Mrs. Bush will host President and Mrs. Grobachev at Camp David for the day.

Sunday, June 3

President Bush and President Gorbachev will hold a joint press conference to bring the Summit to a close.

AT THE AGENCIES.....

AGRICULTURE:

On June 2, Secretary Yeutter will travel to Santa Clara, California to deliver a commencement address at Santa Clara University.

COMMERCE:

May 27-28, International Trade Administration officials will travel to Yugoslavia and Poland to meet on various trade and economic development issues.

EDUCATION:

On May 29, Secretary Cavazos will address a dinner of the National Health/Education Consortium, a program sponsored by the Education Department, HHS, the Irving Harris Foundation and the Pillsbury Foundation. Secretary Sullivan will also address this group. On May 31, Cavazos will travel to Tucson, Arizona to address a conference on dropout prevention sponsored by the Arizona chapter of the League of United Latin American Citizens. June 1-2, Cavazos will travel to Idaho. In Caldwell on May 2, Cavazos will deliver a commencement address at the College of Idaho.

ENERGY:

On May 29, Secretary Watkins will travel to Portsmouth, Ohio to tour the Department's gaseous diffusion facility, used for uranium enrichment. Watkins will be accompanied by Senator John Glenn and Congressman Bob McEwen. Later Watkins will meet with local community leaders and educators.

HEALTH AND HUMAN SERVICES:

May 28-29, Secretary Sullivan will travel to New Mexico. In Santa Fe on May 28, he will visit an Indian health clinic to address the importance of the Indian Health Service and health care for minorities. In Albuquerque on May 29, Sullivan will address the New Mexico Health Conference. On May 31, Sullivan will be interviewed for the Saturday Evening Post. On June 1, Sullivan will travel to Ann Arbor, Michigan to deliver a commencement address at the University of Michigan Medical School. On June 2, Sullivan will travel to New Orleans, Louisiana to deliver a commencement address at Tulane University Medical School.

HOUSING AND URBAN DEVELOPMENT:

On May 30, Secretary Kemp will travel to Atlanta, Georgia to address a dinner marking the opening of the Glen Castle housing project. On May 31, Kemp will attend the first meeting of the President's Blue Ribbon Commission on Barriers to Affordable Housing.

INTERIOR:

May 29-June 1, Secretary Lujan will travel to Idaho and Montana. Lujan will tour the Birds of Prey Center, a facility established to enhance the recovery of endangered species, in Boise, Idaho and he will address a group of loggers in Kalispell, Montana.

JUSTICE:

On May 29, Attorney General Thornburgh will address a dinner sponsored by the National Legal Center for the Public Interest. The next day a seminar will be conducted at the Department for chief executive officers and counsels of major corporations. On May 30, Thornburgh will travel to Lake of the Ozarks, Missouri to address a law enforcement conference sponsored by the National Executive Institute and the Major City Chiefs.

LABOR:

On May 31, Secretary Dole will address a labor-management conference sponsored by the Department and the Federal Mediation and Conciliation Service, which will be attended by over 1,500 key labor-management policymakers.

STATE:

May 30-June 1, Secretary Baker will participate in Summit activities: he will greet President Gorbachev at Andrews Air Force Base, attend the Summit meetings and brief the press on the results of the Summit.

TRANSPORTATION:

On May 31, Secretary Skinner will address the Coast Guard's change of command ceremony. Admiral Paul Yost will be relieved as Commandant of the Coast Guard by Admiral J. William Kime.

TREASURY:

May 29-31, Secretary Brady will lead the U.S. delegation traveling to Paris for meetings of the Organization for Economic Cooperation and Development (OECD). Secretaries Yeutter and Mosbacher and Ambassador Hills will also attend the OECD meetings and will hold other bilateral meetings with their counterparts. Secretary Brady will also attend a ceremony marking the formation of the European Bank for Reconstruction and Development and a meeting of the G-7 Financial Action Task Force.

UNITED STATES TRADE REPRESENTATIVE:

June 2-10, Ambassador Hills will travel to Asuncion, Paraguay as a Presidential representative to the annual meeting of the Organization of American States. Hills will also travel to Brasilia, Brazil, Buenos Aires and Argentina for bilateral negotiations.

VETERANS AFFAIRS:

On May 29, Secretary Derwinski will address the Ukrainian National Association. May 31-June 2, Derwinski will travel to Alaska with Senator Frank Murkowski. He will conduct meetings with state and local veterans leaders in Ketchikan, Wrangell, Petersburg, Juneau and Fairbanks, address a group of Soviet World War II veterans in Fairbanks, meet with the Ketchikan Chamber of Commerce and hold press briefings in Ketchikan, Juneau and Fairbanks.

REPORTS:

The Department of Agriculture will release the following report:

- May 30, release of the quarterly update to "Outlook for U.S. Agricultural Exports," which sets forth the official forecasts for agricultural trade for FY 1990.

The Department of Commerce will release the following reports:

- May 30, release of the leading economic indicators for April.
- May 30, release of new single family home sale figures for April.
- May 31, release of figures on manufacturers' shipments, inventories and orders for April.
- June 1, release of employment and unemployment data for May.

UPDATE:

- GSA Administrator Austin last week announced that a 10-story former VA clinic in downtown Boston has been assigned to HHS for lease to the Vietnam Veterans Workshop, Inc. The facility will be used to shelter the homeless under the Stewart B. McKinney Homeless Assistance Act. Earlier in the week, President Bush recognized the Workshop as his 142nd "Point of Light" for its efforts in providing a 100-bed shelter for homeless veterans. With the addition of the new facility, the Workshop program will be expanded to include medical care, meals, counseling and 68 single-occupancy rooms for transitional housing.
- The Agency for International Development recently sent two teams of volunteers to Poland to advise the Polish government on the development of its commercial banking system and stock market.

THE WHITE HOUSE

Office of the Press Secretary
(Austin, Texas)

For Immediate Release

May 19, 1990

REMARKS BY THE PRESIDENT IN
UNIVERSITY OF TEXAS COMMENCEMENT ADDRESS

University of Texas
Austin, Texas

THE PRESIDENT: Governor, thank you. Thank you very, very much. Delighted to be here. A magnificent turnout. Thank you all. Governor Clements -- Bill, thank you very much for that gracious introduction. And to you and Rita, my profound thanks. I do view you as friends, and I'm very lucky for that. To Congressman Jake Pickle and Beryl, congratulations, and congratulations on the graduation of your granddaughter Bergen Norris, out here somewhere. And to Chairman Beecherl and Members of this distinguished Board of Regents and to Chancellor Mark --- Mark and President Cunningham, distinguished platform guests, Reverend Bethune, most distinguished faculty of this great University, thank you all.

I'm pleased to be here, and there is nothing like the great outdoors. (Applause.)

For once, it doesn't seem to matter whether you sit on the 50-yard line or not.

And I understand I'm also too late for Eeyore's birthday party. But it's great to be back in Longhorn country, just the same. (Applause.)

I gave my first U.T. commencement address in '73, when I had just completed a tour of duty as Ambassador at the United Nations. And I am pleased to be back. And I am grateful, and indeed honored, by this honorary degree in law. Thank you very much for that high honor, to the regents. (Applause.)

So many great Americans have given this address, including a former Texas public school teacher by the name of Lyndon Johnson, and later, his wonderful wife who served this University as a regent, Lady Bird Johnson. So I consider it the highest honor to once again address the graduates of this great institution.

The ideals of U.T. were born with Texas, when the revolutionaries of 1836 called for "a university of the first class." And Texas began dirt poor, but Texans were rich in land and vision. And so what began as a dream of 40 acres of pasture is now a mini-metropolis housing some of the best schools in America. Nobel and Pulitzer Prize winners rank among your faculty, National Merit scholars lead your students.

So let me say it loud and clear: the first Texans, in a sense, were wrong. This is not just a first-class university. You are graduates of a world-class university. (Applause.)

And if I ever forget this, if I ever should forget that our Secretary of State Jim Baker would remind me and so would our own son Jeb, another proud graduate of this University of Texas.

Your splendid libraries house the manuscripts of Joyce and Hemingway and Beckett. You are justly proud of rare books and folios that resound with the rich voices of Chaucer and the Italian Renaissance, Shakespeare and Spenser.

But a world-class university must have a revered tradition of its own. And so you do. It was near here that J. Frank Dobie held court with other scholars of the Southwest on the beloved

MORE

Paisano Ranch. And it was here that Walter Prescott Webb scrutinized old legends and O. Henry spun new ones.

And since then, students from around the world have become a true part of the University of Texas community, as U.T. has certainly become more of a part of the world. And within this wide world, you can choose to work and succeed in Paris, France or Paris, Texas. In short, you face the best of dilemmas; a wealth of opportunities -- opportunities born of democracy.

In four commencement addresses this spring, I have examined what makes democracy such a special way of life: how democracies refuse to perish by uniting in a strong defensive alliance; how they are strengthened by the rule of law; how freedom empowers people to solve the toughest problems; and how democracy leads to progress and adventure. Tonight, in this for me my final commencement address of the year, I want to discuss the personal side of democracy: what it offers us and what we can make of it.

To graduate from college in America is to be as free as any man or woman can be. And now, for the first time in half a century, a new generation in Eastern Europe is reveling in freedom; throwing their caps in the air and shouting to the high heavens because finally they are free to live where they want and free to be what they want. From Austin, Texas to Berlin to Budapest, we live during a remarkable moment in world history, an exhilarating time -- the triumph of freedom. (Applause.)

But freedom has a constant companion: challenge. And so I am here tonight to challenge you to make the most of our changing world, to live these remarkable times, to take risks, to do something extraordinary.

This is what Jack London was getting at when he wrote: "I would rather be a superb meteor, every atom of me in magnificent glow; than a sleepy and permanent planet. The proper function of man is to live, not to exist."

And of course, you don't have to strike out for the South Seas or the wild country of Alaska like Jack London. But you can make your life an adventure. Next month will be 42 years since my own graduation. And like many of you, I, too, was presented with some choices on my graduation day: further study or maybe a law firm or a bank or the stock market and probably for me in New York or in the East. Honorable interesting professions, all. But the truly great decisions we make in life are rarely logical or practical. They spring right from the heart. And so I packed up, Barbara and I packed and I drove my red Studebaker from the eastern states of our upbringing to the oil fields of West Texas. And we chose a future that would be uniquely our own.

And like most Americans, we were free to live where we pleased, do what we wanted. We came of age at a time when the post-war possibilities of America seemed limitless.

But outside of America back then, the world of free choices was shrinking. Winston Churchill's prediction that an Iron Curtain would sever Europe into two hostile camps was soon fact. An Iron Curtain did cut Eastern Europe from the West, and Germany from itself. And when every brick, every guard tower and every strand of barbed wire was in place, two worlds existed. One of free people and free choice, and one of tyranny and subjugation.

Eventually, millions of men and women were told what to think and study, what job to take and where to live. Imagine, all that drive, talent and imagination misused and wasted. Yet many still held fast to what Barbara Jordan calls "conviction values." Even under the pain of death, they resisted.

This was the conviction Andrei Sakharov, who, you remember, confronted Krushchev with the truth on above-ground nuclear testing. And that's one reason the Soviet people revere his memory

today.

This is the conviction of an electrician from Gdansk who I'm proud to know -- Lech Walesa, who lead the Polish people to freedom.

And it's the conviction of Vaclav Havel of Czechoslovakia, the imprisoned playwright who now leads a great nation.

Let me tell you a little incident about President Havel and a few other brave souls from the East. It was this man that I had the honor of inviting up to the White House residence not so many days ago to see the Lincoln Bedroom. And President Havel was in awe because he knew that this room was really President Lincoln's old office. And it was there that Lincoln worked, deliberated, agonized over a terrible war. But President Havel knew that that room is hallowed for one reason above all -- it was there that President Lincoln signed the Emancipation Proclamation. It was there in that room that he freed a people. And it was there in that room that I saw President Havel moved to tears by the knowledge that freedom's bell was ringing at long last for his beloved Czechoslovakia.

What one man draws from history another finds in music. President Landsbergis of Lithuania, who adopted Beethoven's Ninth Symphony as an anthem for his people's movement, was asked why the strains of Beethoven should resound through the streets and squares of Vilnius. And he replied that it is because the Ninth is a "symphony of freedom and victory against slavery, insidiousness and darkest hatred."

And what one finds in music another finds in words. Consider the case of a man named Cestimir Suchy, a Czech journalist who refused to describe the 1968 Soviet invasion of his country as an act of brotherly love. Mr. Suchy was fired for his honesty. But he was allowed to make a living at a new profession -- washing windows. Ask him for his business card today and it still says Suchy, Window Washer. But this is an example of the man's good humor, for now he has a job with a new title. He is the Dean of Journalism at Prague's Charles University.

Throughout the universities of the East it is the mandarins of Marxist dogma who are now out of work.

Let me tell you one last story -- that of Arpad Goncz of Hungary who came to visit me just yesterday in the Oval Office. Like President Havel, President Goncz is also a playwright. I don't know what it is about playwrights becoming presidents of great countries in Eastern Europe. But a former anti-Facist fighter and newspaper editor, he was sentenced to life imprisonment during the 1956 Revolution. But once released, he persevered as a dissident, and today he leads the Hungarian people as their acting President.

And so the determination of men and women yearning to be free is simply proving tougher than the walls that surround them. Because of their courage, the free world is now more vast than anyone ever dared imagine.

And this is our amazing new world of freedom. And with greater freedom comes greater opportunity -- in the East and the West. Whether you will make your careers in the arts, business, law or science, this can only be good news.

Just this morning, I toured the Houston office of what will be the site of our next economic summit with Canada, France, Great Britain, Italy, Japan and Western Germany. When we meet, it will be more than just a comparison of balance sheets. It will be an act of fellowship between free nations.

These nations stood with us through that long twilight struggle, through the painstaking building of alliances and the endless preparations for a war that must never be. Through the human

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toil and the human toll. The sacrifice of resources that could have been used for gentler ends. And this is what the Cold War has cost Western Europe and America.

But that sacrifice has been rewarded by the most precious gift of all -- the dawn of new freedom and new hope for millions.

Today we see progress on many important fronts. As you know, Secretary Baker has been meeting this week with Soviet leaders to prepare for my summit conference with President Gorbachev beginning May 31. While there is additional work to be done, I think Jim Baker's meetings represent a major step forward. This breakthrough should allow us to reach the important goal that we set in Malta -- completing the major substantive elements of an historic strategic arms reduction treaty.

In addition, we will be able to conclude other arms control measures with the Soviets, including an agreement on dramatic reduction in chemical weapons, as well as technical and commercial agreements. I am confident that the progress that we have made will allow this summit to be another solid step forward in the vital U.S.-Soviet relationship.

Today, as perhaps never before in history, freedom is prevailing throughout the world because freedom works. Freedom is not only right, it's practical. It's not only good, it is better. And it is because of the indomitable spirit of man that the day of the dictator is over.

But there are also many extraordinary men and women to be found right here at home. Like Felicitas Atabong, a student from Cameroon, who tonight will receive a degree in computer science. She just turned 19.

And then there's Maggie Taylor, who graduates tonight with a Bachelor of Fine Arts degree at the age of 70. (Applause.)

Or Irene Burnside, a nurse whose experience goes back to the Army Nurse Corps in the Pacific Theater of World War II. And tonight she earns her PH.D. in nursing with a speciality in gerontology. (Applause.)

But like them, you -- all of you -- have spent years learning. And now is the time as you leave this great university to spend your life doing. Make your Czech or Polish lessons work for the Citizens Democracy Corps. Put your Spanish in service of the Peace Corps. Or work with VISTA right here in our precious United States of America.

Care for the AID babies. Love every child in the hospital corridors of your own backyard in Austin to the beleaguered clinics of Central Africa.

But whatever you do, live a life of adventure and meaning so brilliant that, like a Roman candle, it lights up the world. Dazzle us. Astonish us. Be extraordinary.

Once again, it is a delight to be back. God bless all of you graduates of this great university. And may God bless the United States of America. Hook 'em Horns. Thank you very, very much. Thank you. Thank you all. (Applause.)

END

8:42 P.M. CDT

THE WHITE HOUSE

Office of the Press Secretary
(Portland, Oregon)

For Immediate Release

May 21, 1990

REMARKS BY THE PRESIDENT
AT DAVID FROHNMAYER FOR GOVERNOR
FUNDRAISING BREAKFAST

Grand Ballroom
Portland Hilton Hotel
Portland, Oregon

8:00 A.M. PDT

THE PRESIDENT: Thank you very, very much, Dave, for that wonderful introduction. It's great to be here this morning. It's good to see you, my old friend, Governor Vic Atiyeh. And, of course, Representative Danny Smith, one of our anticrime leaders in the United States Congress.

Lynn -- to Lynn Frohnmayer, Dave's strong right hand. I know she's one of the mainstays of this campaign. I had my picture taken with her family. I think half the audience -- this half -- is all Frohnmayers. (Laughter.) But nevertheless, that's okay. We Bushes understand that. (Laughter.) Thank you, Lynn, for all you do in this cause.

— Oregonians have a wonderful way of making you feel at home. I just had -- we had a receiving line for some who have done an extraordinary amount for this successful event. I said to one most attractive young couple, I said, "Where are you all from?" He said, "Well, we're from eastern Oregon. We're on the frozen vegetable business, but we don't do broccoli." (Laughter.) So I was very grateful for that -- (laughter) -- sensitivity there.

I did want to single out the man who's doing so much to lead the crusade, the fight against narcotics -- Bill Bennett. We had a marvelous event yesterday where we were both privileged to honor the police in Portland. Sometimes, we take for granted their service to communities like Portland, their law enforcement people. So Bill Bennett was with me, and you should know of the confidence I have in him and the gratitude I feel for him every day for leading this all-important national fight against narcotics. (Applause.)

And, of course, it's always a pleasure to join your dynamic Republican leadership. My old friend, Craig Berkman, the Chairman; and Marilyn Shannon; Don Wyant. Frohnmayer Finance Chairman, always dependable, Claris Poppert; Colonel Morelock and, of course, I want to congratulate and pay my respects to, and once again say hello to Norma -- Norma Paulus -- congratulations on your great victory. (Applause.) And I know Norma Paulus will be an outstanding superintendent of public instruction. When it comes to education, I believe you'll make a great team with the next governor of Oregon, Dave Frohnmayer. I think it's going to be good for this state. (Applause.)

You know, Dave is a Texan. If I was wearing that hat, I'd take it off to the Blazers. Couldn't go home to Texas if I did, but nevertheless, I want to salute them. (Applause.) And really, it is great to be back here in Oregon, and a beautiful state. So much to do outdoors. I'd love to get in some fishing while I'm here. The way I fish, we don't have three weeks to spare, however -- (laughter.) But I do remember my last trip with some wonderful adventure, going down one of your most beautiful rivers. But I'm not here today to tell fish stories. I'm here to talk for a few minutes about the future of this state, the future of our great country.

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This November, there's going to be an election to decide what kind of governor will lead Oregon into the 1990s. And I can tell you one thing -- Oregon doesn't need a governor who needs on-the-job training. Oregonians want Dave Frohnmayer, and I'm encouraged by the strong surveys and by the spirit of his campaign.

Dave's a family man. In fact, as I said, I just met three of his five kids -- Katie, Mark and Kirsten; and, believe me, I know campaigners when I see them. One of them -- Kirsten -- is even one step ahead of her old man -- her father. (Laughter.) She was just elected president of her high school student body. And I know how proud Dave is of her and of all of his children.

Dave is a family man and more. A native Oregonian. Rhodes Scholar. Degrees from Harvard, Oxford and Berkeley. Awesome combination there. Professor of law. Forty-nine years old. Six years in the State House of Representatives, and now in his 10th year as Attorney General of this state.

In 1988, he was reelected with no opposition and both parties' nominations, setting the record as the largest vote-getter in Oregon state history by winning nearly a million votes. And all this before breakfast. (Laughter.) I wish I could stick around and see what's next.

We all have an idea of what's next. After a decade as a law professor, another decade in public life, Dave has emerged as a leader in educational excellence. Now, the time has come for us to support him, to help him become an education governor. Like Dave, our administration has made excellence in education one of the top priorities.

Back in September, the nation's governors joined me at an education summit in Charlottesville, Virginia, to set new education goals for America. Not to dictate to the states, but to set educational goals for America. In my State of the Union address, I announced those goals: To better assess students' performance, increase our graduation rate, produce a nation of literate adults, and make our schools drug-free; assure that all children start school ready to learn through programs like Head Start and ensure that by the year 2000 our students are first in the world in math and science achievement.

The author, John Ruskin once wrote: "Education is leading human souls to what is best and making what is best out of them." By teaching our young people well, we ensure a bright future for them in commerce or public service or medicine, high-tech industries. We make the best out of America and we build a better America. This is our legacy of freedom to future generations. And it is one that is very important to me as President.

Part of protecting this legacy -- part of protecting this legacy also means keeping America safe. Dave has served this state as Attorney General, protecting our schools and streets from the violence of drugs and crime. During that time, he's won six out of seven cases that he's argued before the United States Supreme Court -- the best record of any Attorney General in the country. (Applause.)

Simply put, Dave Frohnmayer is the only candidate running with the experience and the determination to stand up and fight the drug dealers and violent criminals that are threatening our neighborhoods. We need Dave's take-charge attitude to take back the streets of America.

But we will also need a strategy that involves both the state and the federal levels. So I've asked Congress to pass tougher laws, stiffer penalties and increase prosecutorial powers in the Violent Crime Control Act. The U.S. Senate will take up these proposals this afternoon. So let us call on the Senate to take the next step and protect Americans with tougher laws. (Applause.)

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Just last week my administration also sent to the Hill new proposals to stop drugs and drug smugglers from breaching our borders, to stop them cold. We've called for more border patrol agents, extending general arrest authority so they can enforce our drug laws. We're also proposing legislation that will permit federal judges to more swiftly deport criminal aliens convicted of drug felonies. And we will also seek the power to order airborne planes suspected of drug smuggling to land. So our message to those who traffic in human misery is clear: Keep out of America.

To those who ask if our measures are too harsh, I say that the threat to many Americans, especially those living in the inner city, is too great. Or as Benjamin Rush, a signer of the Declaration of Independence, wrote: "There are two doors to the temple of tyranny. One is government so strong that it can do whatever it pleases without regard to justice. And the other is government so weak that it cannot protect the public from the worst among themselves."

But there is another side to the drug problem, a personal side; and so that is why Dave seeks the same approach for Oregon that I seek for all of America -- to expand the drug treatment programs.

Since I took office, my administration has proposed a 68 percent increase in drug treatment funding. And now we're asking Congress, through our new legislation, to help make those dollars work better. And we want the states to develop drug treatment plans so that the right kind of treatment reaches the people who need it -- especially pregnant women and drug-affected newborns.

But it's going to take a coordinated effort by our state leaders across the country to free our citizens of the revolving door approach to criminal law. A comprehensive approach to fighting drugs and crime in this state. And that's another reason why I need Dave Frohnmayer as Oregon's next governor.

Oregonians also want a governor who understands this beautiful state. From the Snake River to the Pacific Coast. Dave knows and loves Oregon. Knows and loves its precious environment. As an outdoorsman, he's deeply concerned, as I am, about preserving and protecting our environment. It's going to take a lot of work to protect this great planet and its wildlife without throwing hard-working citizens out of a job.

I reject those who would ignore -- totally ignore the economic consequences on the Spotted Owl decision. (Applause.) The jobs of many thousands of people -- it's a human equation -- the jobs of many thousands of Oregonians and whole communities are at stake. But I also think that we ought to reject those who don't recognize their obligation to protect our delicate ecosystem.

Common sense tells us to find a needed balance. And together, I am convinced that we can work to find that balance.

We also need to find a balance when it comes to clean air. I am committed to a cleaner environment. And that's why I've proposed the first major revisions in the Clean Air Act in more than a decade. I want Congress to pass a bill that will sharply cut acid rain, smog, toxic pollutants. But Congress has got to respect another kind of delicate ecology -- that of jobs and opportunity. So I call on the House not to keep America waiting for cleaner air to pass a reasonable clean air bill in line with the compromise that we hammered out with those Senate leaders -- both sides of the aisle. Not another bill that consumers and workers cannot afford.

Here in Oregon, you have a strong Republican team that we need to send back to the United States Capitol. I just can't tell you how much I enjoy working with your friend and mine, Senator Mark Hatfield -- very important that he be reelected. And the Smith duo, Bob and Denny. Denny, who is with us here this morning, is a key member of our administration's efforts on Capitol Hill. All of these leaders, along with our own Bob Packwood, are tackling the problems

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of crime and drugs, the environment and education. But this great team really needs a governor back home to get the job done right.

You know, at my invitation, Dave came to the White House last fall to talk about these issues and other issues. Maybe he popped in to see his brother. And I might say, I am very proud of John Frohnmayr and what he's trying to do for this country. (Applause.)

But anyway, Dave's a forceful and passionate spokesman for the people of this great state. I can tell you -- he's a fighter. He believes in the people of Oregon. He believes in the principles this state has stood for since Thomas Jefferson sent Meriwether Lewis and William Clark on their noble expedition across the unknown wilderness. They spent the winter of 1805 near the mouth of the great Columbia River, where a memorial still stands in their honor. And it was 87 years ago today that another great leader and outdoorsman, President Theodore Roosevelt, laid the cornerstone of that memorial and spoke to the people of Oregon. "Let us carry on the task that our forefathers have entrusted to our hands, and let us resolve that we shall leave to our children and our children's children an even mightier heritage than we received in our turn." Those are the words of one of the great -- conservation President.

Well, Dave Frohnmayr is a man of integrity, achievement and honor. A man who will leave Oregon an even mightier heritage than the one left to him. I'm proud to say that he's got a good friend in Washington pulling for him on election night. So let's keep Oregon great, let's keep it Republican; and this November, let's make Dave Frohnmayr the next governor of this great state.

Thank you all, and God bless you. And now, you can have your breakfast. Thank you very much. (Applause.)

END

8:15 A.M. PDT

THE WHITE HOUSE

Office of the Press Secretary
(Los Angeles, California)

For Immediate Release

May 21, 1990

REMARKS BY THE PRESIDENT
TO THE COMMUNITY OF OAKWOOD

Webster Residence
Los Angeles, California

12:07 P.M. PDT

THE PRESIDENT: Well, it's a beautiful day, and I'm delighted to be here. Thank you, Foster Webster, for inviting me into your home today. I'm pleased to have with me today Director Bill Bennett, who's doing such an outstanding job leading our country's fight against drugs. (Applause.) And, of course, another leader in that fight -- your own great United States Senator Pete Wilson. (Applause.) But here in Los Angeles you also have a talented and dedicated Chief of Police, a man I respect greatly, Darryl Gates with us here today. (Applause.) Doing a great job and doing it right.

I also want to mention Jim Hahn with us, your City Attorney. (Applause.) And your City Councilperson Ruth Galenter here today. (Applause.) Thank you to the community of Oakwood for this welcome and for the extraordinary example of neighborhood unity and dedication which you set for us all. You're truly a point of light -- Darryl Gates says, that's no point of light, this is a beacon of light for the entire country, leading others out of the darkness. (Applause.)

The world which we see now from Mr. Webster's front yard is a good one. Carved on the face of this community is a message of family and future. We see a neighborhood united -- no longer out of fear, but out of strength.

This world is one of hope. But the world of this community's memory is not. This vivid world which still haunts many here was a cruel one. One whose inhumanity and hopelessness dominated their lives -- where drugs and crime made them prisoners of fear. It's from this shattered world that the members of the Oakwood neighborhood crafted a new dream.

They wanted to be free in their own homes. So working with the police, they decided to reclaim their streets. To reclaim their children. To reclaim their future. And they are succeeding. (Applause.)

The first time some neighbors met with the police to discuss what they could do, two police cars were parked outside a resident's home while the officers talked with the people inside. But on the corner across the street, in defiant mockery of the police, drug dealers continued to sell their poison. It was a world of drive-by shootings; of frustrated anger that exploded in gang graffiti, vandalism, armed robberies and, above all, the obsessed tragedy of drug abuse. It was a world held captive to crime -- a world without center, without safety, without sense.

But since the community undertook its quest to clean up their streets, police estimate that drug- and gang-related crimes in Oakwood have declined 44 percent. (Applause.)

The darkness of drugs, crime and fear is being banished. In its place shines the light of honor, respect, and family pride.

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When the legendary bird called the Phoenix was destroyed by fire, it rose again from its own ashes -- reborn stronger than ever. Oakwood is a phoenix. It's a magnificent reminder of the power of the human heart.

I want to tell you the story of two boys who grew up here right in this neighborhood, these neighborhoods. It's not his name, but let's call the first one Michael. A few years ago, a picture of Michael might have shown him playing baseball down the block -- loving the game, loving the moment. But later would come other pictures. One of him around the corner from the baseball diamond he loved, selling drugs in its shadow. Another of him in gang colors, his gun blasting into the night.

Today we see a final picture. His heart hollow, his eyes empty, he drags himself bitterly through the prison he now calls home. He is lost to us now. His life was as brief as the frozen image in that first photograph of innocent youth -- when his eyes were looking brightly toward a future he will never see.

Yet, in Oakwood, the memory of the emptiness of his lost life will last forever. So will the emptiness left by the devastation of his own neighborhood -- shattered by his streetside dealing, rampages of violence, his shootings. For he was Oakwood. His life was the route to take a few years ago when you grew up here with nothing but drugs and crime and hate as your models.

But finally, there came a moment when the people of this community could no longer bear what they lived with every day: the wasted lives of those who terrorize and who are terrorized.

Michael may never have a second chance. But the Oakwood residents became determined that the rest of their community would have a second chance. A chance to face the sun together.

Let's call the next boy Paul. Last month, when neighbors were holding their candlelight vigil for a drug-free community, a woman noticed a little kid, a little six-year-old boy at the side, just watching on curiously. "What's going on?" he asked. She explained that the vigil celebrated his neighborhood's rebirth. Then she asked him where his parents were. "I don't have any," he answered. It turned out he lived with his grandmother and his uncle, a drug dealer. The boy walked away. The woman thought, well, that's the sad end of another sad story.

But a little while later, as the vigil continued, she saw him again, shyly joining the others. Dressed in his best clothes, he stood in the soft light of a hundred candles, with a candle of his own in one hand, his grandmother's hand in the other.

If Oakwood had continued the way it was going, Paul, too, might have been lost to us -- in the tragedy of death or the blank-eyed hopelessness of prison.

Instead, he can now grow up playing on a community baseball team coached by the policemen Michael and his gang had spent their young lives taunting. He will help his neighbors paint over the violent graffiti with which Michael's gang had scarred the face of the neighborhood. He will grow up knowing that there is an alternative to drugs and crime. And its name is hope.

That's what we celebrate today. More than this community's freedom from the oppression of crime and despair, we celebrate their hope. Their determination. Their spirit.

In a special way, when the first people decided to take back their community, they lit the first candle of hope. When more and more of their neighbors joined them, their unified spirit shone with a light that banished the darkness of despair.

Thanks to the vision, courage and wisdom of the residents of Oakwood, we are today witnessing the wonder of a

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rebirth. It's more than a rebirth of community. It's a rebirth of hope, of life and of the future. And so today I am proud to name the Oakwood community the 148th National Point of Light, for the inspiration and the example that you are setting for our entire country. (Applause.)

Oakwood proves that no community has to accept things as they are. Americans don't have to live in fear. Crime, drugs, hunger, homelessness and so many other social problems can be driven from every community, if every community cares enough to light the candle of hope.

God bless each and every one of you for what you're doing, setting an outstanding example for our great country. And God bless the United States of America. Thank you all. (Applause.)

END

12:15 P.M. PDT

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 22, 1990

REMARKS BY THE PRESIDENT
TO THE
COUNCIL OF THE AMERICAS

The State Department
Washington, D.C.

11:30 A.M. EDT

THE PRESIDENT: Thank you for that welcome. And thank you, Secretary Baker. Jim Baker's just back from a very interesting and highly significant trip to the Soviet Union which I'm sure you've all read about. From my standpoint, it went very well indeed. I think he's done a lot of clearing the way for what I hope will be a highly successful meeting with Mr. Gorbachev not so many days away from now. I want to thank him. Normally, he's not awake this close to his jet lag recovery -- it takes him a little longer. But he was looking forward to being here. But he had a tough and grueling trip and it's still, I'm sure, on him. But I thank you very much for being here today.

To David Rockefeller, my friend and the Chairman of the Council of the Americas, I want to thank you. David came to see me a while back and told me of the emphasis that he felt should properly be placed on Central America, South America, the Americas. Something he's stood for for a long time. But I will address myself to some of those concerns in a minute.

But I want to thank him, I want to thank Ambassador Landau, and Kim Flower, and of course, pay my respects to my trusted right arm in the White House in foreign affairs, General Brent Scowcroft, who is head of the National Security Council. To Bernie Aronson for whom I have great respect and with whom I personally work very closely on a lot of these matters -- he, Jim and I, and Brent -- matters affecting our common interests here today.

I am pleased once again to speak to this most influential group. Pioneers, if you will, in the private sector -- private sector effort to expand trade investment between the United States and Latin America. I'm delighted to address this gathering after what has been a remarkable year of change.

I told a group out in Oregon yesterday, I can't think of a more fascinating time in the recent history of our country -- certainly in the Nuclear Age -- to be President of the United States.

Over the past 12 months, it sometimes seemed that the eyes of the world rest solely on Eastern Europe, on the miraculous transformation that's taken place there. Our friends in Latin America have watched these historic events unfold, with inspiration, certainly with awe. But also, I know, with an unmistakable sense of anxiety -- and it was this that David was talking to me about -- concern that our active involvement in Europe will mean a decline in the United States' interest in Latin America.

I'm here today to assure you -- just as I've assured the many Latin American leaders with whom I've met -- that the events of the past year have increased our interests in this region -- strengthened our desire to forge a new partnership with the growing forces of freedom in Latin America. Because the fact is, the great drama of democracy is unfolding right here in our own hemisphere.

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Think about the tremendous gains made for freedom just this past year. When I spoke here last May, the people of Panama were preparing to go to the polls. Even as the dictator of Panama was preparing to steal the election. And in Nicaragua, civil war raged, the Sandinistas ruled -- and the brave men and women of the Nicaraguan opposition were just beginning the long campaign that led to this year's great victory for democracy.

In Central America -- Nicaragua and Panama. In South America -- Paraguay and Chile. All across the Americas, today more people live under freely-elected governments than ever before -- and we are closer than ever before to the day when all the people of the Americas, North and South, will live in freedom.

Even in Haiti, the scene of so much human suffering and anguish and turmoil, the provisional government has now announced its intention to hold free elections. This Thursday, I will be meeting with the new leader of Haiti, where we're sure to discuss ways that we can support democracy in Haiti.

In all of Latin America, only Cuba remains. Castro's island, isolated, totally out of step with the democratic tide. But today we're celebrating the anniversary of Cuban Independence. And let me say with certainty that even in Cuba, the dream of democracy can only be pushed back a little -- only deferred -- it will never be destroyed.

As we in the United States welcome our Central and South American neighbors into the ranks of democracy, we must offer them our help -- and something more. We must offer them our respect -- the respect due one free nation from another -- and the outstretched hand of partnership.

I've been working with Jim and Brent and others to strengthen our ties. Just this year alone, I've met with Presidents Barco, Paz and Garcia, at the Andean Drug Summit in Cartagena. It was a good meeting, incidentally.

Here in Washington, I've hosted Presidents Perez, Carlos Andres Perez; Paz Zamora; Cristiani and Endara; Collor de Mello; Calderon and Callejas; and Prime Minister Manley as well. In each case, I've come away from our talks with a strong sense of optimism. And I believe every one of those leaders left the White House knowing that the U.S. is engaged as never before in the future of this hemisphere.

While from country to country conditions differ, we know now that our challenge is to consolidate democracy -- and accelerate development.

That means advancing the intellectual revolution now sweeping Latin America -- a movement away from stale, statist doctrines. Away from dictatorships of the right and the left. Toward democracy -- free government -- free enterprise. Toward the true political and economic empowerment of the people themselves.

That means encouraging, for the first time in many cases, genuine free market reform. Even in the countries that claim no kinship with communism, true free enterprise did not exist. In practice, economies were often organized to ensure the prosperity of the people in power -- not to open an avenue toward upward mobility for anyone ready and willing to work.

Peruvian economist Hernando de Soto describes the maze of bureaucratic barriers that stood in the way of the entrepreneur and stifled economic growth in his country. De Soto also shows how much Lima, Peru's capital, owed its economic vitality to what he calls the "informal sector" -- the thousands of individual and enterprising individuals doing business without the consent of the state.

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De Soto's prescription -- and mine -- is to free this economic force. Unleash the million sparks of energy and enterprise. Let the incentive of reward inspire men and women to work to better themselves and their families.

Already, Latin America is discovering this path. In Brazil and Bolivia, in Argentina, Venezuela, Mexico, Costa Rica and Jamaica -- free market reforms are going forward, creating space for private initiative to take hold and flourish. And as they succeed -- and as they reap the rewards that will follow what can be a -- will follow this -- I would say what will certainly be a painful transition -- these nations will bring others along in their wake.

We in the United States must do all we can to ensure the future of free markets in the Americas -- because our nation has a stake in the economic health of this hemisphere. We know that since the late '70s, Latin America's share of all U.S. trade dropped from 10 percent of all U.S. exports, down to 7 percent. And yet -- last year, for the first time ever, two-way trade between the United States and Latin America topped \$100 billion dollars. As that trade continues to grow, so will the link between our prosperity and the prosperity of our Latin American partners.

Let me provide just a few statistics to drive home this point. Last year, the Colombian economy grew 3 percent. U.S. exports to Columbia rose 9 percent. Mexico's economy grew 3 percent -- and U.S. exports to that country climbed 21 percent. In Chile, with an overall growth rate of 10 percent, U.S. exports increased by triple that rate -- more than 30 percentage points.

The most effective way to ensure expansion of trade between the United States and Latin America is for all countries of the hemisphere to support a successful Uruguay round. The ambitious agenda in the Uruguay round, including proposals for significant multilateral tariff reductions, will benefit our Latin American trading partners. We are committed to the expansion of trade and investment liberalization, and we seek Latin American support for these very important objectives.

In addition, the strengthened debt strategy launched last spring has reinvigorated market-oriented economies, and reinvigorated the reforms in Latin America. These economies help provide the needed foundation for democracy itself.

That's why I'm so pleased to report on the progress we've made this past year under the Brady Plan. Mexico, Venezuela, Costa Rica have all reached agreements with their creditors on ways to reduce their debt -- ways to complement their efforts to restructure their economies along free-market lines. Because in the long term, the free market remains the only path to sustained growth.

We all know the private sector plays a crucial role. Taking advantage of new investment opportunities is good for business -- but, at this critical moment, there's something beyond the bottom line. Something that can't be measured simply in terms of GNP. The role the Council of the Americas can play -- expanding trade and strengthening the private sector -- that role contributes not just to economic growth -- but to the growth of democracy itself.

Now, there is, of course, an important role for government to play as well -- especially during the difficult days of transition from dictatorship to democracy. That's why, frankly, I've called on Congress to provide \$800 million in emergency economic aid to Panama and Nicaragua. We have a big stake in this. This aid is critical.

A little over a week ago, I received a letter from President Chamorro, Violeta Chamorro -- just 3 weeks into her term in office -- telling me that Nicaragua was bankrupt. And yet, for more than 2 months now, this emergency aid has been bogged down on Capitol

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Hill. To give you an idea of the magnitude of this problem, in March I requested \$800 million for Panama and Nicaragua -- asking that this bill be finished on April 5th. April 5th. It's now May 22nd, and the funds for Panama and Nicaragua have been reduced by \$80 million, even though \$1.4 billion in extra spending has been added to this legislation. Finally, it appears the Congress may act this week on this vital measure.

For the people of Nicaragua and Panama, meanwhile, democracy hangs in the balance.

So let me again say to the Congress: The fate of freedom rests in your hands. Do the work of democracy -- and pass this emergency aid package now.

Today, I began by speaking about the changes that have riveted world attention on Europe. Part of the power of the story is that it can be told in intensely personal terms -- as the story of the dissident playwright who is now president. Or of the electrician who came to symbolize his people's hopes for freedom. Democracy's advance in Latin America has produced its share of heroes -- and today I'll close with three from one country alone -- Latin America's newest democracy: Nicaragua.

For 4 years -- beginning in 1979, the year the Sandinistas took power -- Enrique Dreyfus was head of Nicaragua's Supreme Council of Private Enterprise -- a private-sector group in many ways similar to this one. His criticism of Sandinista rule put him on the Sandinista black list, and landed him in prison. Today, with the swept from power, Enrique Dreyfus is not just free from persecution -- he is Nicaragua's new Foreign Minister.

In 1985, members of the Sandinista internal security force beat Sofonias Cisneros for criticizing the way the Sandinistas had politicized the schools. Today, Mr. Cisneros is Minister of Education.

And on July 10th, 1988, opposition leader Myriam Arguello was beaten, taken from her home in the middle of the night by Sandinista police -- tried, and sentenced to 6 months in prison. Today, Myriam Arguello is President of Nicaragua's freely-elected National Assembly.

These three stories underscore in personal terms the truly revolutionary political change that's taken place not just in Nicaragua -- but across the Americas. Change that proves beyond doubt that the day of the dictator is over -- and democracy's day has come.

For our part, we in the United States must do all we can to help secure for all the Americas the freedom, the peace and the prosperity we enjoy. Please, keep up more now than ever, your important work in guaranteeing that democracy succeeds in this precious hemisphere of ours. Thank you for what you're doing and God bless the United States of America. Thank you all very much.

END

11:47 A.M. EDT

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 23, 1990

REMARKS BY THE PRESIDENT
AT CEREMONY TO HIGHLIGHT WORLD TRADE WEEK
AND TO PRESENT "E-STAR" AWARDS

The Rose Garden

2:04 P.M. EDT

THE PRESIDENT: To distinguished members of Congress and other guests, welcome to the White House. It's a pleasure to have two of our administration's top trade team people here today -- Secretary Bob Mosbacher and Ambassador Carla Hills. These two are working every single day, day and night, to open markets for American goods and services. And in my view, they're successful, and I am grateful to both of them.

And I also want to single out Susan Engleiter, head of the SBA here; and all members of the Congress, once again, welcome.

For American business, confronting protectionist barriers is like having a door shut rudely in your face. And more and more American business is looking to Carla to open the door and Bob to help them through it. But in the end it is up to American business to step beyond the open door to enter foreign markets. And that's why I'm here today to present the "E" Awards, honoring American firms that have been such outstanding competitors abroad. Later on I'll let you know what the "E" stands for. But first -- it does not stand for Elvis, I was asked to point out. (Laughter.)

Before I get to the awards, let me talk trade. I believe the protectionist path leads to closed markets, lower living standards, unemployment in our country. And so our direction is to open markets, expanding trade and negotiating a set of clear and enforceable rules to govern world trade. And this is the path to prosperity and growth and high employment. And that's why my top trade priority for this year is an ambitious multilateral agreement. We must conclude that Uruguay round of global trade talks by December. And unfortunately, world trade has outgrown the rules of the GATT, of the General Agreement on Tariffs and Trade, that served us so well for four decades.

The United States and almost a hundred other nations, representing more than 85 percent of the world's trade, are working with us to revise and improve GATT's rules. And this is what we're striving to achieve.

First, we seek to reform agricultural trade, a market inadequately covered by GATT rules and badly distorted by subsidies and trade barriers that cost farmers and consumers alike hundreds of billions of dollars. There simply cannot be a successful conclusion to the Uruguay round without fundamental agricultural reform.

Second, we want to expand market access. We challenge our trading partners to join us in creating a world of sharply reduced tariffs.

Thirdly, the United States wants to curb hundreds of billions of dollars of trade-distorting subsidies. And we believe that entrepreneurs should compete on the basis of price and quality, not on the basis of government's deep pockets.

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Fourth, we want to ensure that the rules we have and those that we are negotiating, apply to developing countries, so these countries are no longer at the margin of the trading system.

Fifth, we want to develop fair rules for new areas -- services, investment, intellectual property -- not covered under current GATT rules.

Sixth and finally, we want to create swift and effective means to resolve trade disputes.

All told, we're striving to incorporate roughly \$1 trillion worth of goods and services -- a third of the world's trade -- that is not sufficiently covered by rules of fair play.

In our efforts, we will, of course, work closely with our friends in the Congress and the business community as well; especially the private sector advisors, many who are here today. But time is short; our task is great. I call on our trading partners to move these negotiations forward at the Organization for Economic Cooperation and Development meeting this month, and at our Houston Economic summit in early July.

This round of GATT is an ambitious undertaking. The last, best chance for the world to enter the next century with free and fair trade for all. So let me be blunt: to the United States, no agreement is better than a bad agreement.

Even as we're driving at full speed to complete the round, the United States is also making progress in market-opening negotiations with Japan; in keeping the flow of goods and services open with Canada and Mexico; by intensifying our dialogue with the dynamic states of the Pacific Rim; and by ensuring that America will have access to Europe after creation of this historic single market in 1992.

We're also negotiating trade and investment agreements with the democratic governments of Eastern Europe and engaging in market opening initiatives with Latin America. They stand to reap enormous gains from the Uruguay round and other steps to integrate their economies into this big global trading system. But the United States will also gain from their new found freedom to invent, to invest, and to imagine.

Our objective is to anchor these countries in the ideal of freedom; economic as well as political freedom. And so we're striving for free trade, not just because it is good for America, but because it is good for all mankind.

As the winds of freedom blow down old barriers and liberalize markets from Managua to Warsaw, we must be prepared to take advantage of this opportunity, historic opportunity, to compete and to win. And that's why today I directed the Economic Policy Council to undertake a Commercial Opportunities Initiative to encourage American business to move competitively into foreign markets.

The EPC will implement this initiative through a working group called the Trade Promotion Coordinating Committee -- TPCC -- to be chaired by Bob Mosbacher, our Secretary of Commerce. This committee will, for the first time, harness all the resources of the federal government to serve American exporting businesses. It will provide a focal point for business and industry in the markets of the world's emerging democracies. And I'm also directing the committee to promote U.S. businesses in new or neglected markets through official presidential trade missions. Missions to be headed by the Secretary of Commerce.

And so that is an overview of our trade picture. And now for the "E" Awards, a word. At the height of the Second World War, "E" Awards were presented to those war plants in recognition of

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excellence in production. In a time of peace, we used the "E" symbol to celebrate excellence in American exports. And as it turns out, this is a very appropriate time to confer these awards.

You see this week, the Commerce Department is joining with state and local governments, international trade groups and universities throughout the nation to celebrate World Trade Week. And this week I think we really have something to celebrate: last Thursday's announcement that U.S. exports in March hit \$33.3 billion -- a record high.

And this is yet another sign that America remains a superpower in world trade. But America's exporting strength is no accident, as all of you here today know. It's the result of the hard work of leaders, like our Secretary of Commerce, and our dynamic Trade Representative, Carla Hills, here with us here today. But first and foremost, it's because of the leadership of the American worker, the American farmer, the American entrepreneur.

You and all the other "E" and "E" Star Award winners that we honor today, started the decade off in a winning spirit. And you've done something more than just represent your firms. You've represented American drive and creativity to the world. And for that you have our gratitude and my congratulations and my thanks.

And so it's a pleasure now to join Bob and Carla in presenting this prestigious award for exporting excellence to 11 outstanding companies that have earned the highest level "E" Award, the "E" Star.

And now, Bob, if you will take over from here.

(The awards are presented.)

THE PRESIDENT: Thank you all very much. Thank you for coming, and congratulations to all these winners. Now, everybody else go out there and work harder. Thanks a lot.

END

2:18 P.M. EDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 24, 1990

REMARKS BY THE PRESIDENT
DURING CEREMONY CELEBRATING
25TH ANNIVERSARY OF HEAD START

The Rose Garden

11:04 A.M. EDT

THE PRESIDENT: Well, good morning and welcome to this beautiful morning in the Rose Garden. And Representative Kildee's here. I appreciate your coming, sir. And to others, welcome. It's a great pleasure to have you here. Connie Horner, Mary Gall -- great to see both of you. Let me congratulate you, Connie, as number two in this enormous HHS for what she's doing. And, Mary, to your continued commitment to our young.

First of all, happy 25th birthday to Head Start.
(Applause.) Like all birthday parties, today we celebrate both where we've been and where we will be tomorrow.

In May, 1965, on a beautiful spring day right here in the Rose Garden, a great idea came into being -- President Johnson, President Lyndon Johnson first spoke of a new initiative that he would soon propose -- Head Start. And he said then that the program would -- here were his words, "rescue these children from the poverty which otherwise could pursue them all their lives. The project," he went on, "is designed to put them on an even footing with their classmates as they enter school."

Since that day, Head Start has reached over 11 million children, providing comprehensive development services to nearly half-a-million low-income children every year. Head Start provides these children not only with preschool education and social skills, but with health and nutrition services as well. Virtually all of the children enrolled in Head Start get the medical attention they need. And for many children, Head Start gives them their best meal of the day.

Everyone agrees Head Start is a program that works for children -- by enhancing their educational performance and really fostering success in life. Head Start also works for families, by offering child care and child development programs for parents, which builds self-confidence and by encouraging a commitment to improve their lives and the lives of the children. And it works for the thousands of communities nationwide where Head Start graduates give so much right back to society, by helping to build strong families and strong neighborhoods.

Today, almost a third of the 80,000 Head Start staff members across America are current or former Head Start parents themselves -- 80,000. Parents like Eugenia Boggus, here with us today, who is now president of the National Head Start Association.
(Applause.) Where is she? You stand up. Thank you. (Applause.)

Or Claude Endfield of White River, Arizona, when she enrolled her child in a White Mountain Apache Indian Head Start program in 1973, she was unemployed. She became a volunteer at the Head Start Center, then a Head Start teacher, and today is program chairman of the Early Child Development Department at Northland Pioneer College in Arizona. Head Start, you see, gave her the skills

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and confidence she needed to turn her whole life around.

But as vital as the parents and the staff are to the success of Head Start, we must especially congratulate the kids. Many, some of you kids here are grown up now, but they are grown up now and because they were given an equal chance at the starting block, they crossed the finish line on their own and most of them winners.

Seba Johnson, for example, attended Head Start as a child in the Virgin Islands and, at the age of 14, became the first black woman skier to participate in the winter Olympics, representing the Virgin Islands. Today she lives in Nevada, where she is training for the next winter Olympics, and is volunteering her time to help celebrate Head Start's 25th anniversary.

Carlos Jimenez of Meadville, Pennsylvania, who was a Head Start student back in 1977. This year, Carlos is graduating from high school, third in his class of 320. A National Honor Society member, Carlos will attend college in California this fall. Or another example, Carl Brenner, who is with us today. Carl? Where's Carl. Right here. Oh, here's our man, right here. He's now going to be performing. (Applause.) Also a Head Start alumnus. Graduated first in his high school class. Now a senior cadet out at the U.S. Air Force Academy in Colorado.

These kids earned a lot of attention with their brilliant success stories. But there are also quiet ones, special children that otherwise might get overlooked. Take the example of Timothy Combs from Buffalo, West Virginia, a child born with Down's Syndrome who wasn't yet talking when he enrolled in Head Start at the age of three. Head Start provided Timothy with speech therapy, help for his hearing problem. And two years later, Timothy was able to enroll in public school, where he continues to get the special attention that began in Head Start.

There are so many stories to tell, and so many Americans to thank in Head Start centers all around the country. In fact, over 600,000 committed volunteers, each one a point of light, are giving their all to make Head Start a national treasure. The kids we have with us today are from Head Start programs throughout this area -- throughout the Washington area -- and by getting them ready to learn today, we ensure that they too will have success stories to share tomorrow.

It's because of children like these -- and parents and staff like many of you here -- that at the historic education summit last September in Charlottesville, I asked every governor in the nation to join in our commitment to quality programs like Head Start and give every poor child a chance to start school ready to learn. (Applause.) We proposed, our administration, the largest one-time funding increase in the history of Head Start -- a half a billion dollars. And I know that the Congress will join me in giving Head Start the best 25th birthday present possible -- enough (applause) -- And I salute Representative Kildee in this regard -- enough money to enroll as many as 180,000 more children in this successful program.

As they say, that's a gift that keeps on giving -- by enriching the lives of the kids, strengthening our families, and building our communities. To everyone who has supported Head Start for so many years, thank you, and God bless each and every one of you. Thank you very, very much.

END

11:15 A.M. EDT



News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, MAY 25, 1990 -- 6:00 A.M. EDT EDITION

TODAY'S HEADLINES

INTERNATIONAL NEWS

CONGRESS COMPLETES PANAMA-NICARAGUA AID MEASURE -- Congress, anxious to leave town for a Memorial Day recess, wrapped up work early Friday on a \$4 billion spending bill including aid President Bush has urgently sought for new democratic governments in Panama and Nicaragua. (AP)

CHINA TRADE DECISION PUTS BUSH, CONGRESS ON CRASH COURSE -- A congressional alliance of Democrats and Republicans, angry about China's human rights record, has vowed to thwart President Bush's decision to continue normal trade ties with Beijing.

(Los Angeles Times, Newsday, New York Daily News, UPI, Copley, Reuter Los Angeles Times, Washington Times, Washington Post)

KHMER ROUGE ACCEPTS THAI CEASE-FIRE PLAN -- The Chinese-backed Khmer Rouge resistance group has agreed to a Thai cease-fire plan to be signed in Tokyo next month, Deputy Prime Minister Gen. Chavalit Yongchaiyudh said Friday. (AP)

NATIONAL NEWS

KEMP REJECTS INCREASING TAXES, SAYS IT WOULD HURT ECONOMY -- Secretary Kemp broke ranks with the Bush Administration Thursday, insisting that the federal budget deficit "is not ballooning" and that any attempt to reduce it by raising taxes will hurt, not help, the economy. (Washington Post)

NETWORK NEWS (Thursday Evening)

POLL -- President Bush continues to get high marks from American voters.

CHINA -- President Bush said he will continue MFN status with the government of China.

CAMBODIA -- President Bush said he is reviewing U.S. policy towards Cambodia.

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INTERNATIONAL NEWS

CONGRESS COMPLETES PANAMA-NICARAGUA AID MEASURE

Congress, anxious to leave town for a Memorial Day recess, wrapped up work early Friday on a \$4 billion spending bill including aid President Bush has urgently sought for new democratic governments in Panama and Nicaragua.

The House approved the measure on a 308 to 108 vote and the Senate followed suit with a voice vote shortly after midnight. That sent the bill to President Bush, who was expected to sign it into law quickly. (Jim Drinkard, AP)

SHLAUDEMAN APPROVED AS AMBASSADOR TO NICARAGUA

The Senate early Friday approved the nomination of veteran diplomat and Latin America expert Harry Shlaudeman as ambassador to the Nicaraguan government of President Chamorro.

The Senate acted on the nomination minutes after completing congressional action on a bill containing \$300 million in aid for Nicaragua. (Reuter)

PRESIDENT URGES RENEWAL OF TRADE STATUS FOR CHINA

President Bush recommended renewal of Most Favored Nation trading status for China Thursday but said the Soviet crackdown on Lithuania would make it "extraordinarily difficult" to justify giving the same trade status to the Soviet Union.

One week before his summit here with President Gorbachev, Bush noted that the Supreme Soviet has not yet passed legislation that would codify its recent emigration reforms into law, a prerequisite of granting MFN status....

Bush suggested that passage of the Soviet emigration law is not the only reason for the delay. "I think there's a political climate in this country that would make it extraordinarily difficult to grant it," Bush said, "but that is not a bridge we're having to cross at this juncture." He added that once the Soviet law is passed, "Let's hope there's some progress on the Lithuanian question, because I think many think there's a direct linkage there. And I must say, it concerns me." ...

Meanwhile, seven conservative senators, led by Sen. Helms, sent a letter to Bush raising "profound concerns" about the results of Secretary Baker's negotiations on strategic arms last week....

Bush...said he made the decision to grant the trade status to Beijing even though he considered China's human rights record "far from adequate." ... "I don't think this is a reward to Beijing," Bush told a White House news conference.

(David Hoffman & Lena Sun, Washington Post, A1)

Bush Extends Favorable Trade Status For China

President Bush, saying economic moves against Beijing would hurt American business and the Chinese people, announced Thursday that he would renew most-favored-nation trading status for China despite its anti-democracy crackdown.

The announcement...came less than two weeks before the first anniversary of the June 4 massacre in Tiananmen Square....

"This was a difficult decision, weighing our impulse to lash out in outrage that we all feel against a sober assessment of our nation's long-term interests," Bush told a news conference. "I concluded that it is in our best interest, and in the interest of the Chinese people to continue China's trade status.

"Not to do so would hurt the United States," he said.

In Beijing, the official Xinhua news agency offered no official comment from the government but the news agency belittled the campaign in the U.S. to derail China's most-favored-nation status on human rights grounds.

Democrats and some Republicans in Congress...vowed to overturn his decision.... Sen. Mitchell called the President's decision "profoundly wrong," and promised, "We're going to do everything we can to prevent it from taking effect." (Lori Santos, UPI)

China Trade Decision Puts Bush, Congress On Crash Course

A congressional alliance of Democrats and Republicans, angry about China's human rights record, has vowed to thwart President Bush's decision to continue normal trade ties with Beijing.

...Lawmakers planned to introduce measures to reverse Bush's decision, despite his claims that it would advance the interests of both the Chinese and American peoples....

"Sought-after trade concessions should not be given to the butchers of Beijing," Sen. D'Amato declared....

But Rep. Rostenkowski said that while the behavior of the Chinese leaders made the decision difficult, he would go along with Bush. "I will support the President's decision on this difficult matter in the hopes that the people of China will see their lives improved through this action," he said. (Kenneth Barry, Reuter)

China/MFN

President Bush renewed China's most-favored-nation trade status Thursday, triggering outcries from Democrats and Republicans alike on Capitol Hill and setting the stage for a major confrontation with Congress over U.S. policy toward the repressive Beijing government....

"I don't think this is a reward to Beijing," Bush said at a White House news conference. "I think it is very important to keep these commercial contacts.... It is the basis of everyday trade."

...Speaker Foley predicted Congress would adopt a resolution disapproving of Bush's action.... Asked about prospects of overriding a veto of the resolution, Foley pointed to last year's House vote overwhelmingly rejecting Bush's veto of legislation to protect Chinese students in the U.S. from being forced to return home.... Sen. D'Amato...said he could not support Bush now on the trade issue and predicted other Republicans would join him in overriding a possible Bush veto. (Gaylord Shaw, Newsday)

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Bush Announces Decision To Grant China One-Year Extension Of MFN Status

President Bush, expressing irritation with congressional critics of his China policy, announced Thursday that he would grant Beijing a one-year extension of its preferential trading status.

Making the long-expected announcement at a White House news conference, the President said the decision to renew China's MFN trade designation should not be interpreted as a sign that the Administration is unconcerned about the bloody military repression of the pro-democracy movement in Tiananmen Square nearly a year ago. "This was a difficult decision, weighing our impulse to lash out in outrage that we all feel against a sober assessment...of our nation's long-term interest," said Bush....

Sens. Dixon and D'Amato reacted to Bush's decision by announcing that they would introduce a Senate resolution of disapproval to block MFN renewal for China.... "The renewal of most-favored-nation status...would be interpreted as support for a brutal and murderous regime," said Dixon. "This is simply inconsistent with the American spirit."

Speaker Foley criticized Bush for failing to link MFN renewal to specific improvements in China's human rights policies and warned that Bush faces a possible defeat in Congress on the issue.

(Finlay Lewis, Copley)

Bush To Give Trade Status

President Bush Thursday provoked congressional outrage by announcing he will renew special trade benefits for China despite its anti-democracy crackdown. But Bush said he will deny the same benefits to the Soviet Union....

Sen. D'Amato called Bush's move a "short-sighted accommodation with a blood-stained and discredited regime," and said he will co-sponsor a resolution to prevent renewal. [And] Sen. Moynihan said it was a "profound mistake that will send a hideously wrong message to the world." ...

At a news conference, Bush "vented a little spleen" over charges by foes that he was doing a "favor" for China. He said refusing to extend the most-favored-nation status would have hurt the Chinese people as well as American consumers and businesses.

(Maureen Santini, New York Daily News, 11)

China Trade Status Renewed By Bush

President Bush announced Thursday that he is extending China's most-favored-nation trade benefits without conditions. He said that acting otherwise would hurt American business, workers and consumers, and he saluted China's "modest steps" to ease human rights restrictions.

...While the President's decision had been anticipated, it set off a round of criticism from Republicans and Democrats. A resolution that would counter the President's move and take away the special status immediately was introduced in the Senate.

Sen. Mitchell said that he would "aggressively and vigorously" try to block Bush's action. "I think he faces some very severe problems here," added Speaker Foley. As of Thursday, Foley said, Bush lacked the votes needed to sustain a veto of the resolution in the House.

(James Gerstenzang, Los Angeles Times, A1)

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Democrats Hammer Bush On China

Democratic congressional leaders bitterly denounced President Bush Thursday for renewing China's lucrative trade preference without strings despite China's continuing human rights violations.

"It is inconsistent with American values, it is contrary to American interests, and it is profoundly wrong," Sen. Mitchell said in perhaps his harshest criticism ever of the President....

"Having made concession after concession, the President wants to make more concessions," Mitchell said as he called Bush's entire China policy "a complete failure" and vowed to do what he could to derail the extension.

(Frank Murray & Chris Harvey, Washington Times, A1)

**BEIJING LINKED ENTIRE RANGE OF TIES
WITH BUSH DECISION ON TRADE STATUS**

BEIJING -- China has made clear that President Bush's decision on trade relations would have bearing on political and cultural ties.

Chinese officials did not immediately comment on Bush's announcement Thursday extending China's MFN status for one year....

But the official Xinhua news agency said, "A small number of Americans, under the pretext of so-called human rights, opposed the renewal of China's MFN status. Their arguments have been strongly rejected by the majority of American people, who cherish the long-term interests of relations between the two countries." ...

In recent days, China indicated that raising tariffs on its goods would lead not just to higher duties on U.S. products and a sharp drop in trade, but diminished political and cultural contacts as well.

(Kathy Wilhelm, AP)

CHINA/FOREIGN RELATIONS

BEIJING -- The Chinese government has recently been sending subtle messages of regret for its violent suppression of last year's pro-democracy demonstrations. The messages have been intended, at least in part, to quiet critics in the U.S. Congress who opposed Thursday's renewal of China's MFN trade status in the wake of June's massacre, diplomats here say.

In a meeting this week with Helmut Schmidt, the former West German chancellor, Chinese leader Deng Xiaoping admitted "mistakes were made, and that the leadership deserves much of the blame for the pro-democracy movement that ended with the military opening fire on civilians last year." ...

Also, during the past several weeks, Communist Party chief Jiang Zemin has appeared on U.S. and Japanese television, saying that demonstrations are better cleared with non-lethal force, that the purge of student leaders was over and that no criminal charges would be filed against his predecessor, Zhao Ziyang, who was ousted....

"These aren't apologies nor concessions," a European diplomat said. "They aren't saying that Zhao was right or that the students were right. But they are softening a bit, giving their friends something to hang their hat on."

(Jim Mulvaney, Newsday)

U.S.-CHINA FRICTION HURTS JAPAN, LDP OFFICIAL FEARS

A key leader of Japan's ruling LDP has warned that Japan is seriously concerned it will suffer from continued confrontation between the U.S. and China over the Tiananmen Square crackdown last June.

"A continuing antagonism between China and the United States will naturally bear heavy consequences for Japan," said Michio Watanabe after a meeting Wednesday with President Bush....

"It would be better for all concerned if the United States does not clamp down further on the Chinese government," Watanabe added.
(Gus Constantine, Washington Times, A11)

BUSH PRAISED FOR RENEWING CHINA'S FAVORED TRADE STATUS

TORONTO -- The governor of Hong Kong said Thursday the British crown colony would have lost \$10 billion in trade if President Bush had not renewed China's most-favorable-nation trading status.

Sir David Wilson said Bush's move will bolster Hong Kong's bright economic future even as it prepares for Chinese rule in 1997. "It certainly bodes well for Hong Kong and for south China, which is the most developed and developing section of China," Wilson told 1,000 businessmen at a luncheon meeting. "I was pleased that he did that. It is something which has a very marked effect on us in Hong Kong."
(B.J. Del Conte, UPI)

CHINA TRADE DECISION BOON FOR TOY, CLOTHES IMPORTERS

NEW YORK -- President Bush's one-year extension of favorable trading status to China assures no supply disruption or price jumps in imports ranging from cashmere sweaters to teddy bears to portable hair driers, business people said Thursday.

Moreover, the decision means China won't retaliate by turning elsewhere for some of the most important U.S. exports, including grain, fertilizer, aircraft, cotton and machinery.

"We felt that in the interest of keeping trade lines open and allowing U.S. farm products to flow into China, it was critical that this be extended," said Jack King, spokesman for the American Farm Bureau Federation.
(Rick Gladstone, Washington Post, F3)

BAKER CONCESSION IGNORES STAND ON SOVIET BOMBER

Secretary Baker reversed a long-standing U.S. arms control position in recent negotiations with the Soviet Union by proposing that nuclear-armed Backfire bombers not be counted as strategic weapons under the pending START treaty, according to Bush Administration officials.

It had been previously reported only that Baker was unable to convince the Soviets that the bomber be limited under the treaty.

In exchange for Baker's proposal, which reverses a U.S. negotiating demand dating back to 1992, Moscow would declare that the Backfire is not capable of flying intercontinental missions.

But as recently as February, the Defense Intelligence Agency in a report on Soviet forces said the Backfire has "an intercontinental strike capacity when equipped with a refueling probe."

(Bill Gertz, Washington Times, A3)

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BUSH LINKS BALTIC STATES, TRADE DEAL FOR MOSCOW

President Bush said Thursday the Soviet Union's handling of independence movements in the Baltic states could cost Mikhail Gorbachev U.S. trade benefits he wants to help resuscitate the Soviet economy.

Linking the situation in Lithuania and "economic aspects of this summit" for the first time, Bush told a news conference he was not "encouraged about where it stands right now."

Asked about the chances the U.S. would grant most-favored-nation trading status to the Soviet Union, a move once touted as a major feature of next week's superpower summit, Bush said, "I think there's a political climate in this country that would make it extraordinarily difficult to grant it."

"Let's hope there's some progress on the Lithuanian question, because I think many feel there's a direct linkage there," Bush said. "And I must say, it concerns me." (Lori Santos, UPI)

Bush Eager To 'Talk Frankly' At Summit

President Bush is spending the Memorial Day weekend in Kennebunkport, Maine, boning up on the issues for his summit with President Gorbachev next week.

"There's enormous problems that just need to be talked about," Bush told a White House news conference Thursday. But he hopes for "significant progress" on such issues as cuts in long-range nuclear weapons and signing a ban on chemical weapons.

Gorbachev is "a man with whom we can talk frankly," Bush told the BBC Thursday. (Johanna Neuman & Mimi Hall, USA Today, 1A)

EDITOR'S NOTE: "Bush Withholding Normal Trade Ties From The Soviets," by R.W. Apple, appears in The New York Times, page A1.

GORBACHEV SAID TO OFFER TO MEET LITHUANIAN GOAL

MOSCOW -- Mikhail Gorbachev, in an unexpected and major attempt at reconciliation with Lithuania, assured its representatives Thursday that their homeland could become independent in two or three years with his blessing if it bows to his demands now, Lithuanian sources said.

In a hastily arranged private meeting in the Kremlin, the Soviet president offered to lift punishing sanctions against the breakaway Baltic republic and open talks with its government if it suspends the unilateral declaration of independence adopted in March.

The Lithuanian news agency ELTA, in a dispatch from special correspondent Balys Bucelis, reported: "Gorbachev said in principle [that] he had nothing against Lithuania leaving the U.S.S.R." A participant in the talks said they marked the start of a "narrowing of differences" in the domestic political crisis....

Another journalist in Vilnius said he was informed by an official present at the meeting that Gorbachev spoke of Lithuania achieving independence in as little as two years.

(John-Thor Dahlburg, Los Angeles Times, A1)

LITHUANIANS ENCOURAGED BY TALK WITH GORBACHEV

MOSCOW -- President Gorbachev told a delegation of Lithuanian legislators Thursday that the breakaway Baltic republic could win independence from the Soviet Union in two or three years if it agrees to suspend its March 11 declaration of immediate secession.

"I came out of that meeting feeling we are getting closer to compromise," said Lithuanian lawmaker Nikolai Medvedev after the hour-long session at the Kremlin. "It was a friendly meeting, and I left there feeling that we will all work this out as free people." Medvedev said the four-member Lithuanian delegation handed Gorbachev a copy of the Lithuanian parliament's latest resolution offering to freeze some legislation passed after the declaration of independence if Moscow agrees to negotiations on an orderly transition to full sovereignty for the republic.

Gorbachev told the Lithuanians that he was aware of the resolution, but he insisted on a freeze of the independence declaration itself before any talks could begin.

(David Remnick, Washington Post, A1)

BALTIC STATES HOPE SUMMIT WILL REAFFIRM U.S. SUPPORT

VILNIUS -- The fine print on official U.S. maps denies this is part of the Soviet Union, and when President Bush meets President Gorbachev next week, many in the Baltic republics...want him not to forget it....

"We pin our hopes on the summit, in the sense that it will spark real negotiations between Moscow and the Baltic republics," said Sarmite Elerte, chief of the information department of Latvia's Parliament. (John-Thor Dahlburg, Los Angeles Times, A15)

WITH MOSCOW, U.S. IS TAKING A DIFFERENT LINE

President Bush made it clear Thursday that when it comes to linking human rights to "most-favored-nation" trade benefits, his Administration has two vastly different approaches: one for China and another for the Soviet Union....

This inconsistency is echoed throughout the top levels of the Bush Administration. Last week, Secretary Baker suggested that the Soviet Union would be disqualified from obtaining most-favored-nation benefits if it uses "force or coercion" in Lithuania, Latvia or Estonia. Of course, force and coercion are exactly what China used against pro-democracy demonstrators a year ago.

(News analysis, Jim Mann, Los Angeles Times, A1)

SOVIETS SEEK AIR-TRAVEL PACT IN TIME FOR SUMMIT

Soviet officials, working to salvage a U.S.-Soviet aviation agreement in time for next week's Bush-Gorbachev summit, will come to Washington this week in an effort to negotiate the last sticking point, U.S. sources said Thursday.

The problem involves the percentage of U.S. airline tickets to be sold in rubles in the Soviet Union.... "We have an agreement that is 98 percent done," said a source involved in the negotiations. But the unresolved economic problem is as important as "the battery in a transistor radio." There will be no agreement without it, he said.

(Don Phillips, Washington Post, A23)

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YANKING OF EMIGRATION BILL STARTLES SOVIET LEGISLATORS

MOSCOW -- Soviet deputies expressed surprise Thursday at the unexplained dropping, apparently by Kremlin leaders, of a liberal emigration bill from the agenda of the Supreme Soviet -- despite earlier assurances that it would be ready in time for next week's superpower summit....

Nikolai Fyodorov, the chairman of a subcommittee that reviews new legislation, said that the decision to take the emigration law off the agenda was taken behind closed doors by Kremlin leaders. He described it as "undemocratic" and "unconstitutional." ...

Western diplomats here speculated that the abrupt withdrawal of the bill could be linked to superpower maneuvering over Lithuania's bid for independence. They said that Kremlin leaders may have feared that Washington would hold the new trade agreement hostage to an ending of the Soviet Union's economic embargo of Lithuania.
(Michael Dobbs, Washington Post, A36)

GROUP ASKS FOR AN END TO NUCLEAR PRODUCTION

A group of distinguished American diplomats and scientists asked President Bush and President Gorbachev Thursday to use the forthcoming summit as an opportunity to halt the production of nuclear materials used in weapons....

In a letter to the two presidents, signed by seven Nobel laureates, two former Cabinet secretaries...and two former directors of the CIA, the 54 signers said, "The window of opportunity is fast closing" because the U.S....is now preparing to restart the nuclear reactors.... "Surely this unrelenting race to produce yet more ingredients for nuclear weapons...deserves serious re-examination in light of the progress being made to end the nuclear arms race," the letter stated. (Jim Anderson, UPI)

BONN, MOSCOW IN TUG OF WAR OVER PRICE OF GERMAN UNIFICATION

BONN -- ...Despite the confusing signals out of Moscow, Bonn's leaders are supremely confident that the Soviets will eventually approve unification of the two Germanys and its central sticking point, German membership in NATO. The backbone of the German confidence is an equally supreme willingness to pay for the Soviet "yes."

"What we are seeing now are the birth pains of a new relationship between Germany and the Soviet Union," a top West German official said. "They know we are not willing to bring about unification without Soviet consent. And we are prepared to accept obligations in exchange for that consent."

Put more plainly, "The Russians are fishing for a price the West will pay for NATO membership," said Josef Joffe, foreign editor of the Sueddeutsche Zeitung, a Munich daily.

(Marc Fisher, Washington Post, A34)

SOVIET DEPUTIES SEEK NO-CONFIDENCE VOTE OVER ECONOMIC PLAN

MOSCOW -- Radical legislators called Thursday for a vote of no confidence in the government, declaring that the Kremlin's latest economic reform package would fail to extricate the Soviet Union from a deepening economic crisis.

Prime Minister Ryzhkov, in a two-hour televised address to the Soviet legislature, said that citizens would receive full compensation for up to 70 percent of the huge price rises forecast under the government's plans. But he said there would be no compensation for price rises on a number of luxury items, including jewelry, liquor, tobacco and food delicacies.

The no-confidence motion was announced by Gennadi Filshin, a representative of the Inter-Regional Group, a fledgling political opposition. He described the government plan as a "camouflaged attempt to double state retail prices while making no progress toward a market." (Michael Dobbs, Washington Post, A31)

EDITOR'S NOTE: "Soviet Economic Reforms Called Too Little, Too Late," by Warren Strobel, appears in The Washington Times, page A8.

KHMER ROUGE ACCEPTS THAI CEASE-FIRE PLAN

BANGKOK -- The Chinese-backed Khmer Rouge resistance group has agreed to a Thai cease-fire plan to be signed in Tokyo next month, Deputy Prime Minister Gen. Chavalit Yongchaiyudh said Friday.

..."Everything that Sihanouk has agreed to, the Khmer Rouge has also agreed to," Chavalit said.

Diplomatic sources said Chavalit this month signed separate but similar agreements with each of the factions for a cease-fire, and each group has agreed not to use the cease-fire to expand its territorial control. (Vichai Phuphatana, UPI)

**U.S. POLICY ON CAMBODIA REAFFIRMED
Khmer Rouge Role Disturbs President**

After a high-level review, President Bush has reaffirmed U.S. policy toward Cambodia as the "right track" despite criticism that it indirectly aids the Khmer Rouge, Administration officials said Thursday.

An official said Bush reaffirmed the policy at a May 10 National Security Council meeting that also touched on other regional conflicts. "Everyone concurred that we are on the right course" during the meeting attended by Secretary Baker and other senior officials in addition to Bush, the official said.

Bush, in a news conference Thursday, called U.S. policy in Cambodia "very complicated" and said that "to the degree it has any effect to help them [the Khmer Rouge], yes, I am uncomfortable about it." He added, however, that a diplomatic compromise has been worked out and "at this juncture, I think we're on the right track."

Bush said, "We are reviewing the whole policy now." However, a White House official said that, to his knowledge, no current review is taking place. He said Bush apparently was referring to the review that culminated in the May 10 NSC meeting.

(Don Oberdorfer, Washington Post, A28)

CONGRESS PASSES BILL WITH ISRAELI HOUSING GUARANTEES

The Senate early Friday completed congressional action on a bill containing \$400 million in housing guarantees for Israel to help it cope with a flood of Soviet immigrants.

In line with U.S. policy, the guarantees are not to be used to support projects in the West Bank, Gaza and east Jerusalem.

(Reuter)

ISRAEL REJECTS PROPOSALS TO POST U.N. OBSERVERS IN TERRITORIES

JERUSALEM -- Israel said Thursday that it would defy any move by the U.N. Security Council to post observers in the occupied West Bank and Gaza Strip after an outbreak of violence set off by a mass slaying of Palestinian workers by an Israeli gunman.

A U.S. pledge this week to consider such an observer mission after Sunday's shooting, in which seven Palestinian workers from the Gaza Strip were killed, has signaled a worsening of U.S.-Israeli relations, Israeli government officials said.

Appearing on Israeli television Thursday night, acting Prime Minister Shamir said, "I don't assume the Security Council would decide" on such a step "since it would clearly know this decision would not be implemented, as many other U.N. decisions against Israel."

At a press conference earlier, Foreign Minister Arens said Israel was counting on U.S. support at a special Security Council meeting Friday in Geneva that was called to discuss the recent violence in the occupied territories.... Arens conceded that coordination between the U.S. and Israel has "not been as close as it had been in the past." (Jackson Diehl, Washington Post, A31)

ARAFAT TRIES TO EXPLOIT KILLINGS

The PLO is attempting to use Sunday's massacre of seven Palestinians by a deranged Israeli and subsequent calls for a U.N. peacekeeping force in the occupied territories to exploit heightened U.S.-Israeli tensions.

PLO Chairman Arafat is expected to call Friday for a U.N. force in the Israeli-occupied West Bank and Gaza Strip when he addresses a meeting of the U.N. Security Council in Geneva.

But senior PLO officials said Thursday that Arafat is willing to settle for some form of U.N. visit to investigate ways of protecting Palestinian lives, even though the U.S. has expressed a willingness to consider a presence by the U.N.

"The important fact is that the Americans are willing to discuss protection of the Palestinians," said a senior PLO official, who asked that his name not be used. "The political aspect of this is that it implies criticism of Israel, legally it emphasizes that the territories are occupied. The important thing is to get the Americans on board."

(James Dorsey, Washington Times, A1)

LAWMAKERS BLAST REPORT BY STATE DEPT. ON PLO

House members Thursday criticized a State Department report that the PLO has apparently complied so far with its 1988 pledge to give up terrorism, calling it a "whitewash and a pack of lies."

..."This report is a sham and a fraud and this Administration ought to be ashamed of itself," said Rep. Lawrence Smith at a hearing of the House Foreign Affairs subcommittee on Europe and the Middle East. "This is just a pack of lies."

Reps. Lantos and Gilman joined Smith in charging that Israel was the victim of a "double standard" and of a "predictable orgy of Israel-bashing" in the wake of the killing of seven Palestinian laborers Sunday....

President Bush called Thursday at his news conference for Israeli restraint and said he was "troubled about the loss of human life" in the territories. He added that the solution to the region's problems is to get peace talks moving. "I will do everything I can to get the talks for peace going," he said.

(Nora Boustany, Washington Post, A32)

CLERGY SAID TO MISUSE INDIA AID

NEW DELHI -- An audit by a U.S. accounting firm has turned up evidence that some bishops, priests and nuns within India's Roman Catholic Church could have "misused" millions of dollars worth of U.S. government food donated to feed malnourished mothers and children.

Indian Catholic officials...have used short-weighting measuring devices for distributing food, created false lists of food recipients, improperly used donations to support commercial businesses, and deliberately concocted inaccurate records to hide abuses, according to the report by Price Waterhouse, the accounting firm asked to audit the food program by the U.S. Agency for International Development....

U.S. officials, who asked not to be identified, said that a definitive judgment about whether Indian Catholic officials have deliberately stolen large amounts of U.S. food was beyond the scope of the Price Waterhouse audit, which omitted the names of any individuals involved. But they said the evidence uncovered by the audit suggested to them that significant theft and corruption had occurred.

(Steve Coll, Washington Post, A1)

U.S. LAUNCHES A NEW DRIVE AGAINST ILLICIT COCAINE LABS IN BOLIVIA

In an escalation of the drug war in South America, U.S. agents have launched a new coordinated attack against a network of cocaine laboratories in the Bolivian jungle, provoking threats of retaliation against the American-led teams, U.S. officials said Thursday.

The offensive, including night-time raids with inflatable boats in alligator-infested rivers, targets new processing plants believed responsible for one-fourth of Bolivia's burgeoning cocaine production.... "We're doing a lot of first-time things," said David Westrate, director of operations for the DEA.... The teams so far have met with no resistance in their raids on seven airstrips and three laboratories, Administration officials said.

(Douglas Jehl, Los Angeles Times, A6)

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CAR BOMB, ATTACK IN MEDELLIN LEAVE 5 DEAD AND 21 INJURED

BOGOTA -- Terrorist attacks three days before a presidential election left at least five people dead, including two policemen, and 21 injured Thursday in Medellin, according to authorities....

The two policemen and two others were killed and 21 injured when a car bomb exploded at 5:40 p.m. near the Intercontinental Hotel on the southern edge of the city.

(Douglas Farah, Washington Post, A32)

MARION BARRY TRIAL TEST OF BUSH DRUG POLICY

BOGOTA -- In the eyes of many Colombians, President Bush will be a co-defendant with Marion Barry when the Washington, D.C., mayor goes on trial next month on cocaine charges....

In the view of Colombians, a failure to convict Barry would raise more doubts about the sincerity of the U.S. anti-drug effort....

The case "creates a bad feeling in Colombia. Colombia wants to look to the United States to fight against drug trafficking," said Liberal Party candidate Cesar Gaviria, the expected winner of Sunday's presidential election. "Not one case of a kingpin being tried is known. It is difficult to understand what is happening with the mayor of Washington."

(Tom Harvey, UPI)

**U.S. GOVERNMENT AGREEMENT
TO PAY FOR NORIEGA'S DEFENSE COSTS BLOCKED**

MIAMI -- A deal by the federal government to pay the legal bills of deposed Panamanian leader Manuel Noriega collapsed Thursday in court when a federal judge advised both sides that the government is limited, by law, to paying a maximum of \$75 an hour in attorneys' fees....

Under terms of Monday's agreement, the four defense lawyers understood that they could collect between \$200 and \$300 an hour in legal fees. Frank Rubino, lead defense lawyer, said the smaller fee was "ludicrous."

(Laura Parker, Washington Post, A23)

MEXICO TO EXPAND MARKETS WITHOUT EXCLUDING LATIN AMERICA

BUENOS AIRES -- Mexican Foreign Minister Fernando Solanas said Thursday that Mexico does not plan to join a trade bloc with the U.S. and Canada.

"What exists now is a possibility of amplifying some trade areas. It is not defined as an economic integration," or trade bloc, Solanas said in a news conference in Buenos Aires after meeting with President Menem....

"The intention of Mexico is to broaden markets without excluding others," he said.

(UPI)

GNP DISPUTED AS DEVELOPMENT INDEX

U.N. Program Charges Distortion Of Economic Growth Strategies

Western governments and international aid organizations have done a crude job of measuring world economic and social development for decades, thus contributing to ineffective development strategies, according to a U.N. report released Thursday....

The report uses a "human development index" that measures peoples' fundamental quality of life according to their life expectancy, literacy and ability to buy basic goods....

The study, called the Human Development Report 1990...found that west and central Africa...form the world's most desperate belt of want, with eight of the 10 least developed countries. According to the new measurements, the U.S. is the least developed of the major Western industrial nations.

(James Rupert, Washington Post, A16)

EDITOR'S NOTE: "Gorbachev Making Commitments," by Ann Devroy, appears in The Washington Post, page A36.

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NATIONAL NEWS

KEMP REJECTS INCREASING TAXES, SAYS IT WOULD HURT ECONOMY

Secretary Kemp broke ranks with the Bush Administration Thursday, insisting that the federal budget deficit "is not ballooning" and that any attempt to reduce it by raising taxes will hurt, not help, the economy.

Kemp...said he supports the current budget summit as a way to "reduce spending."

But he lamented that the negotiations between the White House and congressional leaders have turned into a "tax summit." "If no one else [in the Administration] will make the public case, I will. The transcendent issue is economic growth. Cutting taxes, not increasing taxes, is the route to economic growth," Kemp said.

Kemp's comments came as the budget group held its fourth meeting on Capitol Hill.... The session began as President Bush praised the group's progress, but he suggested it is Congress, not he, that caused the deficit problem. "I will point out that people understand that Congress bears a greater responsibility for this," Bush said, adding, "But I'm not trying to assign blame..."

Those comments irked some Democrats who do not want to make any proposals in the bargaining until Bush does.

(Ann Devroy, Washington Post, A1)

DEMOCRATS CHARGE THAT BUSH COMMENTS SOUR BUDGET TALKS

Democratic participants in the budget talks between the White House and Congress charged Thursday that President Bush "soured" the atmosphere by urging Congress to take a greater leadership role....

Before negotiators met, Bush told a White House news conference he believes Congress must share responsibility for proposing solutions to the deficit problem and disputed Democratic charges of lax leadership on the issue....

"I will point out that the Congress bears a greater responsibility for this," Bush said. "But I'm not trying to assign blame. That's why I'm doing it right now. That's why I'm saying we're going to sit and talk."

Democrats were displeased with Bush's remarks but said they were not discussed during the negotiations.

"It soured, I think, some of the attitude of the negotiators...when we're making a good faith effort to try to grapple with this problem, to try to come up with solutions," said Sen. Sasser....

Rep. Panetta said Bush's comments make him "perhaps one of the first presidents in recent history to say that the Congress has greater power than the presidency in determining the course of the economy, and I don't think anybody believes that." ...

Rep. Gephardt said "the President is wrong if he believes the budget is more the Congress's responsibility than his. It's a shared responsibility."

(Bud Newman, UPI)

Bush Upsets Democrats By Blaming Congress For Deficit

President Bush said Thursday that the Democratic-controlled Congress bears a greater responsibility than he does for reducing the soaring federal deficit, touching off angry denials from Democrats and renewed demands that Bush show greater leadership.

Bush reiterated that he will not address the American people on the deficit until he can endorse a negotiated bipartisan solution.... "If I outlined the problem now, I'd rely on some of the fact that the Congress appropriates all the money and raises all the revenues," the President said. "That's their obligation.... People understand that the Congress bears a greater responsibility for this."

Democrats instantly disagreed. Bush "should recommend what he believes is needed now," Speaker Foley said minutes after the President spoke. (William Eaton, Los Angeles Times, A38)

Democrats Irate Over Bush Silence

President Bush ignited Democratic tempers in Congress Thursday when he refused once again to address the public on the severity of the deficit problem or to offer proposals to solve it.

Speaking at an impromptu White House news conference, Bush said Congress bears the primary responsibility for dealing with fiscal matters. He said he would not offer more detailed descriptions of the causes for the swelling deficit or make public any recommendations for a solution until after Administration and congressional negotiators reached a budget agreement.

Democrats wasted little time attacking the President's statement. "Sitting at Ronald Reagan's right hand, the President learned how to duck, not how to lead," said Rep. Obey, whose views were widely echoed by Democrats in the House and Senate. "The American people have learned more about the Soviet economy over the past two days than they have about their own."

(Susan Rasky, New York Times, A13)

DEMOCRATS' DEFICIT CUTS DIG DEEPER THAN GOP'S

Capitol Hill Democrats meeting in the budget summit with the White House want to cut the deficit by \$600 billion over five years, while a key Republican said \$425 or \$450 billion might be more realistic.

The competing figures were given Thursday after summit negotiators emerged from a three-hour closed-door meeting.

(Chris Harvey, Washington Times, A4)

PENTAGON TO AWAIT MISSILE SAFETY STUDY

The Department of Defense Thursday said it would not remove short-range, nuclear-tipped missiles from strategic aircraft on war "alert" before the Air Force completes a special study on the possibility that they might explode in an aircraft fire....

DOD spokesman Pete Williams told reporters at the Pentagon that the SRAM-A "meets all our current safety standards" and "it would be unwise and premature to predict the outcome of that study and to make any decisions now before it's done" later this summer.

(R. Jeffrey Smith, Washington Post, A23)

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USS IOWA PROBE REVIVED; TEST BACKS ACCIDENT THEORY

The Navy Thursday suspended all live firings of the massive 16-inch guns on its four World War II-vintage battleships after new testing showed that an accidental explosion could have caused the turret blast that killed 47 sailors aboard the USS Iowa in April 1989. The finding caught top Navy officials by surprise and prompted Navy Secretary Garrett to reopen the official investigation into the disaster....

The testing Thursday was conducted after Sen. Nunn made a strongly worded appeal May 14 to Admiral Carlisle A.H. Trost, chief of naval operations, citing results of laboratory tests by Sandia National Laboratories in Albuquerque indicating that a "high-speed overram" could lead to accidental ignition of the powder charges used in the 16-inch guns.... The Navy confirmed Sandia's theory yesterday at the Naval Surface Weapons Center in Dahlgren, Va.

(Patrick Tyler, Washington Post, A1)

GOP DUSTS OFF SUPPLY-SIDE ECONOMICS

Supply-side economics -- the Reagan-era notion that government tax revenue will go up when tax rates go down -- is trying to stage a comeback, even in this era of \$150 billion federal deficits.

Thursday, House Republicans released a study that contended that a Democratic proposal to raise marginal income tax rates to 33 percent for the 600,000 richest Americans would slow economic growth, mean 377,000 fewer jobs and lower the take-home pay of the average taxpayer.

"Those who hope to redistribute income to the poor by increasing tax progressivity may actually harm intended beneficiaries. In this case, average taxpayers end up worse off by over \$500," said a study by the Institute for Policy Innovation, a Lewisville, Tex. foundation chaired by Rep. Armey.

(Steven Mufson, Washington Post, F1)

REVISED FIGURES SHOW ECONOMY IS STILL SLUGGISH

Deflating a recent impression that the economy was chugging along quite nicely, the Commerce Department reported Thursday that the sluggish economic growth that had set in last September had continued through the first quarter.

In its second estimate of the quarter's economic growth, the Commerce Department said the GNP...had expanded at an annual rate of only 1.3 percent from January through March and not, as estimated last month, at a healthy 2.1 percent.

(Lousi Uchitelle, New York Times, A1)

SEC LINKS SLIDE OF STOCKS ON OCT. 13, FUTURES DEALS

The mini-stock market crash of Friday, Oct. 13, 1989, which drove the Dow Jones industrial average down 191 points in 90 minutes, was fueled by the combined selling of program traders in New York and futures speculators in Chicago, the SEC said Thursday.

...The SEC, which has criticized Chicago's low margin levels before, warned that the turbulence seen in October could return.

(Stan Hinden, Washington Post, F1)

**SULLIVAN SEEKING BAN ON CIGARETTE MACHINES
\$1.23 Billion In Illegal Sales To Youths Cited**

Citing the "moral outrage" of the estimated \$1.23 billion worth of cigarettes illegally sold to children every year, Secretary Sullivan Thursday called for a ban on cigarette vending machines, the licensing of tobacco retailers, and tougher enforcement of laws prohibiting tobacco purchase by minors.

"We have found it convenient to look the other way as cigarettes are openly sold to our nation's youth," Sullivan said, adding that as long as children begin smoking and "become addicted before they can make a mature judgment, we will never succeed in achieving a smoke-free society."

Sullivan's comments, which came before the Senate Finance Committee...drew immediate criticism from industry groups, which said vending machines contribute little to the problem of underage smoking. And his legislative proposals were attacked by some members of Congress as inadequate and contradicted by other Bush Administration policies.

"A much stronger effort is required to achieve adequate enforcement," Sen. Kennedy said. "But Secretary Sullivan's half-hearted pan to reach this goal is certain to be ineffective."

(Malcolm Gladwell & Anne Swardson, Washington Post, A3)

EDITOR'S NOTE: "Most States Shrug Off Cigarette Sales To Kids," by Karen Goldberg, appears in The Washington Times, page A6.

SENATE VOTES TO PROTECT RETARDED FROM EXECUTION

The Senate voted Thursday to forbid federal courts from imposing capital punishment against the mentally retarded as it moved toward approval of a major expansion of death penalty provisions in federal law.

While agreeing to protect the retarded, the Senate approved major new restrictions on appeals by death row inmates and it turned back an attempt to prohibit capital punishment in cases in which there is evidence that race was a factor in sentencing. It also voted to lower from 18 to 17 the minimum age at which a defendant can be sentenced to death.

(Helen Dewar, Washington Post, A7)

**HOUSE DEMOCRATS ASSAIL JUSTICE AGENCY
OVER SENTENCING FOR CORPORATE CRIME**

Democrats on a House Judiciary subcommittee challenged the Justice Department's explanation of why the agency rescinded its longstanding support for proposed tough new guidelines governing criminal sentencing of corporations.

...During the sometimes contentious questioning, the subcommittee's chairman, Rep. Schumer, suggested that, in fact, Attorney General Thornburgh ordered the endorsement withdrawn because business lobbyists, who vehemently oppose the guidelines as being too strict, had pressured the White House to intervene.... But a White House spokesman said Thursday that "It's simply not true" that the White House requested any changes in the sentencing guidelines. "The charge is groundless."

(Paul Barrett, Wall Street Journal, A18)

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BUSH VETOES AMTRAK AUTHORIZATION BILL

President Bush vetoed Thursday legislation to increase federal money for Amtrak, saying "an unprecedented new regulatory requirement represents a step backward for the entire railroad industry."

In a letter to Congress, Bush said the proposed provision that would tighten the regulation of takeovers of freight railroads by non-railroad entities represents an "unwarranted roadblock to financial restructuring."

"There is already adequate authority to protect the public interest in acquisition situations," said Bush....

The House, which passed the bill 322 to 93, is expected to be able to muster the necessary two-thirds vote for a veto override. But it is uncertain if the Senate will be able to do so. (UPI)

FAA REBUKED FOR REMOVING CONTROLLERS Discrimination Cited On Insulin-Dependent

The FAA came under congressional fire Thursday for removing air traffic controllers who are dependent on insulin from their jobs.

"That's discrimination," said Rep. Gerry Sikorski at a House civil service subcommittee hearing.

"That's discrimination in favor of safety, sir," said Dr. William Hark, manager of the FAA's medical specialties division.

Sikorski accused the FAA of disqualifying controllers based on fear, rumors and a false report that a controller had been incapacitated by diabetes and found lying on the floor of his control tower. (Judith Havemann, Washington Post, A19)

U.S. FACES \$150 BILLION IN TOXIC CLEANUP COSTS Every Large Agency Involved, CBO Says

The federal government owns or is responsible for thousands of facilities and sites contaminated by toxic wastes and faces long-term cleanup costs of more than \$150 billion, the Congressional Budget Office said in a report released Thursday.

In addition to the well-documented environmental liabilities at the Energy Department's nuclear weapons manufacturing plants, the report said nearly every large government agency owns sites that it is legally responsible for cleaning up....

At some facilities, such as portions of the Energy Department complex at Hanford, Wash., radioactive contamination is so extensive that "complete cleanup may technically and economically unfeasible," the report said.

(Thomas Lippman, Washington Post, A19)

DEM CHAIRMAN SAYS AILES CONNECTED WITH HORTON ADS

COLUMBUS, Ohio -- Democratic state chairman James Ruvolo said Thursday he will ask the FEC to investigate the connection between Republican political consultant Roger Ailes and the notorious "Willie Horton" campaign ads of the 1988 presidential campaign.

Ruvolo told reporters he has proof of an illegal connection between Ailes and a Bush-Quayle political action committee that produced television advertisements featuring furloughed murderer Willie Horton.

Ruvolo, who planned to file his complaint Friday with the FEC, said the ads were racist, and noted that Ailes is now working for Republican gubernatorial nominee George Voinovich.

(Lee Leonard, UPI)

3 GOP NATIONAL COMMITTEES OUTSPEND DEMOCRATS, FEC SAYS

The three national Republican campaign committees raised \$113 million over the first 15 months of this election cycle, more than four times the \$24 million contributed to rival Democratic committees, according to FEC figures released Thursday.

In an effort to bolster its fund-raising image, the Democratic National Committee, which reported \$8.8 million in contributions for the period, announced Thursday that it received another \$3.6 million in so-called "soft money" donations from unions, corporations and individuals through April. Soft money contributions are not subject to federal regulation or included in FEC reports.

"The FEC figures shortchange our success," said Michael McCurry, DNC communications director....

Mary Matalin, chief of staff at the RNC, said her committee, which raised \$43.2 million in the 15-month period, raised another \$11.6 million in soft money through April -- about 21 percent of its total.

(Charles Babcock, Washington Post, A13)

EDITOR'S NOTES: "Profiteering In The Parks?" by John Lancaster, appears in The Washington Post, page A19.

"Wife Of Aide Cut Down With Reagan Scoring Hits Against The Gun Lobby," by Philip Shenon, appears in The New York Times, page A18.

"McFarlane Says Weinberger Libeled Him In Recent Book," by Roger Cohen, appears in The New York Times, page A19.

NETWORK NEWS

Thursday evening, May 24

POLL

NBC's Jane Pauley: President Bush continues to get high marks from American voters in our latest NBC News/Wall Street Journal poll. Almost 3/4 [72 percent] approve of the job he's doing; [21 percent disapprove.] And 2/3 [68 percent] say they have positive feelings about him; [16 percent have negative feelings.] For Dan Quayle it's a very different story. Only 29 percent have positive feelings about the Vice President; [37 percent have negative feelings.] And when asked who they would prefer as Bush's running mate in 1992, Quayle or Secretary Baker, Baker is preferred almost two-to-one [47 percent to 25 percent.]

Our poll also found that the President has lost a little ground with American voters when it comes to handling the economy. That's not surprising given the challenges he faces. (NBC-11)

NBC's John Chancellor comments that the latest NBC News/Wall Street Journal poll shows that voters not only think a tax increase is on the way, most of them would not blame President Bush if taxes went up. The public is divided on the merits of more taxes, but the number of voters who say taxes should be raised has increased significantly in the last month. My view is that the cost of the S&L crisis is a factor in the public's new mood, and there's a new mood among some senior Republicans. Sen. Dole and Rep. Michel have been talking about raising additional revenue. Many people now believe that something serious needs to be done about the deficit and that nothing serious can be done without taxes being part of the package. Spending cuts alone won't do the job. When the President was asked today about his famous pledge, "Read my lips. No new taxes," all he would say is, "Things are complicated out there." The new poll makes them less complicated because it makes raising taxes less dangerous politically.

Pauley: One more finding of our poll. Mikhail Gorbachev remains highly popular with Americans. As next week's summit approaches, 59 percent give him positive marks. The poll was conducted last weekend among 1,000 registered voters. (NBC-12)

CHINA

ABC's Peter Jennings: President Bush announced today that he will continue most-favored-nation trading status with the government of China, which means that China, like America's other large trading partners, will continue to benefit from the lowest possible trade tariffs. There was pressure on the President not to do this, but at a news conference this morning Mr. Bush said that punishing the Chinese government for its anti-democratic behavior would hurt American business, and that in his view economic contexts were the best way to promote reform in China. (ABC-2)

Paulley: President Bush had to make what he called an agonizing decision today -- punish the Chinese government or preserve the jobs of its people, and American jobs. The issue, renewing China's trade status as most-favored-nation. The President decided that that was the way he had to go, just 11 days before the anniversary of the Tiananmen Square massacre.

NBC's John Cochran: The images of Tiananmen Square and the repression that followed aroused emotions in the U.S. President Bush has always said he is not a very emotional person, and today he emphasized that he tried to be calm and collected when he decided to renew most-favored-nation trading status for China. **(President Bush:** "And this was a difficult decision, weighing our impulse to lash out in outrage that we all feel against a sober assessment of our nation's long-term interests.")

If the U.S. were to take away most-favored-nation status from China, that would result in new American tariffs on Chinese imports like Barbie dolls. And the President said China would retaliate. **(President Bush:** "China buys about \$6 billion a year of American aircraft and wheat and chemicals, lumber and other products. Lose this market and we lost American jobs: aircraft workers in the west, farmers in the great plains, high-tech employees in the northeast.") Bush's decision was welcomed at an electronics firm which expects to sell about \$25 million in robotic parts to China this year. **(John Fuller, Foxboro Company:** "By enabling us to continue to do business in China with the Chinese they will be exposed to the American economic system.")

In Congress today Democrats and Republicans said Bush should have punished China. **(Sen. D'Amato:** "I don't want and think that we should be giving comfort and support to the slavery, to the enslavement of Chinese people.") **(Sen. Mitchell:** "The answer is not more concessions. That doesn't make sense. It does not serve American interests.") **(President Bush:** "And what irks me is when some of the people up on the Hill accuse me of being less interested than they are in human rights.") But Bush is confident he has the votes in Congress to put down any attempt to take away China's trading privileges. (NBC-2)

CBS's Dan Rather: President Bush today renewed China's most-favored-nation trade status, saying it was the best way to promote the reforms for which the victims of Tiananmen Square gave their lives. At the same time Mr. Bush indicated he will not grant that same trade status to the Soviet Union, not at least now because of human rights problems there. The China decision set off an uproar in Congress which could overrule the President.

CBS's Lesley Stahl: The President's decision ran into an immediate bombardment of criticism from Congress today, but the White House is still betting that the reaction will not be as intense nor as politically damaging as it was last year when he sent officials on a secret mission to Beijing shortly after the massacre in Tiananmen Square. Mr. Bush cited mainly economic reasons in defending his decision to renew the special trade concessions for China.

Stahl continues:

(President Bush: "Isolation is bad, and economic involvement is good. And economic -- the whole fact that we've had economic involvement I think has moved China more towards reform than if we hadn't had it.")

The President claimed that Chinese intellectuals favor his decision.

(President Bush: "Students in China, according to our ambassador, want to see this MFN continue.")

But Chinese students in the U.S. were quick and harsh in disagreeing. In a press release, they said the Goddess of Democracy is weeping, and protested that the hard-liners in Beijing will use the President's decision to consolidate their power.

(Shen Tong, Democracy for China Fund: "President Bush on the one hand publicly says he will support the human rights struggle for China, for our movement. On the other hand he constantly did a lot of things against what he said publicly.")

The White House may have miscalculated the depth of outrage in Congress.

(Sen. Mitchell: "The President's repeated concessions to the Chinese government have been met with intransigence. The answer is not more concessions. That doesn't make sense.")

(Sen. D'Amato: "We'll trade with any killer, that we'll give any pirate, any bandit, anyone on the altar of political expedience the opportunity to do business with us.")

Congressional leaders predict that majorities in both Houses are so incensed they'll vote to rescind the special trade status. But officials here say that Mr. Bush took his action only after being assured that Congress could not override a veto. (CBS-2)

CAMBODIA

Jennings: Just one other note from the President's news conference. Mr. Bush said he is reviewing U.S. policy towards Cambodia. The U.S. provides aid to the non-communist coalition that's been trying to overthrow the present Cambodian government. When Mr. Bush was asked about reports that this has the side effect of helping the murderous Khmer Rouge, also trying to overthrow that government, he said, "I am uncomfortable about it and we are reviewing the whole policy." (ABC-4)

U.S.-SOVIET SUMMIT

Jennings: Having dealt with China at his news conference, the President moved on to the much more complicated relationship the U.S. has with the Soviet Union. Mikhail Gorbachev arrives in Washington next Wednesday evening.

ABC's Brit Hume: With less than a week to go before the summit the President suddenly seemed worried that people would expect too much from him, perhaps because of the headway on a strategic arms deal his Secretary of State brought back from Moscow last weekend.

(President Bush: "I don't want to over-promise, but I don't want to act like I think it's just, you know, some kind of a dance out there on this meeting. Because what we're going to talk about is really substantive. We've got a lot of things that I think will be seen properly as progress. But there's enormous problems that just need to be talked about where I can't say there'll be an answer.")

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Hume continues: The President cited differences with the Soviets over German unification and lack of progress on reducing both sides' troops, tanks, and guns in Europe despite all the changes there.

(**President Bush**: "I'll tell you what troubles me is that we're not -- somebody asked the question here -- not further along on conventional forces. And I think it does send a bad signal if the Soviets look like they are refusing to go forward and don't want to take full forces out of countries in accordance with previous deals.")

The President was gloomy as well about breakaway Lithuania, where continuing Soviet pressure has made a deal for increased U.S.-Soviet trade politically impossible in this country.

(**President Bush**: "I can't tell you I'm encouraged about where it stands right now. I have told you, told the American people, that this Lithuanian situation does cause certain tensions.")

It's hard to know how seriously to take all this. With Mr. Bush lowballing the expectations, it might not take much give from the Soviets at the summit to create the appearance of major progress. Remember how Mr. Bush stole the show from Gorbachev at Malta by making unexpected concessions. (ABC-3)

LITHUANIA

Pauley: The latest on Lithuania's standoff with Moscow. Soviet President Gorbachev hinted at a compromise today. He told a Lithuanian politician that the republic could win independence in two or three years if it suspends its declaration of independence. The Lithuanian's response, "We'll think about it." (NBC-4)

USS IOWA

Jennings: The U.S. Navy came as close as it ever has today to admitting that it botched the investigation into what caused the explosion aboard the USS Iowa last April, that it missed the truth. What it said, the explosion was most likely caused deliberately by gunners mate Clayton Hartwig, one of the 47 sailors to die. There was widespread cynicism about the Navy's investigation from the very beginning, about its methods and its conclusions all the way down the line. Today following new tests the Navy says it will reopen the case, which it had closed, and after an incident with gunpowder today has ordered that no more of the big 16-inch guns on any battleship be fired until further notice.

ABC's Bob Zelnick reports that until today the Navy had claimed its strongest evidence that gunners mate Hartwig deliberately caused the explosion was the discovery of the remains of a foreign chemical device in the gun. But ABC News has learned that new tests by the highly respected Sandia Weapons Laboratory found no foreign chemical substance. The tests, ordered by a skeptical Senate Armed Services Committee, found only materials common throughout the ship. The Navy said it had ruled out all causes except for an intentional act. Sandia's scientists concluded it could have been accidental. They were able to duplicate the explosion using the Iowa's own gunpowder together with the ramming device used to pack the powder in the gun. Sandia concluded that friction caused by an overextended rammer could have caused the blast.

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Zelnick continues: The Navy was conducting its own tests of the accident theory today at the naval weapons station in Virginia, when an unexplained ignition occurred in one of the powder bags. It was a powder bag that exploded aboard the Iowa. And as a safety precaution the Navy suspended the live firing of 16-inch guns on all four battleships. Critics say the Navy owes Clayton Hartwig's family an apology. The Senate Committee devastated the Navy's technical case. Earlier, a House committee had all but destroyed the Navy's psychological theory that Hartwig had been driven to suicide by the collapse of his relationship with fellow Iowa sailor Kendall Truitt. Veteran Pentagon observers could recall no similar occasion when a major military investigation appeared to miss the mark by so much. (ABC-Lead)

Pauley: It was a startling turnaround today by the U.S. Navy. More than a year after the deadly explosion aboard the battleship Iowa and many months after concluding the blast was probably set off intentionally, the Navy is reopening the investigation on indications it could have been an accident. (NBC-Lead)

Rather: The U.S. Navy was forced tonight to reopen the investigation into last year's fatal explosion aboard the USS Iowa. The Navy also ordered an immediate halt to firing the big guns aboard all U.S. battleships. This is the first indication Navy brass may be backing off its insistence that the Iowa blast was deliberate and blaming it on one of the 47 sailors who died in the explosion. (CBS-Lead)

ISRAEL

Jennings: There is new tension today in the relationship between the U.S. and Israel. It grows out of the violence last weekend. Seven Palestinians were murdered and then others who were demonstrating were killed and several hundred were wounded. Now the State Department has indicated that U.N. observers might be useful in the occupied territories. Israel strongly disagrees.

ABC's Dean Reynolds reports that the continuing violence is what moved the Bush Administration to say it would consider supporting the use of a U.N. observer team in the occupied territories. The Palestinians continue to be killed and wounded despite Israel's assurances that its military is acting with utmost restraint. But Israel is dead-set against U.N. observers in what it regards as its own backyard.

(Foreign Minister Moshe Arens: "No, Israel would not accept U.N. observers on territory under Israeli control. Those people who incite the violence in the area and engage in violence in the area would feel encouraged.")

Israelis are afraid the Palestinians would use the U.N. as a way to loosen Israel's grip on the territories, making it possible for Palestinians to negotiate their future with the U.N. instead of Israel. The Palestinians say Washington's consideration of the U.N. observer idea is a plus. The turmoil has moved other nations to send their own observers here. A French team toured Gaza today, and tonight a Soviet delegation arrived to visit the occupied territories. All of this attention is affecting Israel.

Reynolds continues: Tonight, when Palestinians defied a curfew in Gaza, the army steered clear in accordance with brand new orders restricting the use of force. That response to international pressure might quiet things down a bit, but the bloodshed this week has simply put the problem back in the world spotlight and shown once again how far it is from a solution.

Jennings: From the American point of view this new level of violence -- six Palestinians killed and 650 wounded by the army in a single day last Sunday -- is a powerful argument for Israel to sit down and talk with the Palestinians.

ABC's John McWethy: It is especially the reports of Palestinian children being killed that are moving President Bush to slightly toughen U.S. policy toward Israel.

(President Bush: "I am troubled about the loss of human life in this area. I am deeply troubled about -- well, totally human life, but I think particularly of children in this kind of situation.") Despite strong Israeli objections American officials say that tomorrow in Geneva at the U.N. Security Council meeting the U.S. will not stand in the way of an Arab-backed resolution to send U.N. observers to inspect the West Bank and Gaza.

(State Department spokeswoman Tutwiler: "Let me remind you, which I know you know, that U.N. officials have visited the occupied territories before to investigate the situation.")

The U.S. reportedly will veto any tougher resolutions calling for a permanent observer group in the occupied territories. Even so, American officials are well aware that the milder measure is still sending a strong message to Israel that the Bush Administration is finding the violence plus Israel's refusal to sit and negotiate with the Palestinians less and less tolerable. (ABC-7)

NBC's Martin Fletcher reports that aides to Prime Minister Shamir believe President Bush is using the idea of a U.N. observer group as yet another stick to beat Israel. They believe Bush just doesn't like Shamir and that's affecting U.S. policy. Bush says he just wants to get peace talks going, and he's also worried about the surge in violence in the occupied territories.

(President Bush: "I am troubled about the loss of human life in this area, particularly of children in this kind of situation.") Today in one clash three Palestinians under 10 years of age were hit by rubber bullets. One is seriously wounded. And a five-month-old Jewish baby was hit in the head by a rock thrown by Palestinians. But the violence is just the latest strain in the relationship between America and Israel. The root of the problem between Jerusalem and Washington is that President Bush just doesn't believe Prime Minister Shamir seriously wants to talk peace with the Palestinians. And until he does things can only get worse. (NBC-3)

ECONOMY

Rather: It turns out the U.S. economy was growing a lot more slowly in the first quarter of the year than the government first reported. New facts and figuring today indicate that the GNP grew at an annual rate of just 1.3 percent. Inflation, as measured by the GNP, was running at an eight-year high -- 6.7 percent.

(CBS-5)

CLEAN AIR

Pauley: After a 13-year battle the House has voted overwhelmingly to approve the clean-air bill, but some big questions remain. Just how much will clean air cost, and exactly who will pay for it?

NBC's Andrea Mitchell reports that Congress' sweeping clean-up bill could cost \$21.5 billion -- higher prices for cars, gasoline and utility bills in return for less smog, less toxic fumes, less acid rain. Automobiles. The government says tougher curbs on tailpipe emissions, the first in 20 years, will add at least \$100 to the price of a new car. The auto industry says the cost will be even higher. Three-hundred-thousand new cars which can burn clean fuel will have to be built at great expense and sold in Los Angeles by 1997. That was a last-minute cave-in to the auto industry. Gasoline. By 1992 all cars in the nine cities with the worst smog will have to burn cleaner gas. Toxic chemicals. Plants ranging from big factories to small dry cleaners will have to install technology over the next 10 years to control poisonous fumes. The goal, reducing at least 2,200 yearly cancer deaths attributed to toxic emissions. Acid rain. Utilities would have to cut their sulfur dioxide emissions in half over the next 10 years. Electricity bills in some areas could almost double. This bill is already in trouble, because it includes payments to workers who lose their jobs as industries are forced to clean up. The White House says that would simply cost too much and is threatening a veto. (NBC-5)

SMOKING

Jennings: There was a call today for new laws to protect children from tobacco. Forty-four states already have laws that are supposed to prevent children from buying tobacco. HHS Secretary Sullivan has told Congress that all states should have them and should take even stronger action.

ABC's Sheilah Kast reports that Sullivan says state laws against selling to minors are rarely enforced.

(**Sullivan:** "It is a moral and medical outrage that our society permits so many of its children to have such ready access to a product that does so much harm.")

Sullivan wants the states to regulate licenses and cigarette machines. But some congressional Democrats say he's passing the buck. They want a federal law.

(**Rep. Atkins:** "The Administration is trying to have it both ways by placating the American citizen with soothing words about health while winking to the cigarette industry that no federal action will be forthcoming.")

The tobacco industry said Sullivan's proposals will not work. The strength of the tobacco lobby guarantees a struggle over federal or state action. (ABC-5)

Pauley reports that Sullivan's stand was criticized by Democrat Edward Kennedy who called it ineffective and half-hearted. Kennedy said the problem is national and should be addressed at the federal level. (NBC-6, CBS-4)

DEATH PENALTY

Pauley: The Senate voted today to block the use of the death penalty against the mentally retarded. That would reverse a Supreme Court decision of last year. Sen. Biden argued, "Just because the Supreme Court says we can do it doesn't mean we should."
(NBC-10, CBS-10)

SKIN CANCER

Pauley: Federal health officials today issued a summertime skin cancer warning saying Americans should cut down on sunbathing. They said that in the past decade the death rate from the most deadly form of skin cancer linked to some exposure, melanoma, rose more than 25 percent.
(NBC-7)

NATIONAL PARK INCOME

Rather: President Bush's Interior Secretary Lujan today proposed raising the fees on private operators of hotels and other concessions allowed in national parks. Lujan said the fees should go up for park upkeep. This follows a report showing the Park Service got only \$13 million out of the \$506 million private business made off the public's parkland in 1988.
(CBS-6)

BOMB

Rather: A bomb blast ripped open a car in Oakland, CA, today. Two people inside, a 30-year-old man and a 40-year-old woman were injured. Both are environmental activists involved in a protest against cutting down redwood trees in Northern California. The woman reportedly had received death threats.
(CBS-7)

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EDITORIALS/COLUMNISTS

BUDGET SUMMIT

Reading Wall Street's Lips -- "...Raising taxes, which now seems more politically possible than at any time in recent years, is... good for the stock market. It would tend to reverse [many] pernicious [economic] trends,... and could provide a psychological boost as the country appears finally to be solving one of its worst domestic difficulties. Quite apart from any political reservations Bush may feel about taxes and government, he has attributed much of his opposition to tax increases to his worry that they would tend to stifle the economy. The alternative, however, is to force the Federal Reserve System to address another consequence of persistent deficits, inflation, with a stringent monetary policy that could be harsher on the economy than the effects of a tax increase."
(Boston Globe, 5/18)

Bush Should Go On TV And Let Us Read His Lips -- "...The President should be ready and willing to start building a consensus for the hard choices that deficit reduction will demand, even if the details aren't set yet. That would help commit both sides to a successful outcome and prepare the American people for the sacrifices they will have to bear. Bush says a speech would unduly alarm the financial markets by overdramatizing the deficit problem, with painful consequences. That's an unnecessary fear: If the Administration marched out, flags flying, to fight the deficit, there would be no louder huzzahs than from the business and financial communities."
(Newsday, 5/17)

The Deficit -- Let's Cut Spending To Fix It -- "...The federal government must now decide whether to help or hurt a nation struggling to regain its competitive edge. Will Congress spend less, thus helping Americans adjust to competition? Or will Congress demand more, further cutting the income of people who have already tightened their belts considerably? Americans have answered those questions over and over again -- poll after poll, presidential election after presidential election. They want the federal government to cut spending. Why doesn't the federal government just do it?"
(Charleston Daily, 5/17)

Read My Lips: 'Boooo!' -- "George Bush doesn't want to frighten you. Sure, he's worried about the budget deficit, and he's asked a lot of leaders from Congress, even mean ol' Democrats, to worry with him. But he doesn't want you to worry. Not yet, anyway. The mean ol' Democrats want to shove him in front of the TV cameras right away and make him say the economy is going to hell in a handbasket. They'd probably even like to make him cry -- right there on national television! But George knows that would frighten you. Heck, it might even frighten The Markets, and if that happened the economy really would go to hell in a handbasket.... George went on television to say that he wouldn't go on television because 'I don't want to inadvertently send the wrong signals to The Markets.' The Markets didn't know what to think. They didn't go up and they didn't go down. And the budget deficit? It just kept on getting bigger -- which would frighten us if we were really paying attention."
(Louisville Courier Journal, 5/17)

-more-

The Solution: Spend Less -- "...Instead of looking for new taxes, government should look for ways to trim spending. In Washington, one of those is by sticking to not only the provisions but the intent of the Gramm-Rudman-Hollings Balanced Budget Act.... Instead of looking for the President to give his blessing to a tax increase, congressional leaders should gird their loins and take battle-axes to the deficit in their own appropriations process. If they cannot make Gramm-Rudman work, the Balanced Budget Amendment is still lurking off in the corner, waiting to be given new life."
(Sunday Chieftain, New Mexico, 5/13)

A Budget Opening -- "...In a \$6 trillion economy, what counts is not hitting the target precisely but a national policy that keeps reducing the deficit over the long term. To do that, the summit must produce a multiyear plan for spending and taxation that charts a sound fiscal policy and a set of priorities for the challenges of the 1990s. That should include higher revenues from closing income tax loopholes and bigger taxes on gasoline and spending cuts in programs such as farm price supports. Equally important, the policy that emerges should present a blueprint for redirecting the nation's resources from the Cold War to the investments -- in education, infrastructure, scientific research and in dealing with the problems of children and the inner cities -- necessary to build equal economic opportunity at home and competitive vigor abroad."
(Sacramento Bee, 5/11)

A Balancing Act -- "...If President Bush, who made 'no new taxes' the centerpiece of his presidential campaign, is willing to consider the dreaded 'T word,' the least they can do is ponder several options. The most likely revenue sources under discussion will be value-added taxes, more user fees and higher taxes on gasoline, liquor and cigarettes. A combination of some or all of these revenue enhancements, coupled with significant spending cuts, could produce the 1991 savings required by Gramm-Rudman without raising income taxes. And indeed, an income tax increase at this point would be a mistake. It would stunt economic growth overall and slow new jobs creation."
(Torrance Daily Breeze, 5/11)

Read Our Lips -- "...No doubt trimming the deficit will be painful all the way around, whether the medicine is in the form of spending cuts or tax increases, or, more likely, a combination of both. But the President has to be careful. The problem is not that Washington has too little money. It spends too much money. If there are to be more taxes, they should come as the last resort, and Bush should have an ironclad way of making sure they will go only toward deficit reduction. Otherwise, people might start wondering which side of the mouth we're supposed to 'read my lips' on."
(Birmingham News, 5/10)

-end of News Summary-

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Note	Handwritten notes of Presidential Phone call with President Endara (1 pp.)	05/25/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, May 25, 1990

Date Closed: 5/7/2010	OA/ID Number: 90548-007
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Note	Handwritten notes of Presidential Phone call with Violetta Chamorro (1 pp.)	05/25/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, May 25, 1990

Date Closed: 5/7/2010	OA/ID Number: 90548-007
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

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- (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- (b)(9) Release would disclose geological or geophysical information

Presidential Phone Calls



IL

DATE:

5-25

TIME:

8 AM

incoming/outgoing

WITH:

Yach Stein

SUBJECT:

touch base

will serve at U.N.

discussed Israel -

He's very helpful -

FOLLOW UP:

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06. Form	Request for Appointments [redaction of personal information] (1 pp.)	05/25/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Friday, May 25, 1990

Date Closed: 5/7/2010	OA/ID Number: 90548-007
FOIA/SYS Case #: 2009-0166-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

Fixed
5-11

REQUEST FOR APPOINTMENTS

To: Officer in-charge
Appointments Center
Room 060, OEOS

Please admit the following appointments on Friday, May 25 19 90
for The President of White House
(NAME OF PERSON TO BE VISITED) (AGENCY)

PRUNIER, JOHN
PRUNIER, GEORGETTE
PRUNIER, DANIELLE
PRUNIER, CHRISTINA
PRUNIER, JULIETTE
PRUNIER, SUZANNE
PRUNIER, JOHN

(b)(6)

Thank you.

MEETING LOCATION

Building WHITE HOUSE
SOUTHWEST
Room No. EAST VING GATE
Time of Meeting 7:30 a.m.

Requested by DEBBIE ROMASH
Room No. 100 Telephone x2322
Date of request 5/11/90

Additions and/or changes made by telephone should be limited to five (5) names or less.

* APPOINTMENTS CENTER: SIG/OEOS - 395-6046 or WHITE HOUSE - 456-6742

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable John Chafee
Brownings Beach Road
Matunuck, Rhode Island 02879



5-25-90

Chafee —

So many thanks! (attach
Recover Fast - We
need 'ya. Love to GIVING —
A. B.

NOTE TO RECORDS:

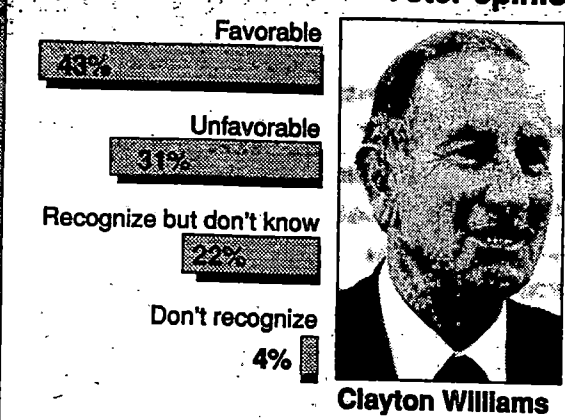
Please make sure Senator
Chafee gets enclosed copy

bcc: Governor Sununu
Fred McClure

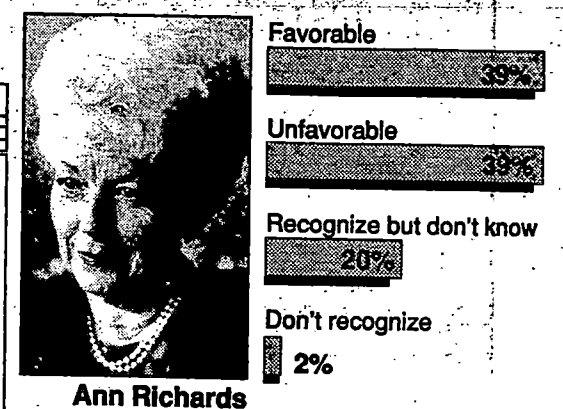
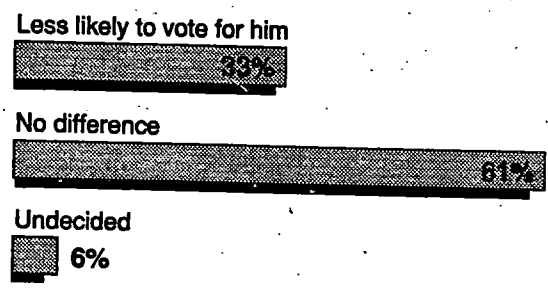
Jan

THE TEXAS POLL: GOVERNOR'S RACE

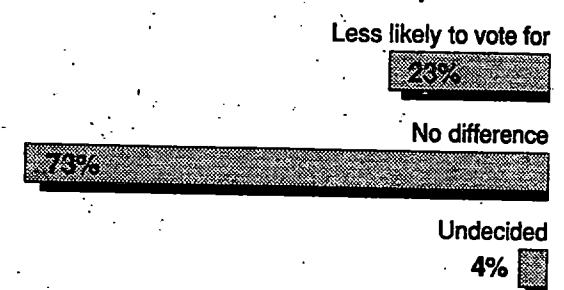
Voter opinion of candidates



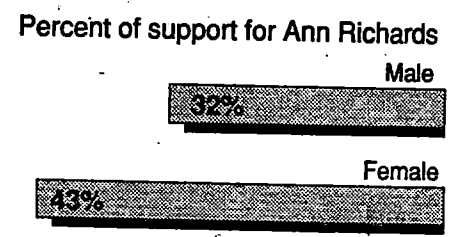
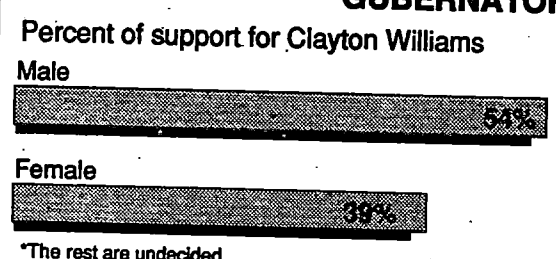
Do you think that Clayton Williams' joke on rape or his comments about prostitution have made it less likely that you will vote for him, or have they not made any difference?



Do you think Ann Richards' refusal to say whether or not she used drugs 10 years ago has made it less likely that you will vote for her, or has it not made any difference?



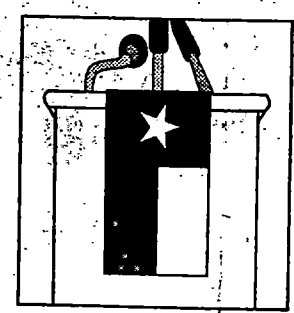
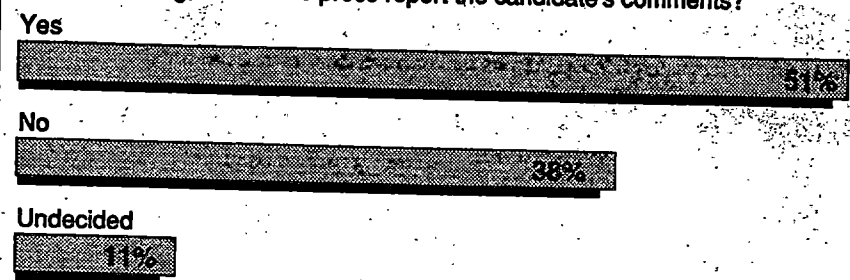
GUBERNATORIAL GENDER GAP*



*The rest are undecided

PRESS COVERAGE

If a candidate for public office makes a racial, religious or sexual joke in an informal setting, should the press report the candidate's comments?



Statewide survey conducted April 28-May 12. Margin of error: plus or minus 4 percentage points.
Gender gap question has a margin of error of plus or minus 6 percentage points. Totals have been rounded.
SOURCE: Harte-Hanks Communications Inc.

Dear Mr. President,
your baseball card looks very
spiffy, I must say. The Yale uniform
then really was classic.

Your statistics are pretty snazzy,
too. I wonder if you know what a
productive hitter you were. Over a full
season (600 at bats), your senior year
stats would have been 104 runs, 97 rbi,
41 doubles, 14 triples, 7 homers. Maybe
Ethan Allen should have had you hitting
in the heart of the order! (For your
full Yale career, per 600 ABs, 106 runs,
80 rbi, 24 stolen bases. Not too shabby.)

Thank you very much for sending
me your card. I'll put it with my
1958 Roy Silvera as one of my two
"keepers."

Glad you and Angus Phillips
had a good time bass fishin'.

Thanks again,

Tom Browell

THE PRESIDENT HAS SEEN

BT
✓

THE WHITE HOUSE

WASHINGTON

May 8, 1990

MEMORANDUM FOR BRIDGET MONTAGNE

FROM: DEBBIE ROMASH *DR*

RE: SPECIAL VISITORS

The Prunier family will be visiting Washington, DC on Friday, May 25, 1990. Dr. John Prunier is the doctor of Mrs. Bush Sr. in Connecticut.

A White House Members tour has been arranged for 8:45 a.m. and then the President's departure at Noon on Friday, May 25, 1990.

U They have also requested seeing the President. Let me know if *U* there is any interest.

Thank you again for your assistance.

guidance uoj

✓

photo at Dip Room that day
7:55 am
prior to tour

other i

**Editorial Support for Extending
China Most-Favored Nation Trade Status**

"American policy needs to invest in China's future -- to work toward the day when that nation will be a more normal member of the world community. The better course is to appeal to the next generation of Chinese leadership with an economic and diplomatic policy that takes the longer view. The President has wisely chosen that path."

Los Angeles Times, May 25, 1990

"It was the correct call in a rough game. Trade has indeed proved an opening wedge for free ideas in China."

Wall Street Journal, May 25, 1990

"President Bush is right to propose renewing China's trade privileges."

New York Times, May 25, 1990

"But by maintaining the status quo in trade relations, the President did more than prevent a disruption of U.S. China trade: He maintained an important, albeit small, means of leverage to encourage China's reform efforts."

The Journal of Commerce, May 25, 1990

"To deny China MFN now may feel good, but it offers less long-term leverage -- less ability for the U.S. to press China to ease its repressive practices."

Christian Science Monitor, May 17, 1990

"If denial happened, the U.S. would impose higher tariffs on Chinese exports here, something the struggling Chinese economy can ill-afford."

Chicago Tribune, May 17, 1990

"Denial of MFN status to China would harm the sector of China's society that is pressing for reform. It would devastate Hong Kong which thrives on South China's trade with the outside world. It might counter-productively strengthen the neo-Maoist repression it would be intended to punish."

Baltimore Sun, May 16, 1990

"Much of Chinese trade with American counterparts is conducted through more market-oriented enterprises that have become the most dynamic elements in the Chinese economy. It makes little sense ... to undermine those elements in China that represent a pragmatic approach to economic problems. Ending MFN treatment would do just that, to no one's advantage."

Boston Globe, May 15, 1990

"Suspension would not just anger the Chinese authorities, cut exports and invite economic retaliation--costs conceivably acceptable. New trade-blocking tariffs would also weaken precisely the modernizing, internationally orientated sectors of the Chinese economy and political society that the U.S. has the greatest interest in cultivating. Beijing's trade and investment front, would be especially hard hit. In short, in the name of putting pressure on the China of repression, raising tariffs high would punish the China of reform."

Washington Post, May 11, 1990

"Bush's policy-- maintaining dialogue with China-- is correct...Stable trade is the only way the U.S. can encourage economic reform in China. It is also the way to maintain cultural contacts that nurtured pro-democracy sentiments. Withholding most favored nation privileges would destroy a key piece of U.S.-China policy that has worked."

Seattle Post-Intelligencer, May 8, 1990

"Better at this point, then, to extend MFN for another year, making emphatically clear at the same time that the action is not taken as a favor to the regime but as an effort to improve the lot of the Chinese people."

Los Angeles Times, May 7, 1990

"Reverting to old tariff rates would cut U.S. imports of Chinese toys, sneakers, apparel and electronic products by an estimated 50 percent, according to the U.S.-China Business Council. The biggest losers would not be the state-controlled factories, but semiprivate enterprises in the South...Tariff hikes thus would harm the very entrepreneurial sector the U.S. has been trying to support over the past decade and weaken the position of China's liberal economic reformers."

The Journal of Commerce, May 2, 1990

Attachments: Newspaper Clippings

Just More Champagne for Beijing?

■ No, Bush's MFN Decision Was a Wise American Investment in China's Future

China today is ruled by unblinking revolutionaries whose orthodox Communism blinds them to the meaning of historic forces sweeping around the world.

South Africa moves away from apartheid, Eastern Europe continues its metamorphosis toward a higher form of political life and the leaders of the Soviet Union prepare to put their economic reforms to the vote of a people's referendum—a Soviet first. Not exactly business as usual. But none of these extraordinary developments seem very much to affect Beijing's political elite, which rolls merrily along like old man river on a course more or less predetermined by rigid ideology.

The resulting abhorrence in the West was never more palpable than during last year's dramatic and repugnant repression in Beijing. The image of tanks in and around the

capital wheeling toward students will remain a vivid memory for a long time to come. President Bush thoroughly misjudged the depth of the broad distaste among U.S. and international publics when top advisers were dispatched last year to Beijing so soon after that Tian An Men Square tragedy. Sure, on one level Bush's ploy was a bold and arguably imaginative stroke—an effort to garner influence at a moment of great diplomatic isolation. But ultimately it proved futile—and triggered worldwide criticism for the seeming U.S. insensitivity. It's possible that the memorable champagne toast in Beijing by National Security Adviser Brent Scowcroft will haunt Bush's China policy for years to come—even when policy decisions are correct.

But yesterday's decision by the President to continue extending low tariff rates to China's imports for at

least another year under the most-favored-nation (MFN) program was just that. Bush calls it an "enormously difficult decision," but his critics are likely to feel it was nothing more than a unthinking extension of the champagne toast.

A logical extension it surely is, but unthinking? Not necessarily. Withdrawing MFN status for China, as emotionally satisfying as it might be, would not likely prove effective statecraft. American policy needs to invest in China's future—to work toward the day when that nation will be a more normal member of the world community. Attempts to pressure today's leadership would be to tilt at so many windmills. The better course is to appeal to the next generation of Chinese leadership with an economic and diplomatic policy that takes the longer view. The President has wisely chosen that path.

It's hard to feel glad about President Bush's announcement yesterday that he wants to renew China's most-favored-nation trading status. It was the correct call in a rough game. Trade has indeed proved an opening wedge for free ideas in China. Revoking MFN and making Americans pay more for Shanghai knitwear probably wouldn't help budge the Communist Party from its perch.

But there's something that sticks in the craw about conferring the encomium, "most favored," on anything involving the Chinese government. Surely there must be a way to renew what is actually routine trading status, accorded to all but a handful of nations, without implying a political pat on the back.

President Bush's statement that China has made some responsive moves toward U.S. concern for human rights is wishful thinking. The lifting of martial law in Tibet and restoration of U.S. consular access there doesn't stop the torture we keep hearing about. It guarantees no freedoms. No one in China is safe from the whims of a party that has shot, jailed and gagged its critics without even a gesture of remorse.

Dissident Fang Lizhi remains a prisoner in the American Embassy. His terrible crime was that he spoke out in favor of democracy, and the Chinese people liked what he said. The same government that released 211 dissidents from prison earlier this month retains the power to arbitrarily jail them tomorrow. Human rights will improve in China the day the party steps aside to allow civilized and politically legitimate institutions of government to develop.

Congress will now be poking around in this sad swamp as it debates whether to block Mr. Bush's MFN recommendation—a move that would require a two-thirds disapproval vote in both chambers. It's worth noting, however, that righteous anger at George Bush and China can also serve as camouflage for the protectionist jingoes in Congress who would just as soon wall out Chinese textiles and toys regardless of what goes on in Beijing.

There are actions Congress could take that might help wipe the grin off Deng Xiaoping's face without hurting the Chinese people. For openers, it might be appropriate to recommend that most favored nation be renewed for China under a different label. Say, "capitalist trading status." Why not? We suspect the dissidents now silenced in China would get a satisfying chuckle out of it. And it would be a lot harder for the Chinese government to tell the world that the United States is

coming around to Beijing's point of view.

More seriously, Congress might harness the MFN debate to another matter that is acutely important to both Communist China and the rival Nationalist Chinese government in Taiwan. And it's an issue that underscores U.S. respect for governments that have made genuine progress. The issue is admission to the General Agreement on Tariffs and Trade, or GATT.

Neither Beijing nor Taipei currently belongs to GATT, and both would very much like to join. Technically, there is no problem with both Taipei and Beijing signing on as separate members. Under GATT regulations, they need only have separate customs areas, as does Hong Kong. The decision is up to the member nations of GATT, but a public recommendation from either President Bush or Congress could swing a lot of weight.

Communist China has been kept out essentially because the member nations think its repressive, centrally planned economy is just too big a mess to tangle with. GATT has been waiting for Beijing to reform enough so that it might be ready to participate in decent society.

Taiwan lost its observer status in 1971, when GATT took its lead from the United Nations' decision to replace Taiwan with the People's Republic of China. Since then, Taiwan has made enormous progress in its economic and political development. Taipei's Chinese government has liberalized its markets and flung open the political debate. Taiwan is now one of the most productive and promising spots in the developing world. But, as a GATT spokesman told us last fall, GATT has held up Taiwan's admission as a full member. It's waiting until Communist China has matured enough to join. GATT doesn't want to get China miffed by letting Taiwan through the door first.

By urging that GATT get on with Taiwan's admission, now, instead of waiting years for China, the U.S. would send a useful signal. It would set straight for China's leaders where they rank in world esteem, compared with their capitalist, democratizing rivals on Taiwan (who graciously recommended extension of MFN for China). It would give Taiwan its due. And in a time when the U.S. is already granting the communist governments of China and the Soviet Union extraordinary political favors, it would remind the world that what America most favors are governments that understand the link between capitalist trade and freedom.

China Trade

Wall St
Journal

5-25

NY Times

5-25

Half Right on China Trade

President Bush is right to propose renewing China's trade privileges. But he would have sent a sounder message if he had expressed outrage over Beijing's continued gross abuse of human rights. Congress, which has 30 days to review the proposal, again will have to make clear that approving it in no sense approves repression.

For now, the trade privileges, known as most-favored-nation status, should continue. Suspension would be the wrong way to support the democratic cause in China. It would most injure the wrong Chinese, the urban constituencies that still favor economic and political reform. Over the long pull, it is in America's interest to strengthen these groups through trade and political support.

To be sure, suspension would hurt the political prestige of Beijing's hard-line leadership. But U.S. displeasure can be delivered more directly to these leaders — by strong statement of U.S. condemnation — without damaging the forces of democracy.

Recent changes in Chinese and Soviet policy

also give Mr. Bush the opportunity to re-evaluate an entire range of Asian and Pacific policies. He needs to take a firmer stance against Chinese arms shipments to the Khmer Rouge in Cambodia and advanced weapons sales to the Middle East. Until China stops these activities and improves its human rights performance, he should maintain restrictions on World Bank loans and military sales to China.

China recently released more than 200 political prisoners to encourage renewal of trade privileges. It can't hurt to make it clear to Beijing that future renewals won't be automatic, and that fresh provocations could bring swift revocation. The White House took precisely the wrong tack by emphasizing the profits American business stands to gain from renewal.

President Bush's decision to favor renewal of equal trading status for China was half right. Now it's up to Congress to press for the second half — a ringing commitment to human and civil rights for the Chinese people.

China Trade Intact

PRESIDENT BUSH CLEARLY ACTED in the country's best interest when he announced Thursday morning that he would extend most-favored-nation status to China for another year. China will be able to continue exporting goods to the United States on the same tariff terms as most other U.S. trading partners. Failure to grant this preferential trade status would have hurt Chinese export industries in the coastal areas, including many U.S.-Chinese joint ventures, and businesses related to these industries in Hong Kong.

But by maintaining the status quo in trade relations, the president did more than prevent a disruption of U.S.-China trade. He maintained an important, albeit small, means of leverage to encourage China's reform efforts. Canceling China's most-favored-nation status would have created even more political ill will and severed any remaining ties to China. Beijing was clearly nervous about the outcome of Mr. Bush's decision. As a show of good faith, on May 11, the regime announced the release of 211 political prisoners. It's a small, but encouraging step. With U.S.-China relations at least marginally intact, some resolution of other issues, including the release of dissident physicist Fang Li Zhi, may be possible.

But this is not the end of the story. At least two members of Congress, Reps. Nancy Pelosi, D-Calif., and Barney Frank, D-Mass., are gearing up to oppose the president's decision. More congressional steam is to be expected.



EDITORIAL

*"First the blade,
then the ear,
then the full grain
in the ear" •*

Beijing's Gestures

MORE than 200 Chinese political prisoners – veterans of last year's "democracy spring" protests – have been set free. This is a welcome event, even if it is a bald piece of public relations by Beijing.

It's good to see such important pro-democracy leaders as writer Dai Qing out of jail. But still to be heard from are perhaps thousands of prisoners, including foremost student leader Wang Dan, a hero at Tiananmen Square.

Chinese authorities have also begun an appease-the-intellectuals campaign. Having released some 500 intellectuals from jail in recent months, Beijing says it wants to "make friends" with its educated, internal critics. Intellectuals are now free to dissent, and even to join the party, say authorities. Hmm. Don't everybody speak up at once.

A kinder, gentler China? Hardly. Beijing wants its most favored nation (MFN) trading status renewed by the U.S. China has been on the U.S. MFN list since 1980 through a special Jackson-Vanik amendment waiver that is reviewed each year. President Bush has until June 3, ironically the eve of the Tiananmen massacre, to make the MFN decision.

Moral outrage alone would legitimate the end of China's MFN status. The U.S. is China's biggest

trading partner; China stands to lose nearly \$6 billion in revenue should MFN be dropped.

Yet there may be a better case for renewing MFN at this time. Secret internal Chinese memos released in Washington last week show that human rights gestures are a "card" China is playing. Fine. MFN is a card Mr. Bush can play. To deny China MFN now may feel good, but it offers less long-term leverage – less ability for the U.S. to press China to ease its repressive practices.

The White House, and even some opponents of China's MFN status in Congress, seem to be taking this view.

If China's trade status is renewed, Washington should make it clear that China has to change. Mr. Bush must let it be known he will watch the kind of freedoms that former political prisoners will enjoy – and will expect freedom for others, including dissident physicist Fang Lizhi. The secret Chinese memos suggested that the Chinese embassy in the U.S. should adopt a "life and death" struggle against U.S.-Chinese student dissidents. Will this position be publicly renounced?

These are just some of the changes needed. The administration should make Beijing understand that it knows the score – and is more than prepared to drop MFN next year, if need be.

resumes or had arrest records. Some are active political opponents of the mayor who might be more interested in fomenting opposition than in the welfare of Chicago school children. Whatever his reasons, the mayor is not required by law to state them. And since he is the one who takes the heat if the new board turns out to be incompetent or unresponsive, it's understandable if he is finicky about his choices. Obviously, he is not going to appoint someone who wants

turning air or the new board members allows the interim board time to finish its work. The new board can then start fresh with its own agenda.

Chicago, and all the people in this state who will pay in one way or another if the city doesn't do a better job of educating its children, has an enormous stake in its public schools and the board responsible for them. Mayor Daley is taking a political gamble in calling for more nominations. If the result is a better board, he can take credit for an act of political courage.

The wrong remedy for college sports

At a time when collegiate sports scandals are as common as dandelions, and just about as ineradicable, the Illinois legislature may be forgiven for thinking that its intervention could be useful. Illinoisans worried about severe penalties against the University of Illinois for its alleged recruiting abuses may also think the state could do a better job than the NCAA. But it couldn't, and the sooner the legislature abandons the idea, the better.

Two bills have been introduced in Springfield, one by Republican Rep. Timothy Johnson of Urbana that has been virtually killed by House Speaker Michael Madigan and another by Democratic Rep. John Cullerton of Chicago that is still alive.

Cullerton's bill has two main components. The first is to incorporate the NCAA's list of recruiting violations into the state criminal code. The second is to mandate the payment of \$250 per month to each student athlete.

The NCAA is a private organization of colleges and universities that ought to have the right to regulate its members as it sees fit. Making every violation a potential criminal offense would only make it harder for the organization to police abuses; cumbersome due-process safeguards would quickly intrude. These would make it more difficult to prove violations and discour-

age a lot of witnesses from cooperating.

State criminal penalties for NCAA violations would also load more burdens onto prosecutors and courts, who have no shortage of genuinely serious crimes to worry about. And it would turn Behemoth U.'s athletic sins into—pardon the expression—a political football, since a state's attorney won't make many friends by sending a successful local head coach to Stateville.

Paying student athletes might be a good idea, but that judgment should be left to the NCAA and its members—in particular, university presidents and other academic officials. They are the ones who presumably would have to provide the necessary funds, and only they—not their athletic directors and coaches, and certainly not state legislators—can determine whether paying their team members would further weaken the already tottering image of the student athlete. One reason NCAA member schools have avoided this proposal is that many would rather give up varsity sports than assume this extra financial burden. And those probably are the schools that have the cleanest sports programs.

The Cullerton bill may be a well-intentioned effort to improve the moral tone of intercollegiate sports, which could certainly use improvement. But it's more likely to make a bad situation worse.

China sets some prisoners free

China has released 211 people held since last year's violent interruption of the democracy movement in Tiananmen Square. Yes, "interruption," not "end."

If Chinese government leaders did not still detect a pulse from that movement, they would not have played a card meant to salvage China's image abroad and forestall a detrimental change in trade status with the United States.

So the welcome with which the world greets the freeing of political prisoners should be accompanied by renewed resolve to sustain the pressure that contributed to it. It's significant, too, that with this release China named names and indicated how many "lawbreakers involved in the turmoil and rebellion" of a year ago are still in custody—431.

Estimates of those detained in Beijing after the crackdown range from 5,000 to 10,000, most of whom are believed to have been released gradually.

Still, leading dissidents remain confined, including Wang Dan, a Beijing University history student who was an important pro-democracy leader last year. And some have been held since the Democracy Wall period

of the late 1970s. Even those who were let go last week know their freedom is tenuous. The writer Dai Qing, like an uncaged canary too frightened to sing, would say little to a reporter.

Nor has China agreed to let Fang Lizhi and his wife, Li Shuxian, leave the safety of the American Embassy in Beijing. Though only one person, Fang is a symbol important to both sides: to the government that has invested so much face in him and to the liberalizers inspired by his outspokenness.

Allowing Fang and Li to leave China, besides being the humane thing, would help a lot to rehabilitate the image of China's leaders.

It also would undercut efforts in Washington to deny China most-favored-nation trade status with this country. If denial happened, the U.S. would impose higher tariffs on Chinese exports here, something the struggling Chinese economy can ill afford.

Quite apart from their cynical use in a trade issue, however, China's political prisoners should be released in accord with international norms of freedom that ought to apply in China as everywhere else.

Court on Monday to uphold the law, but a few months ago the president was saying he did not

would amount to a declaration of war for, both here and around the world.

Black Political Undercurrents

The decision by seven black members of the Baltimore City Council to form an African-American Coalition is a puzzling one. If finding solutions to black-on-black crime, education, health care and other problems that affect the black community really is a burning concern of those elected officials, what took them so long to seek action?

Could it be the incumbents' desire to protect themselves in next year's City Council elections?

We ask that question because we are detecting undercurrents of frustration which may make being a black elected official much more difficult in Baltimore City.

The most notable expression of reasoned dissatisfaction and impatience has been contained in heavy-hitting ads against Mayor Kurt L. Schmoke in the *Baltimore Times* give-away weekly. Sponsored by the Maryland Minority Contractors Association, those full-page ads charge that "the city's new mayor" has "failed and refused to recognize and admit the obvious need" for black economic policy and strategy. "Blacks are in the city physically, but outside the city economically and commercially," the ads charge.

Another undercurrent is reflected in the specu-

lation that the Nation of Islam's leader, Louis Farrakhan, will launch bids by candidates challenging City Council incumbents when he visits Baltimore early next month. The Nation of Islam has already announced its intention to enter the political arena in the District of Columbia and Prince George's County with candidates promoting the denomination's black-power agenda. If that happens in Baltimore, Nation of Islam candidates could change the tone of city elections. Since these candidates tend to be well-organized and amply financed, they would have to be regarded as serious contenders in next year's council races which often are characterized by a multitude of candidates but low voter turnout.

Yet another move that may advance militancy in city politics is the pending law suit that seeks to replace the six existing three-member council districts with 18 single-member districts. The belief of the suit's sponsors is that it would increase black representation in the City Council. Not only would this Balkanize city politics, it would upset the incumbents' convenient political alliances and subject them to many more questions about "What have you done for us lately?"

China Relents a Little

China's aged rulers had better guarantee the dissidents Fang Lizhi and Li Shuxian safe passage abroad from their refuge in the U.S. embassy in Beijing, if they want President Bush to renew most-favored nation trading status by June 3 and Congress to go along.

The showy release of 211 prisoners, some of them such as the writer Dai Qing quite prominent, is an insufficient gesture. The Chinese authorities arrested thousands of protesters last spring and summer, and have been releasing them in batches ever since. The government's announcement speaks of "431 lawbreakers involved in the turmoil and rebellion" still under investigation. That may or may not be an assertion that only 431 political prisoners remain from the Tiananmen Square events.

China's economy is reeling from self-inflicted wounds. The inflation of last year was combated by massive recession, achieved through the rollback of economic reforms. Foreign investors are discouraged, though the regime's signals to them are mixed. The 84-year-old anti-reform leader Chen Yun is reported by a Japanese newspaper to

be near death, which might free the senior leader Deng Xiaoping to tilt back toward economic reform. Rumors of Mr. Deng's own death, at 85, swept Asian financial centers and were repudiated by Beijing.

Denial of most-favored nation status to China would harm the sector of China's society that is pressing for reform. It would devastate Hong Kong, which thrives on South China's trade with the outside world. It might counter-productively strengthen the neo-Maoist repression it would be intended to punish.

But much of Congress is disappointed with President Bush's low-key response to denials of human rights in China. The chance to curtail China's \$12 billion exports to the United States will be hard to forswear. China is ruled by a wrong-headed gerontocracy that cannot long survive. Changes are coming, possibly but not inevitably for the better. The more contact Washington has with China at such a time, the better. But the release of 211 political prisoners is not enough to quell the mood for tougher sanctions. More than that is needed.

THEO LIPPMAN JR.

THE HEAD on our front page story on the 20th anniversary

not race-related but news-related. When the *Sun* deadline passed, no one was known to be dead. The *Sun*

Asia. The peace movement, even with its martyrs, really did not succeed. President Nixon kept to his



LETTERS

Punish, Don't I

Editor: As I read your front article, "Grants posed as way teen births," I got sick and I got fed up with being an middle-income (lower middle) taxpayer. I am tired of working day and of using my self-control to use drugs, not to have trouble sex, not to do crime to suit my lifestyle urges and not to the often arduous task of responsible adult citizen.

I am sick because I do this: others are paid with my tax to offset the results of their irresponsible behavior or, now it is for to pay them to be responsible. I believe that it is time for a Boston Tea Party.

This time, instead of tea Boston Harbor, let us throw the irresponsible legislators, bureaucrats who waste our tax. Let us have a radical tax. Let us stop supporting irresponsible behavior. Let there be no tax on reported dollars for people who drug and refuse treatment; people who have repeated child of wedlock; for people who slaved and are enslaving our with a repeated pattern of ployment without education service or retraining, or for with a repeated criminal without education, drug or real vocational training in jail.

New 1

Editor: I was pleased to Michael P. Angelos as General International Terminals. I have the best chance to competitive if it can possibly

In all candor, however, vations as to whether any competitive if we continue

What troubles me is a that, once again, senior port labor issue will be used, inculcated bargaining; this will lead to only one re. This is where the state

Welcome as it is, the "peace dividend" nevertheless poses serious challenges to the nation's ingenuity. Notable among the challenges arising from the thaw in the Cold War is how to plan intelligently for the social impact of reductions in the ranks of the military services. The nation now employs two million active military personnel.

In the next five years, the Army probably will be cut from its present level of 750,000 to somewhere between a half million to 580,000. Even deeper cuts are possible. This year the Army reduced its recruiting class from 120,000 to 92,000; other military branches also face cutbacks.

Besides reducing personnel, the Army is raising admission standards, especially education requirements and scores on qualification tests.

Traditionally, the military has provided a home and opportunities for upward mobility for those at or near the bottom of society, particularly members of minority groups. Blacks, who make up 12.4 percent of the population, make up 28 percent of

the Army; Hispanics make up 4 percent.

These young men and women, and society, will suffer wrenching dislocations if no optional structure is devised to provide the security and growth potential that the military once offered.

President Bush and Congress should give as much attention to the problem of those excluded or let go by the military as they inevitably will to the hardships sustained by the multibillion-dollar defense industry and its employees.

Options the administration might profitably consider include a '90s version of the Civilian Conservation Corps, an expanded version of the modest-scale urban Youth Service Corps, and some kind of federally funded nurse-training program.

The problem must not be scanted. As Lawrence Korb, a former assistant secretary of defense for manpower and logistics who is now with the Brookings Institution, noted: "What's happening is not an Army problem but a national one."

Boston Globe 5-15 Keeping China's door open

Americans have often misconstrued trade as a reward to be conferred for proper thinking on the part of other nations. As a consequence, it has used embargoes to prevent trade with problem countries - Cuba, Nicaragua, Panama - to try to force changes that have not come to pass and have only exacerbated problems for all involved. Congress, which will have to take up extension of normal trade rules for China next month, might bear those failures in mind when considering the issue.

The Chinese have done little to make the choice easier. Echoes from last year's bloody clashes in Tiananmen Square in Beijing, with violent suppression of dissident students and subsequent jailing of hundreds, perhaps thousands, of dissidents, properly raises the temptation to suspend normal trade rules, especially low tariffs.

Such treatment, technically known as MFN - most favored nation - treatment, would have a highly negative impact on exactly those segments of the Chinese economy that Americans have

sought to encourage. Much of Chinese trade with American counterparts is conducted through more market-oriented enterprises that have become the most dynamic elements in the Chinese economy.

Removal of MFN rules, subject to annual review by Congress and heretofore passed routinely, would undoubtedly subject American goods to countermeasures, imperiling more than \$5 billion in exports when the United States is making every effort to reduce its international trade deficit.

While Sino-American trade is conducted because it is mutually advantageous, there are some political questions to be borne in mind. China's political situation is subject to change without notice, but the Chinese must face their own economic and political realities. China is a complex country with a variety of political trends. It makes little sense, in such a context, to undermine those elements in China that represent a pragmatic approach to economic problems. Ending MFN treatment would do just that - to no one's advantage.

Bona fide heroes

Twenty-nine years ago this month, Alan Shepard of East Derry, N.H., launched the nation's manned space program with a 15-minute suborbital flight in a Mercury capsule. Shepard and four of the other original astronauts were the guests of honor last weekend at the opening of the US Astronaut Hall of Fame in Titusville, Fla., 12 miles from the launch pads at Cape Canaveral.

With the 66-year-old Shepard were John Glenn, now a US senator from Ohio, Scott Carpenter, Gordon Cooper and Donald Slayton. Walter Schirra had a schedule conflict, and Virgil (Gus) Grissom was killed in a launch-pad fire in 1967.

That poses a potential difficulty, though. Benedict said the Mercury Seven Foundation, which funds scholarships for science and engineering students, gets some oddball requests from promoters who want to hype get-rich-quick schemes.

But so far the astronauts have been wary, limiting their commercial endorsements. Shepard, the only Mercury astronaut to walk on the moon, said he sold an endorsement only once and donated his earnings to the foundation. The manufacturers of Glad trash bags paid \$25,000 to use Shepard's name in a television commercial.

The foundation, however, does not prohibit the

history, Tomin neglects to mention the many conservators who have been working on the museum's holdings, which include not only paintings. There has been for a very long time a conservation department at the museum that deals with works of art, textiles and sculpture. The department includes George Stout, a paintings conservator who works on a free-lance basis on commissioned projects.

Tomin, incidentally, has been unaware, I compared the Frick in New York to the Gardner in Boston during the years that Kopelman was attached to the Gardner, she also worked on Frick paintings. If Tomin wanted to, she surely could have found out that almost every

The trustees have

Christine Tomin's neglect of the Frick's tails what has been obfuscated by the March 18 theft.

The trustees have been very negligent. The attorney of the commonwealth is in the process of an effort to determine their culpability.

Isabella Stewart's will is both precise and exacting. The court should be asked to enforce its guidelines before further

Collection in g

The article leaves a bad impression with the impression that the Gardner has, over the years, given inadequate attention to the preservation of its great collection.

I would contend, contrary to what is said, that for a museum with limited resources, the Gardner has done as well with its collection of paintings as any museum in America. For many years, during the 1970s and 1980s, the best painting conservator in America, Gabrielle Charbonnet, worked on many of the Gardner's pictures both in the museum's premises and in her New York studio. She closed the museum for a

Stout: a conse

I was dismayed by the article concerning the museum. Although generally unjustified, the descriptions of the collections, I found, were accurate regarding our second floor. George Stout, a professional conservator who raised this level of witchcraft, s

Correcting the Tilt to Beijing

CHINA HAS released a second batch of citizens who were detained uncharged for protesting the government's repressions a year ago. This follows the lifting of martial law in Tibet and some other steps before that. China seems to be feeling the hot breath of those in Congress who lean to imposing severe tariff penalties for China's brutal revenge against the democracy movement demonstrators. The calendar in Washington makes the question topical. According to law, President Bush must decide by June 3 whether to renew Beijing's "most-favored-nation" tariff status. If, as expected, he does, Congress might say no. That would raise tariffs astronomically and cut deeply into China's \$12 billion in exports to the United States.

A tactical dilemma lurks here. Many Americans might like to keep China in uncertainty in order to encourage it to go beyond modest, cosmetic and reversible steps into more significant changes—which hasn't come close to happening yet. At the same time there is an underlying feeling, which is discernible in Congress as well as in the executive branch, that a decision to suspend normal tariff treatment would be more serious and far-reaching than any sanction Washington has taken since Tiananmen.

Suspension would not just anger the Chinese

authorities, cut exports and invite economic retaliation—costs conceivably acceptable. New trade-blocking tariffs would also weaken precisely the modernizing, internationally oriented sectors of the Chinese economy and political society that the United States has the greatest interest in cultivating. Hong Kong, Beijing's trade and investment front, would be especially hard hit. In short, in the name of putting pressure on the China of repression, raising tariffs high would punish the China of reform.

Still, it is not enough simply to sigh that the president should extend China's customary tariff status and Congress should go along. To offset any tendency in Beijing to think that the Americans don't really care about democracy and human rights, the Bush administration ought to take the occasion to narrow the gap between itself and Congress. This requires Mr. Bush to stop acting as something of an apologist for the regime and to start standing with the congressional majority as an advocate of rights. There are a dozen ways a president so-minded could make this shift. The result could only be to correct the pro-Beijing tilt of the White House, to restore the strength of bipartisanship to American China policy and to identify the United States with the future of China.

MAINTAIN THE DIALOGUE

Stable U.S.-China trade fosters economic reforms

THIS time last year, thousands of college students filled Beijing's Tiananmen Square to demonstrate for democracy. They filled the hearts of millions around the world with hope.

On June 4, the world watched with horror as China's old guard leaders crushed the peaceful protest with tanks and guns. Hundreds, perhaps thousands of students were injured and killed.

It's a bitter irony that exactly one year later, President Bush is expected to ask Congress to maintain most-favored-nation trade status for China. Congress, despite its criticism of Bush's handling of U.S.-China relations, should agree.

Bush's policy — maintaining dialogue with China — is correct. But Americans were justly angered by the way Bush carried out his policy.

Instead of forcefully condemning the crackdown, Bush appeared to appease Beijing's aging hardliners by sending secret envoys to China and by vetoing legislation preventing deportation of Chinese students.

Disapproval of Bush's actions, however, should not be used as a reason to force China into total isolation.

Most-favored-nation status, in place since 1979, has supported growth, modernization and gradual movement toward a market economy. Revoking the status would raise U.S. tariffs, and severely reduce or eliminate the \$18 billion of annual trade between the two nations.

Stable trade is the only way the U.S. can encourage economic reform in China. It is also the way to maintain cultural contacts that nurtured pro-democracy sentiments. Withholding most-favored-nation privileges would destroy a key piece of U.S.-China policy that has worked.

Beijing leaders may gloat over the trade preference. But reducing trade won't improve human rights. In fact, isolation and economic decline could lead to greater political repression.

Clearly, Chinese leaders willing to revert to brutality against their citizens are not likely to be cowed by U.S. economic threats.

The Tiananmen killings should not be forgotten or forgiven. But neither should U.S.-China policy be based on economic retaliation that is bound to fail.

A course that maintains existing trade ties will keep the dialogue going — which is not the same as telling the Chinese leaders what they want to hear.

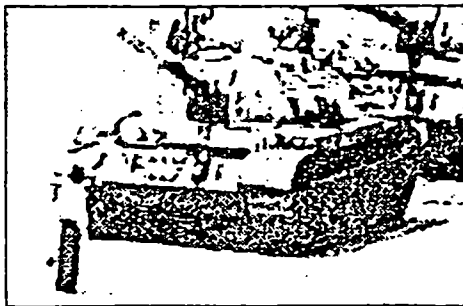
Aim the Policy at Next Generation

■ Would withdrawing MFN for economically troubled China be effective statecraft?

Sometime soon President Bush will have to decide whether he wants to extend most-favored-nation trade status to China for another year. As historic irony would have it, the June 3 deadline for Bush to send his MFN recommendation to Congress falls on the anniversary eve of last year's Beijing massacre, when army troops slaughtered hundreds of dissidents demanding political reform. The White House is grimly conscious of the coincidence. So are many in Congress who remain angry and unforgiving over the crimes China's leaders have committed against their own people.

Most-favored-nation status is a reciprocal arrangement that grants advantageous tariff rates to a trading partner's imports. Low tariffs can be worth a great deal in terms of total volume and market access. They're one big reason why China, which first won MFN status in 1979, has seen its U.S. sales swell and its trade surplus grow to more than \$6 billion in 1989.

But MFN can be a tool of politics no less than of economics, a weapon for punishment as well as a device for reward. Since 1974, U.S. law has said that any "non-market" country that restricts the emigration rights of its citizens is ineligible for MFN, unless the President certifies that granting



MFN would promote free emigration. That law, the Jackson-Vanik Amendment, was aimed at securing free emigration of Jews from the Soviet Union, but Congress has since increasingly come to look on it as a tactic for punishing general human-rights violations. As it happens, emigration from China to the United States doesn't seem to have fallen in the last year. But human rights in China have obviously suffered a great and painful regression, beginning with last June's mass killings and extending to a crackdown on all suspected dissenters and a ruthless effort to enforce political conformity.

Would an effort to protest these abuses by withdrawing MFN be an effective tool of statecraft? Or would such an insistence on giving concrete form to understandable moral revulsion instead cause China's ancient rulers to further harden their hearts

against any relaxation of social and political repressions?

Almost certainly any attempt to use economic coercion to promote more political tolerance in China would fail, in the process bringing still more pain to an already beset Chinese people. For if MFN is withdrawn and trade inevitably plummets, the economic reforms that remain China's great long-term hope for progressing toward a fairer and more humane society would surely falter; living standards would decline, and China's international isolation—never a good thing for the welfare of a country's people—would deepen.

That is not what those who continue to be morally repelled by the Chinese regime's repressive behavior want to see. Better at this point, then, to extend MFN for another year, making emphatically clear at the same time that the action is not taken as a favor to the regime but as an effort to improve the lot of the Chinese people. Before long, the tired generation of old revolutionaries who continue to cling to power in Beijing must pass from the scene. But China endures, and it is with an eye on the needs of the Chinese people and on the next generation of leaders that U.S. policy should be devised and carried out.

Self-Defeating Sanction

USING TRADE POLICY TO DO a foreign policy job is a tricky business. The United States could end up hurting itself by imposing broad trade sanctions to make a narrow political statement. That's what will happen if President Bush follows the advice of some in Congress who want to punish the hard-liners in Beijing by canceling China's most-favored-nation tariff status.

Most-favored-nation status, which grants imports from China the same tariff treatment accorded goods from most other countries, was extended in 1980 under the U.S.-China Trade Agreement. That privilege has enabled China to become America's 10th-largest trading partner. Without it, high tariffs would make many Chinese goods uncompetitive: Customs duties on cotton sweaters, a major Chinese export, would rise from 6% to 60%.

Under the Jackson-Vanik Amendment, a 1974 law aimed at the Soviet Union, most-favored-nation status may not be granted to any country that restricts its citizens' right to emigrate. Each year since 1980, the United States has granted China a waiver of the Jackson-Vanik requirement, renewing its tariff preferences with little debate.

Beijing's murderous repression in Tiananmen Square last June and the subsequent crackdown on the emigration of students and dissidents, mean that the Jackson-Vanik waiver is no longer a routine matter. By June 3, President Bush must decide whether to issue a waiver for another 12 months. The president is under pressure to vindicate himself for his mistake in sending two secret missions to Beijing for high-level talks last year while publicly proclaiming a moratorium on official visits. But responding to that pressure by stripping China of its most-favored-nation status would be a mistake.

A reversal in U.S. trade policy, effectively abrogating the 1980 trade agreement, would play into the hands of the Chinese leadership, which has been waging an anti-American campaign since last June. China might well retaliate in kind, interrupting the flow of U.S. exports to China, which totaled \$6 billion in 1989.

The injured parties would include U.S. farmers, who sold \$1 billion worth of wheat to China last year; exporters of mining and construction equipment, which have contracts for hundreds of millions worth of goods over the next two years; and airplane manufacturers, which stand to lose about \$500 million in sales. In every case, China could find alternative sources for these products with little difficulty.

Reverting to old tariff rates would cut U.S. imports of Chinese toys, sneakers, apparel and electronic products by an estimated 50%, according to the U.S.-China Business Council. The biggest losers would not be the state-controlled factories, but semiprivate enterprises in the south, many of them joint ventures between Chinese and foreign firms. Tariff hikes thus would harm the very entrepreneurial sector the United States has been trying to support over the past decade and weaken the position of China's liberal economic reformers.

Maintaining trade relations with China is in the United States' long-term foreign policy and economic interests. Seeking to humiliate the Chinese by stripping them of their favored tariff status would be self-defeating. There are less damaging and less expensive ways to send the message that the United States does not support the regime of Premier Li Peng.

THE WHITE HOUSE

Office of the Press Secretary

(Kennebunkport, Maine)

For Immediate Release

May 25, 1990

TO IMPLEMENT AN ACCELERATED SCHEDULE
OF DUTY ELIMINATION UNDER THE
UNITED STATES-CANADA FREE-TRADE AGREEMENT

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

1. On January 2, 1988, the President entered into the United States-Canada Free-Trade Agreement (the Agreement). The Agreement and certain letters exchanged between the Governments of Canada and the United States were approved by the Congress in section 101(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988 (the Implementation Act) (Public Law 100-449; 102 Stat. 1851). The Agreement entered into force on January 1, 1989.

2. Section 201(b) of the Implementation Act grants the President, subject to the consultation and lay-over requirements of section 103(a) of the Implementation Act, the authority to proclaim such modifications as the United States and Canada may agree to regarding the staging of any duty treatment set forth in Annexes 401.2 and 401.7 of the Agreement as the President determines to be necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada provided for by the Agreement. Consistent with Article 401(5) of the Agreement, the President, through his duly empowered representative, on May 18, 1990, entered into an agreement with the Government of Canada providing an accelerated schedule of duty elimination for specific goods of Annexes 401.2 and 401.7 to the Agreement. The President has complied with the consultation and lay-over requirements of section 103(a) of the Implementation Act with respect to such schedule.

3. Pursuant to section 201(b) of the Implementation Act, I have determined that the modifications hereinafter proclaimed of existing duties on goods originating in the territory of Canada are necessary or appropriate to maintain the general level of reciprocal and mutually advantageous concessions with respect to Canada provided for by the Agreement and to carry out the agreement with Canada providing an accelerated schedule of duty elimination for specific goods of Annexes 401.2 and 401.7 to the Agreement.

4. Section 202 of the Implementation Act provides for certain rules of origin. I have determined that it is necessary to modify the Harmonized Tariff Schedule of the United States (HTS) to correct technical errors in the previously proclaimed rules of origin.

more

(OVER)

5. Section 604 of the Trade Act of 1974 (the 1974 Act) (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the provisions of that Act, and of other acts affecting import treatment, and actions taken thereunder.

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States, including but not limited to sections 201(b) and 202 of the Implementation Act and section 604 of the 1974 Act, do proclaim that:

(1) In order to provide for an accelerated schedule of duty elimination and to correct technical errors in the rules of origin, general note 3 to the HTS and the tariff treatment provided for in the HTS for goods originating in the territory of Canada are modified as provided in the Annex to this proclamation.

(2) Any provisions of previous proclamations (in particular provisions concerning staged reductions in rates of duty for goods originating in the territory of Canada) inconsistent with the provisions of this proclamation are hereby superseded to the extent of such inconsistency.

(3) The amendments made to the HTS by the Annex to this proclamation shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on the dates indicated in such Annex.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of May, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fourteenth.

GEORGE BUSH

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George Bush Presidential Library Transfer Sheet

COLLECTION:

Bush Presidential Records
Office of the President

ACCESSION NUMBER:

1993.0001

FOIA/SYSTEMATIC
PROCESSING CASE
NUMBER (if app.):

☐ Transferred During Accessioning

☒ Transferred During Processing

2009-0166-S

The following material was transferred to:

☒ **Audiovisual Collection**

☐ **Book Collection**

☐ **Museum Collection**

☐ **Other**

Other (Specify):

DESCRIPTION:

White House Photographs: P13169-19 [K-Port-golf]; P13163-19 [Barbara Bush, Marshall, & Walker]; P13164-20 [Barbara Bush and Walker Bush]; P13210-04A [Marshall and Walker Bush w/dog]; P13168-09 [Barbara Bush and Millie]

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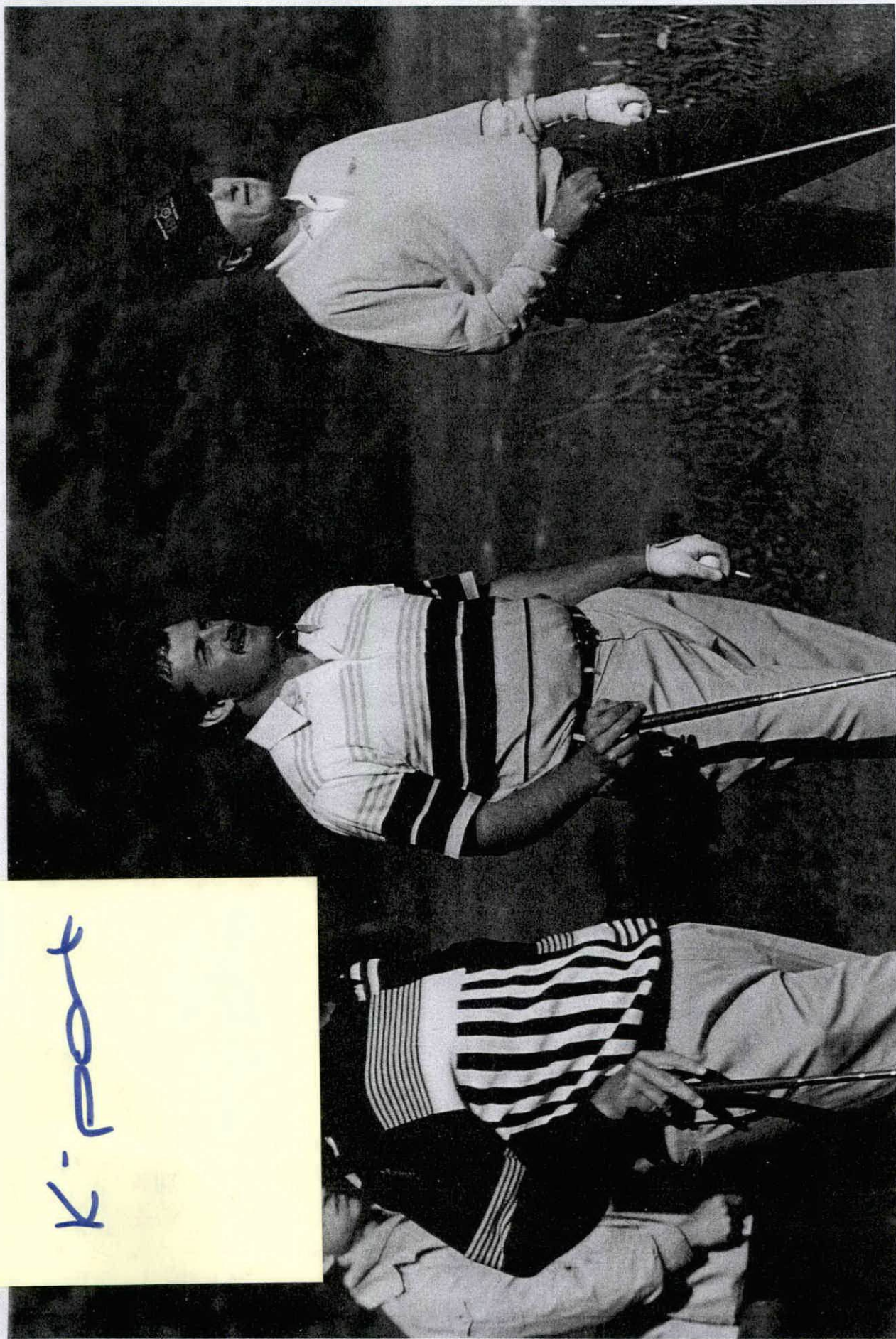
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