

Originally Processed With FOIA(s):
2009-0166-S

FOIA Number:
2009-0166-S

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: 90655
Folder ID Number: 90655-006

Folder Title:
Friday, February 21, 1992 [3]

Stack:	Row:	Section:	Shelf:	Position:
V	0	0	0	0

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	From Command Duty Officer to Distribution Re: Visit Report for 21-23 February 1992 [redaction] (2 pp.)	02/23/92	(b)(7)(e)	
01b. List	Visit Report for 21-23 February 1992: Cabin Assignments (1 pp.)	02/24/92	(b)(7)(c), (b)(7)(e), (b)(7)(f)	
01c. List	Visit Report for 21-23 February 1992: Helo Manifest (Staff/Guests) [redaction] (1 pp.)	02/24/92	(b)(7)(e)	
02. Note	From L. M. Cook to George Bush Re: political opinions (1 pp.)	02/19/92	C	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, February 21, 1992 [3]

Pinksheet Number: dw2502
OA/ID Number: 90655-006
Date Closed: 10/21/2014
FOIA/Sys Case #: 2009-0166-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

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01a. Memo	From Command Duty Officer to Distribution Re: Visit Report for 21-23 February 1992 [redaction] (2 pp.)	02/23/92	(b)(7)(e)	

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WHORM Cat.:
File Location: Friday, February 21, 1992 [3]

Date Closed:	10/21/2014	OA/ID Number:	90655-006
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]
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 (b)(9) Release would disclose geological or geophysical information

23 Feb 92

MEMORANDUM

From: Command Duty Officer
To: Distribution
Via: (1) Executive Officer
(2) Commanding Officer *Q*

Subj: VISIT REPORT FOR 21-23 FEBRUARY 1992

Encl: (1) Cabin assignments
(2) Holo manifest
(3) Arrivals/departures access list

1. Enclosures (1) through (3) provide added details for the subject Presidential visit.

ARRIVALS/DEPARTURES

Friday, 21 February 1992

1453 - MSCM Ariel Deguzman (WHSM) and Paula Rendon aboard. (C2)
1953 - NIGHTHAWK TWO touchdown. (H2)
1958 - MARINE ONE touchdown with the [REDACTED] (b)(7)(e)
2325 - First Lady aboard via Motorcade. (M1)

Saturday, 22 February 1992

0537 - Carpet vehicle #24 aboard with newspapers and two packages for the First Lady and the President's personal briefcase.
0607 - Carpet vehicle #24 ashore.
1130 - Doro, Ellie, Sam Leblond and Bobby Koch aboard. (P1)
1130 - The Koch family aboard. (P2-P6)
1555 - The Koch family ashore. (P2-P6)

Sunday, 23 February 1992

0520 - Carpet vehicle #23 aboard with newspapers.
0528 - Carpet vehicle #23 ashore.
0715 - MAJ Deken (Chaplain) aboard. (P7)

0814 - MAJ Deken (Chaplain) ashore. (P7)
1325 - MSCM Ariel Deguzman (WHSM) and Paula Rendon ashore. (C2)
1609 - MARINE ONE ashore with the (b)(7)(e)
1611 - NIGHTHAWK TWO ashore. (H4)
1624 - Doro, Ellie, Sam Leblond, Bobby Koch and George Koch ashore.
(P1)

GUEST ACTIVITIES

Movies

Aspen: Saturday - "Blame it on the Bellboy"
The staff/guests checked out 11 beta videos during the visit.

Wye Oak

Mrs. Bush used the lifecycle on Saturday and Sunday morning.

Golf

Mrs. Bush used the driving range on Saturday. President Bush and Mr. Koch used the Aspen range on Saturday.

Bowling

Camp David Lanes were used extensively on Saturday and Sunday by the grandchildren, guests, and staff.

Golf Carts

The President and guest used the carts for tours on Saturday. The President toured the perimeter and fitness trails throughout the weekend on his golf cart.

Horseshoes

The President and staff pitched horseshoes on Sunday morning.

Jogging

The President jogged the fitness trail on Saturday and Sunday.

Tennis

Doro Leblond and Bobby Koch played tennis on Sunday afternoon.

Chapel Services

Chaplain Deken conducted a Catholic service at 0730. Three persons were in attendance. Chaplain Frusti conducted an interdenominational service at 0900 in the Chapel. The President, First Lady, family, staff and crew members and their dependents attended for a total of 65.

KUDOS

Navy - EO1 LEMMOND
Marines - LCPL JONES

Very respectfully,



P. F. WEBB
LT, CEC, USN

Distribution:

CO
XO
Dept Heads
Visit File
OOD Passdown Log

Withdrawal/Redaction Sheet

(George Bush Library)

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01b. List	Visit Report for 21-23 February 1992: Cabin Assignments (1 pp.)	02/24/92	(b)(7)(c), (b)(7)(e), (b)(7)(f)	

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HELO MANIFEST (STAFF/GUESTS)

HELO #1 (ARRIVE 1958/FRIDAY)
MARINE ONE

(b)(7)(e)

HELO #2 (ARRIVE 1953/FRIDAY)
NIGHTHAWK TWO

(b)(7)(e)

HELO #3 (DEPART 1609/SUNDAY)
MARINE ONE

(b)(7)(e)

HELO #4 (DEPART 1611/SUNDAY)
NIGHTHAWK TWO

(b)(7)(e)

POV (STAFF/GUESTS)

<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
P1	DORO LEBLOND ELLIE LEBLOND SAM LEBLOND BOBBY KOCH	DAUGHTER GRANDDAU GRANDSON FIANCE OF DORO	1130/SAT	1624/SUN	PONTIAC MD 014ALV
P2	GEORGE KOCH HELEN KOCH JORIE KOCH LAWTON KOCH	GUEST GUEST GUEST GUEST	1130/SAT	1555/SAT	MERCEDEZ MD YAK446
P3	DANNY KOCH TRICIA KOCH REILLY KOCH K.C. KOCH	GUEST GUEST GUEST GUEST	1130/SAT	1555/SAT	OLDS 98 MD 2DA354
P4	P.C. KOCH DENISE KOCH PATRICK KOCH	GUEST GUEST GUEST	1130/SAT	1555/SAT	FORD TEMPO MD VPG776
P5	MONTÉ KOCH GEORGE KOCH SANDI NUTTON	GUEST GUEST GUEST	1130/SAT 1130/SAT	1555/SAT	MAROON OLDSMOBILE
P6	LUCY KOCH STEVE AMBROSI	GUEST GUEST	1130/SAT	1555/SAT	GRAND MARQUIS NY ARN117
P7	MAJ JOHN DEKEN	CHAPLAIN	0715/SUN	0814/SUN	CHEVY LUMINA

CARPET/GOV'T VEHICLE (STAFF/GUESTS)

<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
C1	CW4 FRANK VALDEZ MAJ RICHARD WILLIAMS	WHCA F/O WHCA F/O	1335/FRI H2	H4 2028/FRI	WHCA VEH
C2	PAULA RENDON MSCM ARIEL DEGUZMAN	WHSM	1453/FRI	1325/SUN	WHSM VAN

MOTORCADE

<u>CODE</u>	<u>NAME</u>	<u>TITLE</u>	<u>ARRIVE</u>	<u>DEPART</u>	<u>VEHICLE ID</u>
M1	BARBARA BUSH	FIRST LADY	2325/FRI	H3	MOTORCADE

Patty:

When you have a chance,
would you please match
up with the copy of
the President's note
It should be in Dec 10 *daily*,
(the night of the Cong'l
ball) Then again, I
might have pulled it to
attach the incoming from
Calio's ofc. If it's not
there, then this is it.
Hope I am making sense
to you...???...!!! Robin

(FYI) Interim
reply to Sam
Gibbons

Document Originally
Attached to
Following Page

THE WHITE HOUSE
WASHINGTON

FYI

THE PRESIDENT HAS SEEN

February 21, 1992

43

Dear Sam:

In response to your note to the President that was passed along at the Congressional Christmas Ball, I am writing to inform you of the status of your requests.

You had requested that the President participate in an anniversary celebration of D-Day on June 6, 1994. As you can imagine, the President's schedule is very busy and the scheduling office will not consider events more than three months in advance of their occurrence. Therefore, this event is regrettably too far in the future to be considered. It will be given serious consideration at the appropriate time, however.

As to whether the President will help to promote this event, we would need more information. The President's role in helping charities is circumscribed... we would need specific proposals to clear through the Office of the Counsel to the President.

Likewise, the request to host a celebration at the White House to kick off fundraising must be run through the Counsel's Office and our scheduling system. The same request is in long range scheduling per a request from Congressman Montgomery, and is being carefully considered.

Unfortunately, a meeting with the President to discuss a new revenue system for the U.S. cannot be currently scheduled, as I am sure you can appreciate.

I'll be in touch.

Sincerely,

Nicholas E. Calio

Nicholas E. Calio
Assistant to the President
for Legislative Affairs

The Honorable Sam Gibbons
U.S. House of Representatives
Washington, D.C. 20515

Bush Library Photocopy
George Bush Handwriting

CC: Rose Z...

Pending

Rose:

I asked if an interim reply or note went out and McClure's office said HE would discuss w/you personally. (FYI) *John*

12/26/91

Phil:

This was handed to the President at the Congressional Ball. Sorry for the delay in getting it to you. However, it got stuck with other papers.

I talked with Fred McClure about it when it came in. I think he is waiting for me to send this along. The President wanted it run by Counsel and more information on the group. Fred will touch base with Gibbons.
Sorry.

Thanks,

MEMORANDUM

12/10/91

TO: President George Bush *GM*
FROM: Sam M. Gibbons, M.C. - 202-225-3376

1. Agree to participate in the 50th anniversary of D-Day in Europe, June 6, 1994.
2. Agree to work with Normandy Foundation to support USA role in celebration to be financed by private sector contributions.
3. Host small celebration in The White House to kick off Foundation effort.
4. Meet with Gibbons to discuss new revenue system for U.S. Government.

*w/ Fred McClure
12/26*

2/21/92

Mr. President:

You will be coming back to Andrews from Charleston and then
chopper to Camp David.

2) If you have Jerry Weintraub fly with you from San Francisco
to LA, the campaign will be charged first class fare, which is
(\$250) If you ask Jerry to pay, it will count against his
maximum contribution to the campaign.

3) ATTACHED IS YOUR TENTATIVE SCHEDULE FOR CALIFORNIA.

Rose

OK - just
set up 30
minutes in LA.
CM

Bush Presidential Library Photocopy

✓

THE WHITE HOUSE

WASHINGTON

February 21, 1992

Dear Roy:

Thank you for your newsy letter of February 19. I am dictating this before heading to South Carolina where we start moving in the Super Tuesday states. I have got to put this primary challenge to rest, and then on to victory in the Fall.

How thoughtful of you to have a going away party for the Sununus -- you are too much.

Thanks again for your wonderful letter. Barbara sends her love.

Sincerely,



Mr. Roy Pfautch
President
Civic Service Incorporated
Suite 870, Washington Square
1050 Connecticut Avenue, NW
Washington, D.C. 20036

JAN'S



THE PRESIDENT

February 21, 1992

Dear Lod,

Thanks for the February 19 fax. You're right!

Warmest regards,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Lodwrick M. Cook
Chairman & Chief Executive Officer
Atlantic Richfield Company
Suite 5178
515 South Flower Street
Los Angeles, California 90071

(Personal)



THE PRESIDENT

February 21, 1992

WH Gifts

FYE

Rm. 1^c

Dear Jack,

Thanks for that flashy Gavinesque tie. It's a winner; but when will I get to show it off to the double breasted-blue blazer crowd on the Riviera. Anyway, I'll give it a trial run right here inside the beltway.

If I don't see you in Los Angeles, call Rose Zamaria at (202) 456-6700 the next time you're in Washington. I'm sure we can carve out some time. I'd like to get caught up on all you're doing.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable John A. Gavin
Suite 2415
10100 Galaxy Way
Los Angeles, California 90067-3521



THE PRESIDENT

February 21, 1992

Dear Jack,

Thanks for that flashy Gavinesque tie. It's a winner; but when will I get to show it off to the double breasted-blue blazer crowd on the Riviera. Anyway, I'll give it a trial run right here inside the beltway.

If I don't see you in Los Angeles, call Rose Zamaria at (202) 456-6700 the next time you're in Washington. I'm sure we can carve out some time. I'd like to get caught up on all you're doing.

Sincerely,

A handwritten signature, likely of Bill Clinton, consisting of a stylized 'G' followed by a diagonal slash.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable John A. Gavin
Suite 2415
10100 Galaxy Way
Los Angeles, California 90067-3521

JOHN GAVIN
10100 GALAXY WAY • 2415
LOS ANGELES, CALIFORNIA 90067-3521

February 18, 1992

The Honorable George Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

I saw a tie which made me recall the breakfast we had privately at The Four Seasons Hotel in Los Angeles in May 1988. You may remember that Barbara joined us, at which point you left the room momentarily.

When you returned, you asked us what we thought of the tie you were wearing. Neither of us liked it. When you asked Barbara what she thought you should wear, she said, "A tie like the one Jack has on." We switched then and there. Connie and I have the "ugly" tie as the main exhibit in our "George Bush Museum."

Enclosed with this note is a tie that triggered all these recollections. It's not quite like the Brooks Brothers one, but I hope it will also bring you luck.

We look forward to seeing you here in Los Angeles on the 25th of this month. You were kind enough to ask me to call Ms. Presock to set up a meeting with you. I haven't had the courage to intrude on your agenda. However, as a Presidential request is tantamount to an order, I will call her now to see if I may come see you.

Lod and Carole Cook have told us how much they enjoyed seeing you at Camp David. As always, we are all rooting for you. Only Barbara has a higher place in our affections.

Cordially,

A handwritten signature in cursive script, appearing to read "Jack".

/emk

Enclosure



Type

Dear Jack,

Thanks for that flasdhly Gavinesque tie. It's a winner; but when will I get to show it off to the double breasted-blue blazer crowd on the Riviera. Anyway I'll give it a trial run right here inside the beltway.

Do call when you get here. I'm sure we can carve out some time. I'd like to get caught up on all your're doing.

Sinnmcereely,

Bush Library Photocopy
George Bush Handwriting

FROM THE PRESIDENT



OFFICE OF THE
PRESIDENT
COVER PAGE

TO: Debra Steinberg (Amb Galvin's Office)

FROM: Robin MacLean (The President's Office)

TOTAL NUMBER OF PAGES: 2
(including cover page)

DATE: 4/17/92

TIME: 2:14 p.m.

MESSAGE:

Per your request. Here's a copy

for your files.

If you have any questions or problems with the transmission, please call:

(202) 456-2328

TRANSMIT CONFIRMATION REPORT

NO.	:	001	
RECEIVER	:		286 1211
TRANSMITTER	:		
DATE	:	APR 17'92	13:22
DURATION	:	00'53	
MODE	:	STD	
PAGES	:	02	
RESULT	:	OK	

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Ms. Alexandra Stoddard
c/o Mr. Peter Brown
1125 Park Avenue, Apt 6A
New York, New York 10028



THE PRESIDENT

2-21-91

Dear Alexandra,
"Daring to be Yourself"
is on its way to Camp
David. I'll check it out
up there. So many thanks
It was great seeing

you here yesterday.

Thanks for my medal
and "for coming to
the Oval Office

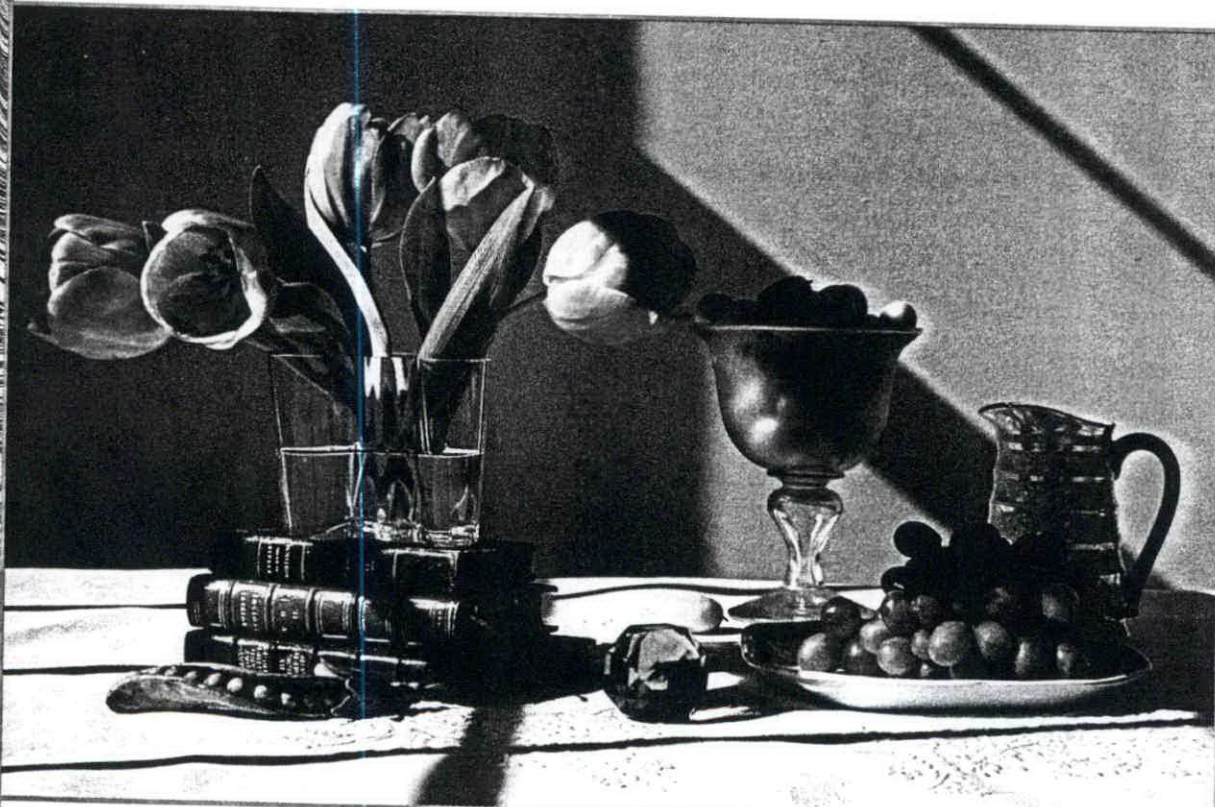
Affectionately

By Bill

cc:
Rose Zamaria ✓
Wikki Richnow (with book
for processing)
Leigh Ann Metzger (FYI)
Jan Burmeister (note
address. She is married
to Peter Brown, but
according to Public Liaison
prefers to go by profess-
ional name -- for PRIV)

DARING TO BE YOURSELF

*The author of "Living a Beautiful Life" asks you
the questions she asks her clients — to help you bring out
your own beautiful style in all you do*



ALEXANDRA STODDARD

February 20, 1992

To the President and First Lady,
To George and Barbara,

What an honor to
be back in the White House
with you to be apart of this
award ceremony.

I send you both
my deepest admiration
and warm affection. Peter
joins me in sending you
best wishes and high
regards.

Alexander Stoddard



THE PRESIDENT

2-21-91

Sonny =

FYI : I called
Mr. Whitten yesterday. He
sounded weak, but
he seemed to appreciate

the call.

Go Guard !!

GB

The Honorable Gillespie V. Montgomery
U.S. House of Representatives
2184 Rayburn House Office Building
Washington, D.C. 20515

(Personal)

(By Courier)

CC:
Rose Zamaria
(1 copy)

NOTE: HAVE HAND
CARRIED TO HILL
VIA COURIER.

2/21/92

THE WHITE HOUSE
WASHINGTON

Dear John:

I received your letter of resignation today and, with sincere thanks and appreciation for your service, I accept your resignation effective May 1.

I recall your coming to talk to me about this on October 24. At that time you told me you wanted to step aside. I told you then that I certainly understood your reasons for desiring to return to private life.

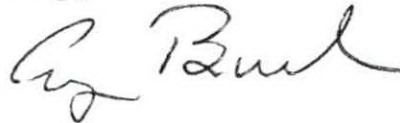
Your job is one of the most difficult in government. You have worked hard for freedom of expression; and yet, at times, as you have ruled against certain grants that you felt were beyond the bounds of common decency, you have been criticized.

I thank you for the integrity and commitment that you have brought to the National Endowment for the Arts.

No two people can agree in every instance on every grant or indeed on what is good art; in fact some of the art funded by the NEA does not have my enthusiastic approval. I expect some did not have yours, but this should not obscure the overall work of the NEA nor your contribution to it.

I thank you and wish you and your family well for a very bright future.

Sincerely,



The Honorable John E. Frohnmayer
Chairperson
National Endowment for the Arts
1100 Pennsylvania Avenue, N.W.
Washington, D.C. 20506

NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506



A Federal agency advised by the
National Council on the Arts

February 21, 1992

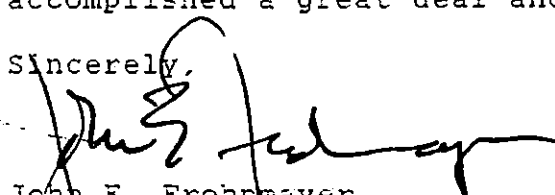
The Honorable George Bush
President
White House
Washington, DC 20500

Mr. President:

Last October I told you of my desire to return to private life.
Accordingly, I submit my resignation effective May 1, 1992.

I have appreciated the opportunity to serve you and the arts;
you know how much your personal support has meant to me during
these difficult times. You and your administration have
accomplished a great deal and I'm sure the best is yet to come.

Sincerely,



John E. Frohnmayer
Chairman

JEF/lm

KTD
2811 SO 2520 EAST
SLL, Utah
84109



CPT Robert Duntan
2811 SO 2520 EAST
Salt Lake City, Utah



84109



daily



THE PRESIDENT

February 21, 1992

Dear Lod,

Thanks for the February 19 fax. You're right!

Warmest regards,

A handwritten signature, likely of George H. W. Bush, consisting of a stylized "G" followed by a long, sweeping horizontal line.

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Lodwrick M. Cook
Chairman & Chief Executive Officer
Atlantic Richfield Company
Suite 5178
515 South Flower Street
Los Angeles, California 90071

(Personal)

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Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Friday, February 21, 1992 [3]

Date Closed: 10/21/2014	OA/ID Number: 90655-006
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



THE PRESIDENT

February 21, 1992

Dear Al:

For some odd reason I just, today, got your note of welcome from San Diego -- too much staff bureaucracy, I fear.

It was nice of you to check in. Thanks, my friend.

We're in an ugly fighting year on the political scene but I remain confident.

All best,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Alvin R. Busse
Al Busse Communications
8602 Oakford
Houston, Texas 77024

2/20

Rose,

Do we know if the President saw Mr. Busse when he was in San Diego?

I'll be happy to draft a response.

Thanks.

Courtney



(713)
Al Busse Communications
8602 Oakford / Houston, Texas 77024 / (713) 626-1144

from master
February 6, 1992

President George Bush
U. S. Grant Hotel
San Diego, California

Dear Mr. President:

Pleased that another Houstonian is visiting San Diego. I am working on a project that has had me in and out of this City monthly for the past year.

As a Past District Governor of Rotary International in Houston, the San Diego Rotary Club is allowing me to attend tomorrow mornings meeting with you.

Know you and Barbara are well. Thank you as always for your thoughtful Christmas card greeting.

It will be wonderful seeing and hearing you again.

Best,

Al Busse

92 FEB 20 AM 9:45



Type

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It was nice of you to check in. Thanks, my friend.

We're in an ugly fighting year on the political scene but I remain confidant.

All Best,

Bush Library Photocopy
George Bush Handwriting

FROM THE PRESIDENT



THE PRESIDENT

2-21-92

Dear Mary,

I was so sorry to hear
about Ken. He and I went back
a long long way as you know.
Please tell all your family
that Barbara and I send our

most sincere condolences.

Kenneth was a lovely
human being and I know it
must hurt a lot.

Love from the Bush
family, *GB*

Mrs. Kenneth McDonnell
21 Willowmere Avenue
Old Greenwich, Connecticut 06870

CC:

Rose Zamaria
(1 copy)

Mrs. Willard S. Hemmway Jr.
14 Deer Lane
Greenwich, Connecticut 06830

Mrs. Willard S. Hemmway Jr.
14 Deer Lane
Greenwich, Connecticut 06830

Feb 15, 1992

Dear St. B.

Thought you might want to see the enclosed on drop May a mole. Her address is 21 W. Housmore Ave., Old Greenwich, CT 06870.

Love seeing you both last week - wonderful anniversary! We're keeping our fingers crossed for Tuesday and are peering up here!

Love,
Bob & Judy

P.S. Just spoke to Jean Mayer - she sends her love to you and Ben. She's going to see her in 7th. next week.

Be sure nobody else has written a letter on this day

1/15/1992
1/15/1992
1/15/1992

Letter was faxed to the restaurant where the Wilson family was having dinner. The hard copy of the letter was mailed 2/21.

5/
THE WHITE HOUSE
WASHINGTON

February 20, 1992

Dear Mr. Wilson:

Congratulations on your 90th birthday. Barbara and I hope that you have a great day, and we send best wishes for a wonderful year ahead.

Sincerely,

Ag Bush

Mr. Jim Wilson
Apartment 301
220 MacFarlane Drive
Delray Beach, Florida 33444



PETE WILSON
GOVERNOR

State of California
GOVERNOR'S OFFICE
SACRAMENTO, CA 95814



TELEPHONE
(916) 445-2841

February 20, 1992

Office of Presidential Messages
The White House
Washington, D. C. 20500

ATT: Ellen Strickartz

Dear Ms. Strickartz:

This is to request a message from the President for my father's 90th birthday. The date is today, February 20, and even though I realize it will arrive late, I know he would appreciate receiving it.

It should be addressed to:

Mail to: Mr. Jim Wilson
220 MacFarlane Drive, Apt. 301
Delray Beach, Florida 33444

Thank you for your assistance.

Sincerely,

Pete Wilson

PETE WILSON

SG

P2

Dear Mr. Wilson:

90th

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Ms. April Zion
Advertising Manager
United Media
200 Park Avenue
New York, New York 10166



THE PRESIDENT

2-21-92

Dear April -
Thanks for "Nancy"
Would you kindly
send the attached to
Terry Scott. Again, thanks
CJTB

bcc: Marlin Fitzwater
Rose Zamaria

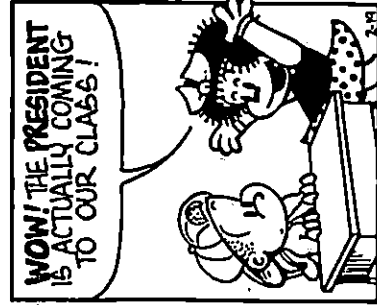
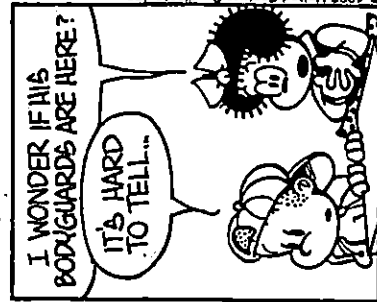
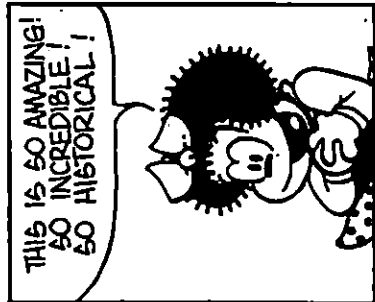
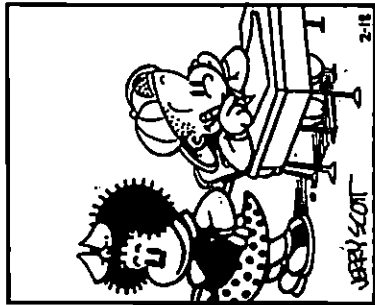
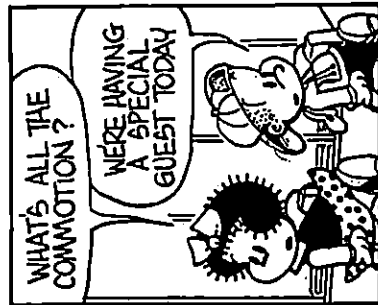
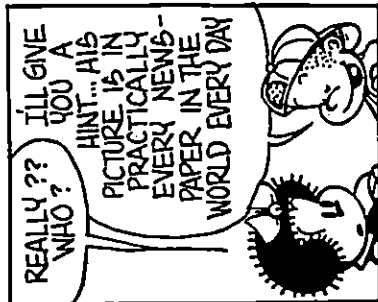
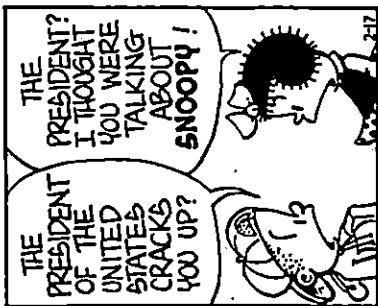
(incoming and outgoing)

The President

NANCY® by Jerry Scott

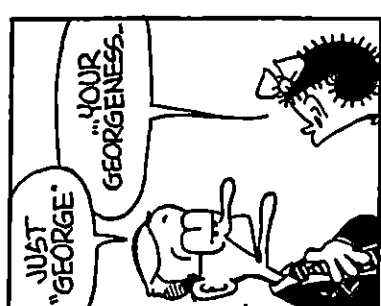
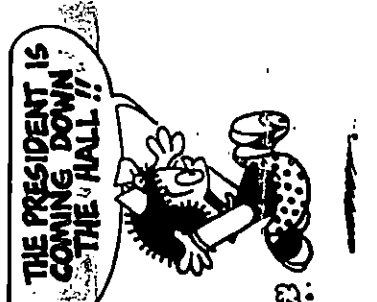
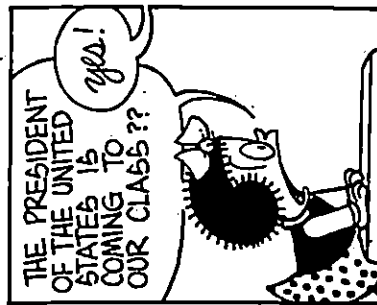
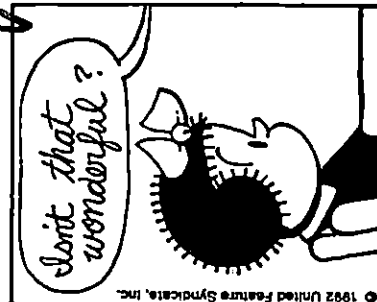
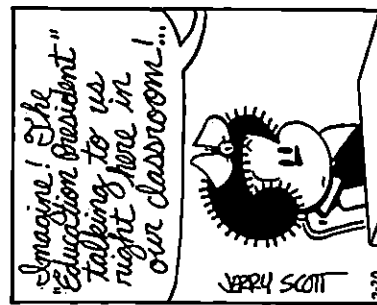
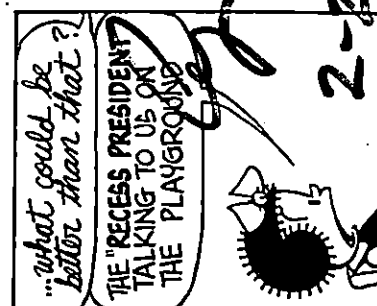
EDITORS: BE SURE TO INCLUDE THE
© SYMBOL AFTER THE
TITLE WHEN YOU PRINT THIS FEATURE

FOR RELEASE IN PAPERS FEB. 17 - FEB. 22, 1992



UNITED FEATURE SYNDICATE, 200 Park Avenue, New York, N.Y. 10166 (212) 692-3700

To Jerry Scott from
His George-buzz - Loved it!



2-21-92

With the Compliments
of
The President



To April 21st - Good Luck, But Wish
UNITED FEATURE SYNDICATE, 200 Park Avenue, New York, N.Y. 10166 (212) 692-3700

Ag Paul

EDITORS: BE SURE TO INCLUDE THE
SYMBOL AFTER THE
TITLE WHEN YOU PRINT THIS FEATURE

FOR RELEASE IN PAPERS FEB. 24 - FEB. 29, 1992





UNITED
MEDIA

Rose
FYI

R2

Draft
a thank you

February 17, 1992

President George Bush
c/o Mr. Marlin Fitzwater
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

The world-renowned comic strip NANCY® by Jerry Scott features a two-week series about you visiting NANCY's school. I've attached the comics and a news release about the series. NANCY is distributed to more than 300 newspapers worldwide by United Feature Syndicate.

I hope you enjoy this special series about you!

Sincerely,

April Zion

April Zion
Advertising Manager

Encl.



UNITED FEATURE
SYNDICATE

NEWS RELEASE

CONTACT:
April Zion
Mary Anne Grimes
212-692-3855

FOR IMMEDIATE RELEASE

President Bush Visits NANCY's School in Comic Strip Series

NANCY has the thrill of meeting President George Bush and escorting him around her school in a two-week series beginning Feb. 17 in the NANCY® comic strip by Jerry Scott. This is the first time Scott is using a real person in his United Feature Syndicate comic.

Scott said, "This series isn't political. It's simply a classroom visit by a very prominent person from a kid's perspective. I was inspired by a story in the news some time ago about a young student asking the president to show some I.D. during a visit to a school. It sounded like something NANCY might do."

Scott enjoyed the challenge of doing a caricature: "...but I don't think the world's political cartoonists will be losing any sleep over this. Drawing the president to fit within the NANCY style was a lot of fun, and I'm really proud that I was able to resist the temptation to put those little 'NANCY-spikes' all over his hair."

NANCY is distributed to more than 300 newspapers by United Feature Syndicate, which is a division of United Media, a Scripps Howard company.

#

021192



UNITED
MEDIA

02 MAR 19 P1:28

March 13, 1992

President George Bush
c/o Mr. Marlin Fitzwater
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

NANCY® cartoonist Jerry Scott and I were thrilled to receive your hand-written notes regarding your "appearance" in the NANCY comic strip. Thank you so much for taking the time to write to us.

Jerry Scott is so pleased that you enjoyed his comic, he'd like you to have the enclosed original.

I hope you'll continue to enjoy the comics!

Sincerely,

April Zion
Advertising Manager

Encl.

cc: J. Scott



TO "HIS GEORGENESS" WITH ALL BEST WISHES — JERRY SCOTT

POOL REPORT # 1

Andrews Air Force Base - Charleston

February 21, 1992

A little spin, a good quote, some color.

Aboard were a handful of campaign spinners, including Fred Malek, Charles Black, Haley Barbour and Torie Clarke; the major topic was Buchanan, and whether or not he'd been frozen out of an appearance at the Southern Republican Leadership Conference.

Not frozen a bit, said Black. He and Malek maintained that South Carolina Governor Campbell had offered his slot -- on Sunday. On the tarmac at Charleston Air Force Base, the governor confirmed same, noting, "I'll give up my time if he wants it. Don't let any one tell you he doesn't have time." Black said several other Republicans had offered speaking time on Sunday, including Gingrich and Gramm. Black added he thought Buchanan believed "terrorism a better opportunity than a Sunday appearance."

Malek said he thought Buchanan had "hit his high-water mark" in New Hampshire, but declined to say by how much Bush will win in Georgia. Of Gingrich's comment that Buchanan might get 35-40 per cent of the Georgia vote, Malek said, "I won't make any judgment on the numbers."

Malek said he doesn't think the New Hampshire result is "any reason for him (Bush) to change course." He said Bush has a sound economic recovery plan, adding, "the American people don't want" the plan now being sculpted by House Democrats.

Clarke advised people to "quit frothing" about changes in political strategy. She predicted "95 per cent of this guy's campaign will be about issues people care most about," the economy, jobs, crime, education. As for bashing Democrats along the way, she noted "you keep your eye on the prize at the end of the game," indicating there will be some "defining" of Democratic candidates and ideas.

Skinner appeared briefly in the press section, but fled when television lights turned on, calling over his shoulder, "Turn that light off." Shortly before landing, there was a false alarm about a Bush appearance, but the prez was apparently just showing off AF One to guests.

Coming off Air Force One, Bush was accompanied by Senator Strom Thurmond, who seemed to slip on the ramp at one point, but quickly recovered. Bush posed for photos with more Points of Light in the shadow of AF One, including two sailors wearing submariner's insignia. The president then worked a ropeline about 25 yards long, pressing the flesh with servicemen and women, and a lot of children. One woman called "We love you, president," but got no special notice from Bush. A small blonde girl in a pink jacket got an autograph card. An Air Force colonel told folks at the end of the line to "keep clapping," but Bush jumped into the limo before getting that far. Thurmond, attempting to do some flesh-pressing of his own, was apparently unrecognized by most of the crowd.

The motorcade was uneventful; clumps of folks at the intersections, many smiles, a lot of cheering. There were a few Clinton supporters, however, one holding a sign saying, "No Southern Comfort for Bush."

Sullivan, USIA

Wolfberg, Newsweek

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Sullivan, USIA

Wolfberg, Newsweek

Air Force One Pool

Motorcade uneventful. Torie Clarke came back to chat ~~up~~ us up. She said the end of the Bush speech, when he talks about unity, was to show "what the party is about, what ... we stand for."

Then a senior administration official came back to say:

There is concern about the impact of Buchanan on the GOP. "You always worry=~~about~~= that you come out of it together."

Chatting about the growth package and the Democratic alternative, he said, "The Democrats are making it easy for us...they're making it political."

"We're as committed to phase one as we are to phase two."

On the resignation of NEA head Fronymeyer: "He came in last fall and said ~~he~~ he wanted to resign...he told the president he was leaving in October." The senior official said the NEA head was not fired.

Again on=~~B~~ Buchanan, he said the challenger won't be a force after
S. p. ~~Supp~~-Tuesday.

Bedard-Washington Times

THE WHITE HOUSE

Office of the Press Secretary

EMBARGOED FOR RELEASE
UNTIL FEBRUARY 22, 1992

February 21, 1992

The President today recognized the volunteers of the Children's Advocacy Center of Sullivan County in Blountville, Tennessee as the 701st Daily Point of Light for the Nation. The center and its volunteers provide love, care, and a sense of well being for children suffering from abuse and neglect.

For nearly 15 years, the center has taken a multidisciplinary approach to caring for children victimized by physical or sexual abuse. The youngsters' needs, as well as those of their families, are addressed through investigative counseling, advocacy, and education programs. Annually, five volunteers work with over 100 children, who range in age from one to 18 years.

A council comprised of 17 agencies, organizations, school districts, and hospitals supports the operation of the center. Council members refer child abuse victims to the facility, where they can be interviewed by trained professionals. Because a sensitive contact person and a non-threatening atmosphere are critical to gaining a child's confidence and trust, the center uses specially designed rooms that create a comfortable environment.

The volunteers comfort each child and try to rebuild the child's trust and self-esteem by offering as much emotional support as possible. Through the "court school" program, volunteers acquaint the children and their families with knowledge of courtroom personnel and structure, judicial processes, and legal terminology. They participate in a mock trial to learn courtroom behavior, manners, and dress. The goal is to ensure that courtroom appearances will be less intimidating and painful to these already vulnerable children.

The Children's Advocacy Center of Sullivan County, previously known as Comprehensive Emergency Services, was modeled on the National Children's Advocacy Center in Huntsville, Alabama. Because of its success, it has been replicated in the Memphis and Chattanooga areas.

The President salutes the volunteers of the Children's Advocacy Center of Sullivan County for exemplifying his belief that, "From now on in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Miah Homstad
(202) 456-6266

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 21, 1992

STATEMENT BY THE PRESS SECRETARY

Chancellor Kohl of Germany will join the President for a meeting at Camp David over the weekend of March 21-22. No agenda has been set, but we expect the two leaders to cover the full range of International issues.

#

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

February 21, 1992

The President today recognized the volunteers of the Lend-A-Hand program of Boulder City, Nevada, as the 700th Daily Point of Light for the Nation. Lend-A-Hand volunteers provide frail, elderly, and disabled individuals with a sense of well being through in-home support and visitation.

Lend-A-Hand, a combined effort of church and community organizations, was founded in 1989 by Patricia Duncombe, a retired social worker, to fill the gaps in services available to local residents in the home health field. Its four member volunteer staff and 71 direct-service volunteers reach out to over 108 homebound people each month, donating more than 400 hours of service.

Volunteers make an average of 12 to 14 home-visits per day to visit with, check on, and lend a hand to those who are ill, infirm, or in need of special assistance -- enabling them to live independently in their own homes as long as possible and providing respite to regular caregivers. Many volunteers and Lend-A-Hand clients develop special friendships through their daily or weekly interaction. Homebound individuals know that someone in the community is concerned for their well being, which may ease the anxiety of living alone.

In addition to 10 hours of initial training to become caregivers, Lend-A-Hand volunteers also participate in hour-long in-service training sessions each month. The training program is under the direction of a retired registered nurse. Other Lend-A-Hand components include outreach, support group, community resource development, and educational programming for caregivers.

The President salutes the volunteers of the Lend-A-Hand program for exemplifying his belief that, "From now on in America, any definition of a successful life must include serving others."

#

FOR FURTHER INFORMATION CONTACT: Tracey Taylor or Miah Homstad
(202) 456-6266

MATERIALS FORWARDED TO THE PRESIDENT
February 21, 1992

ACTION

1. Roll Call Op-Ed on the Growth package
2. Personnel Selection -- Gordon Shufelt for the Board of Veterans' Appeals; Kansas-Nebraska Big Blue River Compact Administration
3. Policy Review of Section 337 Order (prohibiting future importation or sale of certain fruit-flavored soft drinks that infringe U.S. registered trademarks)
4. Revised Resignation Letter for Ken Yale, Chief of Staff of the OSTP
5. Acceptance of Resignation Letter for John Fronhmayer
6. Gift Letters
7. Acceptance of Resignation Letter for General Trefry
8. Mail Sample
9. USA Weekend Questionnaire

CLASSIFIED

INFORMATION

1. 1992 Non-Career Ambassadorial Rotations notebook from Connie Horner -- background material fo 10:30 a.m. 02/21 meeting with the President
2. Letter from Governor Carroll A. Campbell and copy of his letter to Carla Hills re the Uruguay Round negotiations
3. Gray Memo re Recent Recommendations of the Judicial Selections Cmte
4. Boskin/Gray Memo Attaching Articles on Regulatory Initiatives
5. Holiday Note re Letters to Administrative Officials on their Support of SOTU

REMARKS

1. Radio Address
2. American Legislative Exchange Council - Cards
3. Address to Southern Republican Leadership Conference --
reading copy



THE PRESIDENT

2-28-92

Dear Alvin -

"FYI"

Hang in! All Best

Gay

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Alvin Owsley
One Shell Plaza
910 Louisiana
Houston, Texas 77002-4995

CC: (in & out)
Rose Zamaria
(1 copy)

Records - 2/21
Enclosure
Frohnmayer
letters
(in & out)
w/ card to
MR. OWSLEY
BT

THE WHITE HOUSE

WASHINGTON

February 21, 1992

Dear John:

I received your letter of resignation today and, with sincere thanks and appreciation for your service, I accept your resignation effective May 1.

I recall your coming to talk to me about this on October 24. At that time you told me you wanted to step aside. I told you then that I certainly understood your reasons for desiring to return to private life.

Your job is one of the most difficult in government. You have worked hard for freedom of expression; and yet, at times, as you have ruled against certain grants that you felt were beyond the bounds of common decency, you have been criticized.

I thank you for the integrity and commitment that you have brought to the National Endowment for the Arts.

No two people can agree in every instance on every grant or indeed on what is good art; in fact some of the art funded by the NEA does not have my enthusiastic approval. I expect some did not have yours, but this should not obscure the overall work of the NEA nor your contribution to it.

I thank you and wish you and your family well for a very bright future.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Bush", written in a cursive style.

The Honorable John E. Frohnmayer
Chairperson
National Endowment for the Arts
1100 Pennsylvania Avenue, N.W.
Washington, D.C. 20506

NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506



A Federal agency advised by the
National Council on the Arts

February 21, 1992

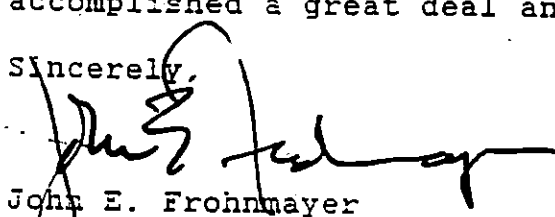
The Honorable George Bush
President
White House
Washington, DC 20500

Mr. President:

Last October I told you of my desire to return to private life. Accordingly, I submit my resignation effective May 1, 1992.

I have appreciated the opportunity to serve you and the arts; you know how much your personal support has meant to me during these difficult times. You and your administration have accomplished a great deal and I'm sure the best is yet to come.

Sincerely,



John E. Frohnmayer
Chairman

JEF/lm

ALVIN OWSLEY
ONE SHELL PLAZA
910 LOUISIANA
HOUSTON, TEXAS 77002-4995

February 7, 1992

GB's 2/5/92 letter
attached.

Dear George:

Thank you for your letter.

I understand political lampooning.

Is Annie Sprinkle's exposure of her cervix not obscene? Is a figure of Jesus Christ immersed in a jar of urine not degrading to the Christian religion?

What I don't understand is why my money taken from me by the United States Government under threat of force is to be used for that purpose.

All the best,



President George Bush
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

92 FEB 10 PM 9:02

NEA

THE WHITE HOUSE
WASHINGTON

February 5, 1992

Dear Alvin:

Thank you for your letter of December 27.
I appreciate your concerns about the NEA.

I do understand that many people have been disturbed by some of the projects that have been funded by the National Endowment for the Arts or the State Councils. Certainly, I oppose public funding for a work that is obscene or that degrades a race or religion. But political lampooning is all part of the job. It's occasionally frustrating; but as Harry Truman said, "If you can't stand the heat, get out of the kitchen."

Thanks again for your letter. Barbara joins me in sending warm regards to you and your Barbara.

Sincerely,



Mr. Alvin Owsley
One Shell Plaza
910 Louisiana
Houston, Texas 77002-4995



THE WHITE HOUSE
MRS. BUSH'S PRESS OFFICE

DAILY PRESS CLIPPINGS

Friday, February 21, 1992

Mrs. Bush	(in folder)
Secretary Skinner	West Wing
Marlin Fitzwater	West Wing
Constance Horner	West Wing
Carol Powers	West Wing
✓Patty Presock	Residence
First Lady Detail	Staircase
Karen Connell	Room 58 OEOB
Shirley Green	Room 94 OEOB
Anne Griffith	Room 98 OEOB
Diana Kellogg	Room 157 OEOB
Gregg Petersmeyer	Room 100 OEOB
Marguerite Sullivan	Room 268 OEOB
Carolyn Washington	Room 268 OEOB
Benita Somerfield	hold one copy
Ann Brock	
Julie Cooke	
Joan DeCain	
Laurie Firestone	
Jane Moore	
Susan Porter Rose	
Sally Runion	
Peggy Swift	
Anna Perez	
Sondra Haley	
Jean Becker	
Jay Suchan	(plus originals)



Reuse it!

by Julie Irish



Every year First Lady XBarbara Bush pulls out her pinking shears and sits down with her boxes of greeting cards from the previous year's Christmas.

One by one, she studies each card, finds the prettiest scene and cuts that part of the card into a small rectangular or square tag. Then she punches a hole at the corner to place a string. For years and years she has used these clever creations as gift tags for packages.

If Mrs. Bush did not make this a practice, she would be creating the following garbage:

1. Old Christmas greeting cards
2. Purchased gift tags
3. Gift tag packaging
4. Store bags holding her gift tag purchases

Instead she has cut down the garbage flow to:

1. The old Christmas greetings, but only after additional use.

And that is called reuse!

Knowing nature means being sensitive to the problems of our environment. As our garbage piles continue to grow and grow and grow, it is important for families to take steps to reduce the amount of individual waste they create.

Most of us are now recycling, but let's take earth care one step further. Make reuse of throwaways a family goal—and a way of life.

Although reused items may eventually be thrown away, they take the place of another resource that would have been used, which cuts back on the amount of waste disposed.

Shelley Owrutsky, editor of *Reuse News* newsletter, stresses the importance of family involvement.

"No child will start doing anything environmentally sound if every time he/she saves a milk carton or toilet paper roll Mom throws it out," she explains.

"We need to use what we have. It's at a personal level, and it's easy to do."

Owrutsky shared some of her favorite reuse ideas with *The Modern Woodmen*.

VIEWPOINTS

ELLEN GOODMAN

Mr. Bush, Our House Is Your House

THERE ARE MANY, many things that George Bush could learn from his wife. Warmth, for one. Grace, for another. Syntax, for a third. That would be nice. The ability to convey the sense of a person at ease in his own skin.

There are other things George could use if only Barbara could bring them to her marriage as part of a political dowry. Her job approval ratings, for example. Or her popularity.

But last week, he borrowed a line from his wife that could have used a good leaving alone. In his official announcement for re-election he quoted his "favorite political philosopher, Barbara Bush." He

said, "What happens in your house is more important than what happens in the White House."

Well, not exactly. Not always.

I had heard that sentiment from the First Lady herself in June of 1990. On a controversial commencement day at Wellesley College, she told an audience of undergraduate women, "Your success as a family, our success as a society, depends not on what happens in the White House but what happens inside your house."

Barely a month later, her husband had vetoed the Family and Medical Leave Act. This modest centerpiece of any sane family policy, a bill that would have given millions of workers with a new baby or a seriously ill family member up to 12 weeks of job-protected unpaid leave, died on Pennsylvania Avenue.

What happens in your house — if you are working and pregnant, if you want to keep a job and care for a dying parent — may be directly affected by what happened that day in the White House.

So, his announcement speech is fair warning that we are in for another round of family rhetoric but not a word of family policy. We're in for more talk about family values but not a sentence about family supports.

The president's fans called out "Four more years! Four more years!" Indeed, he is running for the fourth term of the Reagan administration, for four more years during which he can tell American families: Ask not what your government can do for you.

"America's future doesn't take shape in small rooms with heavy polished wooden desks," said the president, "it takes place in homes where parents read to their children, talk about responsibility, teach them values, show them how to love one another, respect one another and work hard."

As parents, we don't need to be told that children are raised best by caring families. But what happens when the child we're trying to comfort is sick and we can't afford a doctor? What if we have to choose between being there to help with the homework or working a second shift to save for college? What if "your house" is being lost to the economy?

The president tells us, "parents, not government should make the important decisions about health, child care and education." He says, "I believe in personal responsibility."

Exactly what decisions can a parent make about health without insurance? About child care if the slots are filled and the prices high?

As for personal responsibility? French parents are not turned into irresponsible louts because their government supports widespread and high-quality child care. European families are not shattered by paid maternity leave. Canadians do not consider a health-care system a private matter.

Bush knows no more about family life in America today than he knows about supermarkets. He has disconnected public life from private life and government from the everyday concerns of family. But responsibility is a collective word and community is more than a thousand points of light. And what happens to the White House this election year depends on what happens in your house.

As for Barbara, well, I'll quote the words another "political philosopher" found on a placard in New Hampshire: "We like you, Barbara! But you're sleeping with the enemy."

Bush's 'Home' Seeks Bankruptcy

HOUSTON, Feb. 20 (Reuters) — The owners of the Houston hotel President Bush calls home have filed for bankruptcy.

A suite at the hotel, the Houstonian Hotel and Conference Center, has long served as Bush's official residence for tax and voting purposes, though he rarely visits Houston and spends much of the summer at his home in Maine.

The hotel's owners, Burdened with about \$28.5 million in debt, mostly from renovations to the 300-room hotel, filed for bankruptcy protection under Chapter 11 on Tuesday after four years of trying

to renegotiate terms with the primary lender, Prudential Insurance.

Lawyers for the owners said the bankruptcy filing was unlikely to affect operations because the hotel is under a long-term lease to a separate company, the Houstonian Hotel and Conference Center, Inc.

Texas Democratic party leaders used the bankruptcy to jab at Mr. Bush about the economic troubles affecting millions of other Americans. "I think this might help him get the message," said Ed Martin, the state party's executive director.

CAPITAL LINE

USA TODAY'S BRIEFING ON WASHINGTON

BIPARTISAN MATCH: President Bush's daughter, Dorothy Bush LeBlond, is marrying a top aide to one her father's most vocal Democratic critics, Rep. Richard Gephardt, D-Mo. Barbara Bush's spokeswoman Anna Perez said LeBlond, 32, and Robert Koch, 31, will tie the knot at the Camp David, Md., presidential retreat, and the bride-to-be's parents are "thrilled." No date has been announced.



AP
LeBLOND: To wed
at Camp David



Gephardt aide Robert Koch and fiancée Dorothy Bush LeBlond.

Doro's Left-Hand Man

The First Daughter's Democratic Intended

By Donnie Radcliffe
Washington Post Staff Writer

They say marriages are made in heaven, but it's hard to imagine Dorothy Bush LeBlond and Robert Petri Koch coming together anyplace but Washington.

Where else but in this citadel of bipartisanship could the daughter of the Republican president of the United States hope to find wedded bliss as the wife of a top aide to one of her father's most persistent critics, the Democratic majority leader of the House? The very same Democrat—Richard A. Gephardt of Missouri—some people think could end up challenging George Bush in November.

But as one friend of the couple's,

public relations consultant Mark Johnson, says: "There's room for more than one bumper sticker on the Koch family car."

No date has yet been announced for the wedding of Doro Bush, 32, divorced mother of two small children, and Bobby Koch, 31. But the White House says the ultra-private vows will be exchanged at Camp David, the presidential retreat in Maryland's Catoctin Mountains. Koch gave LeBlond her ring Saturday night over dinner while Sam LeBlond, 7, and Ellie, 5, looked on.

Koch (pronounced Cook) is by all reports a Democrat just as LeBlond by all indications is a Republican. But Fred Hatfield, who was Koch's boss when they worked for former House

See KOCH, C3, Col. 1

By K. Frank C.

minority whip Tony Coelho of California from 1986 to 1989, says the common ground in the Koch-LeBlond courtship, which began just about a year ago, was never politics.

What they share are very similar backgrounds. They're both tremendously family-oriented. They both have great senses of humor. They're both very athletic. They play tennis—Doro plays well, and sometimes he wins.

Koch's performance on the courts almost certainly has been ranked already by the mythical Bush family "Ranking Committee," believed to be composed of LeBlond's four older brothers. The Bushes, remember, don't like to lose.

On the golf course, Koch has his good and his bad days. Last summer it was one of the latter, when he rounded out a presidential foursome with actor Kevin Costner and tennis champ Andre Agassi. President Bush drove straight if not long, Costner and Agassi were steady if unremarkable, while Koch sliced his first drive, hitting a mulligan almost straight up.

"I hope," a disdainful president noted later, "the summit with Gorbachev goes better than golf with these guys."

One enthusiasm of Koch's presumably not shared by Doro's dad is professional wrestling. It's not unusual

for him to jump on a plane to go to a major bout.

On the political front, Koch has already been ranked by Roll Call, the insider journal of Capitol Hill, as one of the Hill's "Most Powerful Staffers." Coelho, who resigned his California congressional seat in June 1989 amid scrutiny over a loan from a California savings and loan executive, credits Koch with running his successful campaign to become majority whip in 1986.

Koch's relationship with Coelho began in 1983, shortly after he graduated from the University of Maryland with a bachelor of arts degree in political science. He was 23 when he went to work for the Democratic Congressional Campaign Committee (DCCC), which Coelho chaired. A Washington native, Koch is one of six children of Helen and George W. Koch. His father was president of the Grocery Manufacturers of America until he retired in 1990 and is legendary as a lobbyist.

Martin Franks, vice president, Washington, of CBS but executive director of Coelho's DCCC staff at the time, remembers Koch as "the hour-to-hour manager who kept track of the commitments and promises" in Coelho's whip campaign. "He was very well organized, had marvelous people skills and came from a family which maintained high standards in a

town in which members of the family have been in the decline.

In the late 1970s, in fact, Koch's father became a virtual pariah in the prestigious Congressional Country Club, to which he belonged, when he led a seven-year battle against it because, he claimed, the club had been skimming wages from some of its predominantly minority service staff.

The club, whose membership includes members of Congress, was never prosecuted because the statute of limitations had expired, although the Maryland attorney general's office found that there had been irregular payroll practices.

After Coelho left Congress, Bobby Koch went to work for Gephardt. As administrative assistant in the majority leader's office he is involved in everything from overseeing all administrative functions to working out the legislative floor schedules and determining Gephardt's political activities.

"He's as smart as they come on the Hill, with very much of a political

mind, but he's not a wacko liberal," says another Coelho alumnus, Tom Nides, who now works on Speaker Thomas S. Foley's staff.

Coelho, managing director of a New York banking investment firm who is a member of the National Rehabilitation Hospital's board, recalls that the roots of the LeBlond-Koch courtship go back to one of the hospital's functions. LeBlond had moved to Washington after her April 1990 divorce from William H. LeBlond, a Maine contractor, and had gone to work in the hospital's fund-raising and special events office.

"Doro expressed an interest in meeting Bobby," Coelho remembers. "I counseled her that if someone comes across aggressively, Bobby moves the other way. So I told her we've got to go about this carefully. It took several months to get the first date going."

Then one day another Coelho alum, Heidi Hicks, invited Nides and Koch over to the hospital. "Let's put it this

way. We'll have a date in May, and myself and Bobby will be at the hospital in the middle of an afternoon. They hit it off."

Coelho says Koch called him some time later to say that LeBlond had invited him to a state dinner. "I said, 'Remember, your name will be in The Washington Post the next day. You better go in and tell Dick [Gephardt].' Dick didn't have any problems with it, but way back then we knew, the Bushes too, it could cause some difficulties."

The Bushes were reportedly ailing for Koch, doing what they could to help the couple carry on a normal courtship. Barbara Bush reportedly kept Koch's name off that first guest list, though it showed up on subsequent ones. In Kennebunkport, where the

Bushes vacationed last August and LeBlond took her regular morning runs, Koch was identified to reporters merely as an unnamed Secret Service agent. And now that the two are engaged, the White House is handling all media inquiries.

As the president's son-in-law, Koch could be privy to information Bush's political opponents would relish. Friends like Tom Nides say that "obviously your first loyalty is to your wife. But I have all the confidence in the world that Bobby will be able to handle a situation like that."

As for Gephardt, his reaction is being funneled through his spokeswoman, Deborah Johns.

"He's very happy about Bobby and Doro," she said yesterday. "That's it."

Chronicle

■ Love's labors: gains and losses. Among the gains: Bushes' daughter is engaged ■ Among the losses: Masters and Johnson are divorcing.

Love, your magic spell is everywhere. Well, almost.

President Bush's daughter DOROTHY BUSH LeBLOND, will cross party lines to marry a top aide to one of her father's most vocal critics in the Democratic Party, Representative Richard A. Gephardt of Missouri.

Ms. LeBlond, 32 years old, will marry **ROBERT KOCH**, 31, at Camp David at a date yet to be set, Barbara Bush's spokeswoman, Anna Perez, told The Associated Press. Mr. Koch, who is the administrative assistant to Mr. Gephardt, the House majority leader, proposed on Saturday evening, when he took Ms. LeBlond and her children, Sam, 7, and Ellie, 5, out to dinner. She was divorced from William LeBlond in 1990.

Ms. Perez said that the Bushes, who were campaigning in New Hampshire over the weekend, were "thrilled" when they learned of the engagement. A source close to the family told The Associated Press: "They just love him. They think he's the most sensitive wonderful person.

He's been paying special attention to the children."

Mr. Koch and Ms. LeBlond, who works on fund-raising and special events for the National Rehabilitation Hospital in Washington, have been seeing each other for more than a year, and Mr. Koch has spent time with the family at Camp David. A good golfer, he has played with the President several times. No political differences there.

Fri 21-Feb-92 0:21 EST

Bushes 'Thrilled' at Daughter's Engagement to Key Democratic Aide
By RITA BEAMISH

Associated Press Writer

WASHINGTON (AP) — President Bush and his wife Barbara are said to be "thrilled" at daughter Dorothy's engagement to a top aide of House Majority Leader Richard Gephardt, D-Mo.

Dorothy Bush LeBlond, 32, plans to marry Robert Koch, 31, who is the administrative assistant for Gephardt, one of Bush's toughest congressional critics.

Mrs. Bush's press secretary Anna Perez confirmed the engagement on Thursday, and when asked the reaction of the bride's parents, she said they were "thrilled."

No date has been announced but the wedding will take place at the presidential retreat at Camp David, Md., she said.

Although Gephardt has repeatedly criticized the president on trade and other issues and is a frequent target of White House barbs, both sides of the political fence are reported to be accepting the news happily.

Gephardt and Koch have discussed the marriage, said Gephardt's press secretary, Deborah Johns. "I'm sure he's happy for them," she said of her boss.

As for the Bushes, "They just love him. ... They think he's the most sensitive wonderful person. He's been paying special attention to the children," said one source close to the family. Ms. LeBlond has two children, Sam, 7, and Ellie, 5, from a previous marriage, to William LeBlond. They divorced in 1990.

Friends said Koch proffered the ring on Saturday night, when he took Ms. LeBlond and the two children out for dinner.

The president's daughter works on fund-raising and special events for the National Rehabilitation Hospital in Washington.

Koch, an accomplished golfer, has toured the links with Bush on several occasions.

A lesson for the education honchos

There's a simple truth about schools that you won't find in any of those studies on school reform, school restructuring or educational choice.

You won't find it in the reports detailing how poorly our children are doing in comparison with the children of Taiwan or Denmark, or in the critiques of those studies.

I know only two places where you can find it: in your own head, where the knowledge has been for as long as you can remember, and in the February issue of Scientific American magazine, where three researchers say it almost in passing.

Here it is: America's schools — unstructured and unreformed — are doing a pretty good job of teaching children who come to school ready for learning.

Now if you and I know that, why is it that the people in charge of educational policy have such difficulty figuring it out? The reason, I suspect, is that, as with so many

other policy matters, we tend to go searching for answers before we reach agreement on what the questions are.

For some of those who seek to influence school policy, the question may be how to eliminate the problems of race and caste in our society, or how to raise the test scores of black and Hispanic children from poor families. For others, it may be how to get all of our children more interested in math, science and English, or how to get smarter teachers into our classrooms. For still others, it may involve better preparation for entry-level jobs after high school, or improved college-prep courses, or greater encouragement for girls.

With so many questions, it is not surprising that the only thing we can agree on is that something is wrong and needs to be fixed.

Nathan Caplan, Marcella Choy and John Whitmore, all of the University of Michigan, set out to explore reasons for the academic success of the children of Indochinese boat people in American schools. Their article is worth the effort to find it. (Their principal conclusion is that family attitude and behavior of children, many of whom come to school ill-prepared to place on education, the sacrifices they are making.)

willing to make — and to demand — for it, the direct involvement of parents in their children's school work.)

But their research into the academic success in American schools of these refugee children leads them to a secondary conclusion: That "the American school system — despite widespread criticism — has retained its capacity to teach, as it has shown with these refugees. We believe that the view of our schools as failing to educate stems from the unrealistic demand that the educational system deal with urgent social service needs."

You knew that, too. Even if you hadn't heard it from your children's teachers (which you probably have) you'd know it anyway: that the more you require schools to feed children, protect them from drugs and violence, look after their health and coach them in safe sex, the less time and energy the teachers will have left for academics.

Say, the authors: "The primary role of the educational system is to teach. That's not to say that the schools don't need improvement, or perhaps even reform. But you know that."

They do not dismiss the importance of the social services schools are called upon to deliver; they simply insist that we separate teaching from social services, and at least consider whether it's reasonable to try to do both at school.

One social service that needs to become a matter of routine is teaching parents how to get their young children ready for school learning. I'm talking about parenting classes conducted in recreation centers and church basements for those who already are parents, and I'm talking about classroom parenting courses for junior high and high school students. Yes mandatory, and for boys and girls. Most of them will sooner or later be parents, so they may as well learn something about being good parents.

That one innovation, widely instituted, might do more to improve school outcomes than all the reform/restructuring/choice recommendations that occupy so much of the educational debate. That's not to say that the schools don't need improvement, or perhaps even reform. But you know that.

Air Force One Pool

Motorcade uneventful. Torie Clarke came back to chat ~~up~~ us up. She said the end of the Bush speech, when he talks about unity, was to show "what the party is about, what ... we stand for."

Then a senior administration official came back to say:

There is concern about the impact of Buchanan on the GOP. "You always worry=~~about~~ that you come out of it together."

Chatting about the growth package and the Democratic alternative, he said, "The Democrats are making it easy for us...they're making it political."

"We're as committed to phase one as we are to phase two."

On the resignation of NEA head Fronymeyer: "He came in last fall and said ~~he~~ he wanted to resign...he told the president he was leaving in October." The senior official said the NEA head was not fired.

Again on=~~B~~ Buchanan, he said the challenger won't be a force after
Super ~~Supper~~ Tuesday.

Bedard-Washington Times

THE WHITE HOUSE ***BULLETIN***

BULLETIN BROADCASTING NETWORK, 309 CAMERON ST., ALEXANDRIA, VA 22314 (703) 684-2020

MEMORANDUM FOR MARIA SHEEHAN
MEDIA AFFAIRS
THE WHITE HOUSE

SUBJECT: TODAY'S BRIEFING

DATE: FRIDAY, FEBRUARY 21, 1992 - 12:30 PM EDT

SINCE THE MORNING PAPERS:

- o Israel has halted its offensive into southern Lebanon, but says it may resume attacks if Lebanese forces continue to launch rockets towards towns in northern Israel. A Lebanese rocket hit a house in northern Israel today, killing a five-year-old girl.
- o The chief UN weapons inspector today warned Iraq that any further hindering of disarmament efforts could bring severe consequences. The message from the UN Security Council was delivered by the chief inspector today in Baghdad. Meanwhile, a UN Commission is planning to recommend a redrawing of the Iraq-Kuwait border in Kuwait's favor, forcing Iraq to relinquish some of the disputed oil wells that spurred its invasion into Kuwait.
- o Financial news as of 12:30 PM EDT:
 - DOW (30 Industrials): Unchanged to 3280 on a volume of 135 million shares.

IN THE WHITE HOUSE AND AROUND TOWN:

- o An FDA advisory panel's decision not to ban silicone gel implants outright may have been the result of subtle pressure from the White House, say sources. Late yesterday, the panel recommended the implants be allowed, but with restrictions. Wednesday, after it became clear that the FDA panel would not produce the scientific evidence that silicone was directly related to health disorders, the White House expressed concern to HHS Secretary Louis Sullivan and urged that a compromise be found that was "in the best interest of the public health." Earlier, sources say, at least one official from the Illinois Medical Association communicated to the White House that in the absence of scientific proof that the implants posed a health risk, a decision to ban the implants would not be well received in the medical community and could cost President Bush substantial political support from the nation's physicians. Opponents of the ban also claim that the testimony of Congresswoman Marilyn Lloyd (D-TN) before the advisory panel earlier in the week, and that of several plastic surgeons who oppose the ban, also influenced Kessler. Lloyd, upon the advice of her physicians, had decided to seek the use of the implants after breast cancer surgery. Kessler's relationship with the advisory panel is said to resemble a prosecutor's relationship with a grand jury. "He can get them to do whatever he wants," said one source.

The White House Bulletin is a fax-delivered bulletin board covering policy, political and personnel developments in the federal government and Washington. The Bulletin welcomes information from those in Washington. (Tel.) 703-684-2020
Paul Roellig, Publisher William Armistead, Managing Editor Richard Reed, Political Editor

- o **Clayton Yeutter's input as chief domestic policy advisor to President Bush is expected to result in a strong, clear, conservative message from the White House for the 1992 campaign and beyond.** Yeutter, who started his position on Tuesday, will work closely with the President's domestic policy team in an attempt to convince American voters that, not only has George Bush had a good track record on domestic issues over the last three years, but, more importantly, has developed a well-defined blueprint for improving the country over the next five years. "We certainly do need to get on top of the domestic agenda," says Yeutter. "Unfortunately, the perception at the moment is that isn't the case, so we have to correct that." Yeutter told the Bulletin the White House has to "take this a step at a time. The first step is to sit down among the top leadership group here and decide what our major themes are going to be, both domestic and foreign, the rest of the way. We have to get the focus on major themes and then, once we've determined as precisely as we can what those major themes will be, then we have to have the policy initiatives that support those themes." Yeutter added that, while it is too early to predict which of the additional policy initiatives the Administration has had in the works for some time will emerge, he said that he, personally, feels "the President must lay out both a long-term and short-term strategy and program, that would evidence sound conservative economic principles." Asked if this program would provide a reason for voters to allow George Bush to govern for another term, Yeutter responded: "Absolutely. And to govern on those terms, that basis. Or putting it another way, my view is that we need to lay out some broad themes, a la Ronald Reagan in 1980-81, and pound those themes vigorously over the next several months. You will remember that, when Reagan came in, he had the major themes of deregulation, reducing taxes, cutting spending and restoring the national defense -- four or five major themes that were reiterated over and over again both in his campaign and in the ensuing months." Yeutter says his "personal judgement is that the President needs to do essentially the same thing in 1992. Maybe with different themes -- or at least with nuances that reflect the difference between 1992 and 1980." That "fundamental modus operandi" says Yeutter, is, in his judgement, "just as sound today as it was in 1980."
- o **Many Republicans both in the White House and on the Hill are eager to see Yeutter succeed in developing a conservative domestic agenda, though there is some concern that the rhetoric, once it hits institutional barriers, may not be followed by action.** "We are going to make this work," said a senior policy aide in the White House. "With Sam [Skinner] and Clayton [Yeutter] coming here, there is a real chance to start anew and put forward some strong policies." In assessing Yeutter's mission, a Republican Hill source reported: "The President needs to be seen taking action based on those principles, as well as merely articulating them. Given the problems from the '80 summit decision the White House made, statements alone, in absence of action, [will be insufficient]." The source added that he is confident the White House will soon have the option to prove its intentions. "The Democrats will pass their tax increase package next week, and after it comes out of the Senate and goes to the President's desk, vetoing the tax increase will be a Presidential action consistent with those principles," said the source. "That will give a stronger communications message than merely saying you are against it." The Hill source said there is an institutional stumbling block, however, to those in the White House seeking to provide action to back up a conservative message: OMB. "There is always going to be the problem of OMB being such a powerful institution within the White House," said the source. "Yeutter is going to have to have not only nominal control of paper flow and a sufficient staff to develop proposals to a level of Presidential quality, but he is also going to have to be adept at resisting the OMB staff. They have the elite staff...and are a tremendous force."
- o **A few added words in the President's State of the Union message has left President Bush vulnerable to effective political attacks claiming he has jettisoned the \$500-per-child exemption.** During the President's speech, he laid out his short-term economic growth initiatives -- which have been incorporated into the Republican seven-point legislative package -- and then stated: "I submit my plan tomorrow, and I'm asking you to pass it by March 20th. And I ask the American people to let you know they want this action by March 20th. From the day after that, if it must be, the battle is joined. And you

know, when principle is at stake I relish a good fair fight. I said my plan has two parts, and it does. And it's the second part that is the heart of the matter. For it's not enough to get an immediate burst, we need long-term improvement in our economic position." While describing the ninth "step" of this "second part," Bush then said in his speech: "There's one thing we can do right away, ease the burden of rearing a child. I ask you tonight to raise the personal exemption by \$500 per child for every family." The Bush White House continues to argue that by placing the initiative in the "second part" of the economic package, it is quite clear the exemption was never intended to be in a package passed by Congress by March 20th. But by saying he wanted it passed "right away," then not including it in the seven-point legislative proposal the Republicans want to see action on by March 20, Bush's political opponents have been successful in hammering the President for backing away from his proposal. "We wanted to do something right away to accelerate the economy and put Americans back to work," said an Administration official. "I don't think by [placing the exemption proposal in the second part, to be considered in the summer] means it is slow. Our personal exemption doesn't even become effective until October 1 -- it is not necessary to enact it by March 20." The official added: "If somebody wants to add the personal exemption into the seven and pay for it in any of the numerous ways the President has proposed in his budget, then [Bush] would sign it in a minute." A White House official seconded the opinion that the proposal was never designed to be included in the "fast-track" package, but stated: "It is unfortunate we had to spend these last few weeks responding to that charge." According to Republican House source: "The President has a problem in that the combination of the way he expressed it in the speech and the followup coming out of Treasury managed to make it sufficiently unclear. So his opponents have been able to exploit it and make it look either inconsistent or insincere."

- o **Republican strategists are pleased with how they see Congressional Democrats positioning themselves on their "economic growth package."** With House Democrats pruning some pro-business aspects from their original proposal in recent days, and the apparent willingness of Senate Finance Chairman Lloyd Bentsen to follow their recommendations for tax increases on the wealthy, Republicans see a battle brewing that may well define the two political Parties again in their more traditional positions. "We're going to be able to savage it if that's the package they get behind," said a senior political advisor to President Bush. "The House package has no significant investment incentives, a temporary middle-class tax cut in exchange for a permanent tax increase on folks they consider the wealthy -- including a lot of people who don't consider themselves wealthy." According to a House Republican source: "I think we are going to be in pretty darn good shape in presenting [our] two different views on taxation to the American people by next week." The source added: "There has been clumsiness on both sides as both parties maneuvered into their line of battle, but it is beginning to look like the Democrats will be defending tax increases and we will be defending tax cuts. Not a bad position, given the track record of the past year."
- o **Bush campaign officials this morning dismissed media reports suggesting there is an ongoing debate within the Bush campaign with respect to how it should handle Pat Buchanan's candidacy.** "We have put him on notice that if he criticizes the President, his charges will not go unanswered as they did in New Hampshire and that we reserve the option to criticize some of his controversial views," said one official. "Now we're waiting to see what he does. In the free media, he's been critical. He starts advertising tonight in Georgia and he will hear from us if he starts criticizing the President." The advisor added that should the campaign have to respond to Buchanan, the "tactical" decisions in terms of "when and who says what about whom" will be made on a day-to-day basis. "The point is we are prepared for a mammoth counter-punch if necessary."
- o **National Highway Traffic Safety Administrator Jerry Curry is going about his normal business, ostensibly unaffected by a recent firestorm between he and Acting Transportation Secretary James Busey,** according to Administration officials. According to the officials, all talk about Curry possibly withdrawing his nomination to replace Busey as Federal Aviation Administrator has stopped, and

"things have gotten very quiet over the whole issue." Asked if the disagreement between Busey and Curry has blown over, one Administration official said: "That is a matter of speculation. Perhaps they have decided to wait until Secretary Card comes in before taking any strong action. You must remember that [the current hierarchy at Transportation Department] is an interim arrangement."

- o **Today, President Bush** meets with Secretary of State Baker; attends a briefing for the American Legislative Exchange Council; addresses the Southern Republican Leadership Conference in Charleston, South Carolina; and spends the weekend at Camp David.

PERSONNEL:

- o **Gerald Austin has joined the Paul Tsongas Presidential campaign as senior advisor.** Austin served as campaign manager for Jesse Jackson's Presidential campaign in 1988 and worked for Minnesota Senator Paul Wellstone's victory in 1990.
- o **Mary Joy Jameson has resigned her position as the Director of Public Affairs at the Department of Energy** to become Vice President for public affairs at the Memorial Sloan-Kettering Cancer Center in New York. Jameson's resignation becomes effective next week, and no replacement has been announced.

POLLWATCH:

- o **The latest CNN/USA TODAY/Gallup poll shows President Bush slipping in popularity, but maintaining his lead over Democratic contenders.** The survey of 754 nationwide voters conducted February 19-20 reveals:
 - The President's approval rating fell to an all-time low of 39%, down from 47% on February 2.
 - 42% say President Bush deserves to be re-elected, down from 51% on February 2.
 - 53% expect the President to be re-elected, down from 63% in early February.
 - 27% think a Democrat will win, down from 29%.
 - President Bush would beat Bill Clinton, 53% to 43%, and would win over Paul Tsongas, 54% to 38%.
 - Clinton would take a victory over Pat Buchanan, 49% to 40%, while Tsongas would win 43% to 41%.
 - Among Republicans, 78% prefer President Bush for the nomination, while 20% would choose Buchanan.
 - 62% of Republicans think Buchanan should stay in the race, while 30% think he should drop out.
 - Among Democrats, 41% favor Clinton, 31% like Tsongas, 7% are for Jerry Brown, 6% for Bob Kerrey, and 3% for Tom Harkin.
 - Those Democrats who are satisfied with the Democratic field of candidates come in dead even with those who would like someone else to enter the race, both at 45%.
- o **A statewide survey of voters in Massachusetts, taken in the days immediately preceding the New Hampshire primary, shows Arkansas Governor Bill Clinton leading George Bush 43 percent to 34 percent** in a theoretical general-election contest. The poll, conducted by Voter-Consumer Research (VCR) of Bethesda, Maryland, sampled 600 registered voters from February 15-16. VCR's Jan van Lohuizen called the results "significant in that this is the first head-to-head contest in a state where, as a result of exposure generated in the state's media markets in advance of the New Hampshire primary, both candidates are well known." Meanwhile, Massachusetts Governor Bill Weld, a Republican, is said to be in "strong shape."

POLITICAL ANALYSIS:

This morning, the Bulletin invites **Larry Kudlow**, Senior Managing Director and Chief Economist at Bear Stearns, to discuss the economic growth packages now being considered on Capitol Hill. Kudlow served as Associate Director of OMB for Economics and Planning in the Reagan Administration.

BULLETIN: What do you think of the way the economic growth proposals are shaping up on Capitol Hill?

KUDLOW: The tax debate in Washington is creating tremendous confusion right now both for business and for investors. In fact, although there is still the hope of a pro-growth tax bill, the current discussions probably are delaying recovery because people are delaying investment and business decisions until they can clarify what tax measures will be taken and when these measures will be effective. The net result of the current discussion is that the confusion is causing an across-the-board postponement of economic activity which will probably hold back the recovery in the first half of the year.

BULLETIN: Many in the financial sector say they would like to see Congress lower the tax rate on capital gains, but they are now faced with the reality that a capital gains tax reduction, if it comes at all, will come at a price. All told, would you prefer the Congress and the President to tough it out on an economic growth package, or would you prefer it if they just dropped the whole subject?

KUDLOW: I'd like to see them push forward, mostly because I see the primary election results in New Hampshire to be somewhat promising, particularly with regard to Tsongas's victory. Tsongas himself is arguing for a capital gains tax cut and against a quick-fix middle-class tax cut. There is a disconnect between Tsongas's views and the views of the Democratic leadership in the Congress. On the other side, the results on the Republican side in New Hampshire will cause Bush to be even tougher on pro-growth tax cuts and against any tax increase. So the political dynamic is changing and I don't think the Democratic leadership is going to necessarily have the last word on this. Furthermore, I think the public at large would react with hostility toward an increase in the personal income tax because that proposal is not limited to millionaires. This 35 percent rate is going to affect people in the \$30,000-to-\$60,000 income range -- a constituency both Paul Tsongas and Bill Clinton hope to win back to the Democratic Party. So politically, the rate hike would be a tremendous mistake for the Democrats, and economically, higher income taxes are exactly the wrong medicine right now. All in all, I think there is plenty of maneuvering room to take account of what is happening out there on the campaign trail -- events which suggest that some of the House and Senate leaders are barking up the wrong tree.

BULLETIN: Bush has proposed a 90-day freeze on regulations to help spur economic growth. Do you think regulations have had that great of an effect on the economy?

KUDLOW: Bush reversed the Reagan and Carter deregulatory policies. And in the last three years, we have seen a tremendous surge of regulatory costs on business, particularly, but not limited to, the environmental area. This has created a serious obstacle to business expansion and economic growth, representing a major error in Bush's economic program.

I approve of Bush's regulatory freeze, but hasten to add that the 90-day freeze by itself has no direct bearing on future regulations unless the President appoints a very tough-minded director of the OMB Office of Information and Regulatory Affairs (OIRA), which has been decimated under Darman's OMB leadership. For example, in the Reagan Administration, the people who held that office were people who were committed to deregulation and regulatory cost reduction. To this day, Darman has yet to appoint a permanent policy person to run that office, and that office is at the center of the effort to roll back regulatory costs. The President has not backed up his policy with sufficient personnel changes to generate credibility.

BULLETIN: What's your forecast for the economy in the next year?

KUDLOW: In real terms, I think the economy will grow by about 2.5 or 3 percent in the next year. Most of this will occur in the second half of 1992 and the first half of 1993. Very little of it will occur in the first half of 1992. That 2.5-3 percent recovery rate is less than half of the normal post-WWII average recovery. Therefore, it will not significantly reduce the budget deficit nor will it significantly increase employment and incomes. It is a highly unsatisfactory outlook.

One of the things that troubles me on this point is that, if you draw out a chart, plotting the average growth of the US economy over the past 40 years, it's been on average a three percent real rate of growth -- and that includes recessions and recoveries. Under the current OMB economic projections -- which assume 2.5 percent growth in the next year and about 2.8 percent in the out years -- we will not get back to the long-run trend line of three percent growth. The gap by 1997 is three trillion dollars in lost real output from that long-run baseline. I refer to that as a growth deficit. Because this economy is expected to recover in a sub-par, anemic fashion, we are threatening the long-run health of our economy and we are falling behind our own 40-year, post-WWII economic track record. Implicit in this is the loss of 10 million jobs than would be the case if we could get back on that 40-year trend line. That is a very disturbing, declinist point of view, which is why I believe the Bush Administration should go back to the drawing board and create a much stronger, more incentive-minded tax package. If they don't, then I think Paul Tsongas will do it for them.

BULLETIN: Do you think that slowdown of growth is made-in-Washington?

KUDLOW: I do. The combination of tax increases on capital, real estate, labor, together with regulatory cost burdens have cumulatively acted to hold the economy below its long-run trend line of growth. Unless these policies are reformed, and the obstacles to growth removed, the declinists out there may yet be right. And that would be a tragedy.

LAST LAUGHS:

- o **Dennis Miller:** "President Bush has finally mentioned Buchanan by his name today. Bush is getting better though. It only took him six months to say 'Buchanan.' It took him a year to use the word 'recession.'" (The Dennis Miller Show, 2/20/92)
- o **Johnny Carson:** "I think [President Bush] is going a little too far with the folksy image. Today at a press conference he patted Dan Quayle on the head and called him 'Opie.'" (NBC The Tonight Show, 2/20/92)
- o **Johnny Carson:** "The President is doing everything he can to appear more folksy. The other day in Atlanta he called room service and ordered a 'mess' of caviar." (NBC The Tonight Show, 2/20/92)

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The White House Bulletin is published business days by the Bulletin Broadfaxing Network, Alexandria, Virginia

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DATE: February 21, 1992

DAILY NEWS CLIPS

The Washinton Post

The Washington Times

The Wall Street Journal

USA Today

The New York Times

Office of Media Affairs

Clinton Camp Stretching Front-Runner's Patience

Tsongas: S.O.B. Reference Inappropriate

By David S. Broder
and Howard Kurtz
Washington Post Staff Writers

BANGOR, Maine, Feb. 20—Democratic presidential candidate Paul E. Tsongas complained bitterly tonight about attacks on him from the camp of his nearest rival, Arkansas Gov. Bill Clinton, and said he was ready to retaliate if the criticism continued.

At a rally here, Tsongas pointed to an article in today's edition of USA Today quoting Clinton adviser Paul Begala as saying of the favorable news media coverage of Tsongas: "You live by the puff, you die by the puff. That son of a bitch has lived by the puff, and now. . . ."

Tsongas said he had not joined other Democrats in criticizing Clinton when the governor was under attack for alleged marital infidelities and his draft record.

"Given the fact that I deferred all that time, when there were so many openings, I'm just asking for equal treatment," Tsongas said, kicking off his campaign for Sunday's Maine caucuses.

"Just because I won the New Hampshire primary does not suggest that kind of language is appropriate. If they want to go down that kind of road, I'm quite willing to go down that road with them. I would hope that kind of thing will cease."

Begala said he attempted to reach Tsongas headquarters today to apologize for the term "I often use to describe myself and even my candidate in jest," the Associated Press reported. "Even though I meant nothing negative or nasty, it's something I shouldn't have said, and I want to apologize to Senator Tsongas for saying it."

In South Dakota, the images are more pastoral, and farmers are making their first appearance in campaign ads.

Iowa Sen. Tom Harkin is bill-

ing himself as the "champion of farmers." In his latest ad, a narrator says: "For 17 years, he's been battling to save America's family farms on the House and Senate agricultural committees. Better credit terms, fairer prices, drought relief, opening foreign markets. Tom Harkin, not only fought for those farm bills, he helped write them."

An ad for Tsongas is narrated by Russ Sauvage, a former football star at the University of South Dakota, who says: "I've known Paul Tsongas for a long time. He comes from a town that saw hard times, and he's determined to bring our economy back. . . . I'd vote for Paul Tsongas even if he wasn't married to my daughter, Niki."

Tsongas also is running his "swim" ad, which shows him swimming the butterfly stroke, on Maryland and District stations. Clinton, who is not yet advertising in Maryland, denied that he has all, but conceded the state's March 3 primary to Tsongas.

"I'm going to run in Maryland," Clinton told reporters in Albany, Ga., recounting his visits to the Free State. "I'll be back there in a couple of days."

In a fresh sign that the Democratic nominee probably will be one of the five declared candidates, House Majority Leader Richard A. Gephardt (D-Mo.) said that Tuesday's New Hampshire primary has not changed his mind about the decision he made last July against running for president. "I made my decision. It was a firm decision then, it's a firm decision now," Gephardt said.

Broder reported from Maine, Kurtz from Washington. Staff writers Kenneth J. Cooper in Washington and David Maraniss in Georgia contributed to this report.

Baker Plans A Shakeup In Personnel

By John M. Goshko
Washington Post Staff Writer

Secretary of State James A. Baker III is planning a major reshuffling of senior State Department policymakers and ambassadors that will affect areas ranging from U.S. representation at the United Nations to negotiating the disposal of the former Soviet Union's nuclear arsenal, according to department sources.

The sources said that an interlocking, domino-like series of shifts would send Reginald Bartholomew, undersecretary of state for security affairs, to Brussels to succeed William Howard Taft IV as U.S. ambassador to the North Atlantic Treaty Organization. Frank G. Wisner, currently ambassador to the Philippines, would replace Bartholomew as undersecretary.

Richard H. Solomon, currently assistant secretary for East Asian and Pacific affairs, would become ambassador in Manila, and he would be succeeded as the department's chief Far Eastern expert by William Clark, now ambassador to India.

Thomas R. Pickering, U.N. ambassador since the start of the Bush administration, already had been tabbed to move to New Delhi, and Edward J. Perkins, director general of the Foreign Service, is slated to take over as U.N. ambassador.

The sources said the reasons for these specific choices, which Baker reportedly has cleared with President Bush, are known only to the secretary and his small inner circle of aides. Some sources said the best explanation they have been given is that Baker agrees with the policy, adopted under former secretary of state George P. Shultz, of rotating senior personnel at three-year intervals to bring fresh perspectives to bear on major international issues.

However, while most have completed three years in their current posts, some of the impending changes have raised eyebrows among department officials.

Bartholomew, for example, has held the security undersecretary's job from the outset of the administration. In recent months, however, he has become the principal U.S. negotiator with Russia and the

other former Soviet republics possessing strategic missiles and nuclear warheads on procedures for collecting, disarming and eventually destroying these weapons.

Many department sources say they are puzzled by why Baker wants to move him out of these negotiations while they are at a delicate stage and replace him with Wisner, who has been in the Philippines only since last summer. In addition, they point out, while Wisner long has been regarded as one of the fastest rising stars of the Foreign Service, his career has been devoted almost exclusively to African and Middle Eastern affairs, and he has no background in arms control.

Bartholomew, a former ambassador to Spain and Lebanon, will be going to Brussels at a time when the Cold War's end has raised questions whether NATO, long the mechanism for the Atlantic Alliance's collective military defenses against the Soviet Union, has any reason for continued existence. However, Baker has put a high priority on maintaining NATO as a political alliance so that it can provide an institutional setting for a continued U.S. presence in Europe.

Unlike the others, who are career diplomats, Solomon is a former political science professor. Before taking the East Asia post in 1989, he served as director of the department's policy planning staff. Clark's Foreign Service career has been spent largely in Asian affairs.

The decision to move Pickering has raised eyebrows in diplomatic circles because of his reputation as one of the most effective U.S. representatives at the United Nations.

Perkins served under President Ronald Reagan as this country's first black ambassador to South Africa.

I read this in the Chicago Tribune magazine:
"Children today are tyrants. They contradict their parents, gobble their food and tyrannize their teachers.—Socrates (470-399 B.C.)" So what's new?—G.L., Akron, Ohio

House Democrats Scuttle Corporate Income Tax Cut

Leadership's Proposal for 1% Reduction Scrapped to Satisfy Members Unhappy With \$90 Billion Revenue Plan

By Eric Pianin
Washington Post Staff Writer

House Democratic leaders yesterday scrapped a proposal to reduce the corporate income tax rate by one percentage point in a move to reassure Democrats who are uncomfortable with their party's \$90 billion tax proposal and say it does too much for the wealthy.

For the second day in a row, House Democrats complained to Speaker Thomas S. Foley (D-Wash.) and other leaders about the details of the middle-class tax relief and economic growth package, which will be sent to the floor for a vote next week.

Foley predicted that the bill would be approved, despite grumbling within the Democratic caucus and nearly unanimous opposition from Republicans. However, some Democrats complained that the cap-

ital gains tax provisions are more generous to the wealthy than President Bush's proposal and that the package does more to advance the party's political agenda than to help the economy or hold down the deficit.

"I find it incredibly ironic that at the same time the effects of the supply-side economic binge of the '80s are crashing down on the shoulders of every American family, we apparently have a faction of the party that thinks the proper response is to repeat the mistakes of the '80s," said Rep. David R. Obey (D-Wis.).

Meanwhile, Senate Finance Committee Chairman Lloyd Bentsen (D-Tex.) announced that he has abandoned his proposal to pay for middle-class tax relief and economic growth measures by shifting money from the defense budget.

Instead, Bentsen joined with Senate Majority Leader George J.

Mitchell (D-Maine) in calling for an increase in taxes on the rich to pay for the tax package—possibly along the lines of the millionaires' surtax and the increase in the top income tax rate adopted last week by the House Ways and Means Committee Democrats.

Bentsen said he told members of the Senate Democratic caucus yesterday that "any tax cuts that we made would be balanced with tax increases; that we would not look to the peace dividend, that we would stay within the tax structure."

Late last year, Bentsen proposed using a 5 percent cut in defense spending to pay for a \$300 tax credit for children 18 and under and to once again make all individuals eligible for a fully deductible \$2,000 individual retirement account. However, Senate Appropriations Committee Chairman Robert C. Byrd (D-W.Va.) and others have bitterly

opposed using defense savings for tax relief.

Byrd and others have proposed changing the 1990 budget agreement to allow Congress to shift billions of dollars from the defense budget to pay for domestic programs and public works projects as a means of stimulating the economy.

Office of Management and Budget Director Richard G. Darman this week hinted that the administration might go along with a change in the budget agreement for increased domestic spending, if Congress agrees to impose spending ceilings on some mandatory spending programs, other than Social Security and Medicare.

Yesterday, the House Government Operations Committee approved a bill introduced by its chairman, Rep. John Conyers Jr. (D-Mich.) that would alter the agreement by eliminating the "fire walls"

that prevent defense money from being shifted to domestic programs.

The House Democratic economic package was formally introduced late yesterday, after Ways and Means Democrats lopped off the proposed cut in the corporate tax rate and a proposed one percentage point reduction in the corporate alternative minimum tax rate.

Many Democrats complained that the provisions, costing \$17 billion over five years, were too generous for the business community. Moreover, corporate lobbyists, who were miffed by another provision aimed at penalizing companies that pay their top executives more than \$1 million annually, did practically nothing to save the corporate tax rate reduction.

The bulk of the savings from eliminating the two provisions will go for deficit reduction, Ways and Means aides said.

Bush Campaign Rethinks Strategy Toward Buchanan

President May Rely on Aura of Office

By Ann Devroy
Washington Post Staff Writer

In another sign of the internal debate over how best to deal with the conservative challenge of Patrick J. Buchanan, President Bush and his senior aides yesterday had second thoughts about a tentative decision Wednesday to take on Buchanan directly in an intensive campaign across the South.

Bush and his aides reacted with relief Tuesday that the president did not lose the New Hampshire primary, according to administration, campaign and outside GOP advisers and strategists. They then decided that Buchanan should not be allowed to define Bush as a big-taxing, big-spending, uncaring Washington insider and that the president should do what he did in the 1988 primary races: Go on the attack and do it in almost every state that votes between now and Super Tuesday March 10.

But the debate over strategy was then reopened, with the argument against it being that it would de-

prive Bush of his greatest weapon—the authority of his office.

"It is just suicidal to put the president down in the mud with Buchanan and chasing after him across the country," said one adviser opposed to the strategy. "It puts the president in the same category as Buchanan, just another candidate. It is a fundamental misreading of New Hampshire to say we are running against Buchanan. That was a protest vote. Most of the Buchanan voters did not want Buchanan. What they didn't want was us. We are running against ourselves."

The likely compromise, officials said yesterday, is that Bush will leave the defining of Buchanan to surrogates and perhaps television advertising if needed, and will remain above the fray to retain his "presidentiality."

White House press secretary Martin Fitzwater said that in states where Buchanan is running a campaign, his charges "will be answered" but said that primarily Bush will "not be going around the country debating with Patrick Bu-

See BUSH, A8, Col. 1

Bush Campaign Has Second Thoughts on Challenger

BUSH, From A1

chanan" but instead outlining his program.

Buchanan signaled that his criticism of Bush will be getting more pointed by delivering before a conservative audience yesterday a slashing attack on the president for signing the 1991 Civil Rights Act. And the debate over how to handle him reflects the flood of solicited and unsolicited advice from worried Republicans that has poured into the campaign and White House following the New Hampshire primary. Bush got 53 percent of the total in the state; Buchanan, 37, and others, 10.

Campaign Chairman Robert M. Teeter warned Bush at mid-day Tuesday that the early exit polling in New Hampshire indicated there was a chance he might lose, according to two senior officials.

Officials said Teeter had gone into the primary with four possible scenarios, the worst being a Bush win in the high-40s. But he had previously told Bush all available evidence indicated he would win by a 25-point margin. The warning of a possible loss sent the White House

and campaign into what one aide called a "hurricane of meetings" in trying to decide not only what to say about such a devastating outcome, if it occurred, but also what to do next.

To a kind of guerrilla faction in the administration and Congress who have contended that there are problems with Bush's message, there seemed to be an opening to make the case they had made for a year: That a fundamental change was needed.

One of that group, a House Republican, said yesterday, "The president is not giving the voters a reason to vote for him. This is an election in which the voters are saying, 'What are you going to do for me tomorrow,' not 'What did you do for me yesterday.' Talking about his R and D initiative doesn't do it."

The R and D reference was to the trip Bush took Wednesday to promote research and development funding in his economic package in a bland speech that got no news coverage.

What was covered, the Republican pointed out, were Bush's comments on Buchanan.

The eventual outcome Tues-

day—not a loss but a setback—was interpreted by Bush and his advisers as a call for change, but not fundamental change.

In interviews Wednesday, Teeter, Fitzwater and others said Bush's policies and message would not be altered but that his campaign tactics would be different.

Buchanan's opposition to the Persian Gulf War would be one likely target for Bush's efforts to "define" his opponent, officials said.

But yesterday, a source said the use of the war will be framed not as an issue of patriotism or as an effort to reignite the support Bush had then, but as a leadership question.

"We want to talk about the war not to say Buchanan is not a patriot, but to say, 'Hey, look, this president faced a crisis and handled it brilliantly. He is the only one in the field whose response in the crisis is known and seen.'"

Sources inside the campaign and White House say there is considerable confusion and division—although not panic—over where Bush should go from here.

Adding to the division is what one House GOP source called a "very sour" mood among some congres-

sional Republicans who he said "have little faith" in the ability of the White House and campaign to devise and stick with a strategy that strengthens Bush's position without alienating conservatives, while at the same time dealing with the broader question of voter discontent with Bush.

Virtually all Bush's advisers are convinced he will defeat Buchanan but are strongly divided on how much Buchanan's attacks can harm the president's standing for the general election campaign. They are equally divided over how to handle Buchanan's conservative constituency so as not to alienate the basis of the GOP presidential coalition in a way that would keep conservatives from voting in November.

Bush and his team of establishment Republican advisers, one source said, "are having a lot of trouble understanding what Buchanan wants, why he is doing this."

Bush, one official said, "has never had a real protest candidate running against him. It's like a weird animal he's got here. 'What's he want? How can we get him to stop? How can he be serious?'"

Buchanan Slashes Bush For Civil Rights Action

Law Said to Foster 'Reverse Discrimination'

By E. J. Dionne Jr.
Washington Post Staff Writer

In a slashing attack on President Bush that married the resentments of race and class, Patrick J. Buchanan pointed his presidential campaign squarely toward the upcoming primaries in the South by charging the president with signing a civil rights bill that would lead to "reverse discrimination."

Speaking to a receptive audience at the annual meeting of the Conservative Political Action Conference, Buchanan used the highly charged rhetoric familiar to supporters of former Alabama governor George C. Wallace and former Louisiana state representative David Duke to assail the well-born, Yale-educated Bush for signing the 1991 Civil Rights Act.

Arguing that the law would result in racial quotas, Buchanan declared: "Now, if you belong to the Exeter-Yale GOP club, that's not going to bother you greatly, because as we know, it is not their children who get bused out of South Boston into Roxbury, it is not their brothers who lose contracts because of minority set-asides, it is not the scions of Yale and Harvard who apply to become FBI agents and construction workers and civil servants and cops, who bear the onus of this reverse discrimination."

"It is the sons of middle America who pay the price of reverse discrimination advanced by the Walker's Point GOP to save their social consciences at other people's expense," Buchanan said. "If I am elected, my friends, I will go through this administration, department by department and agency by agency, and root out the whole rotten infrastructure of reverse discrimination, root and branch."

Buchanan has vowed to make the

March 3 primary in Georgia his next stand against Bush and will have an advantage there because Duke, the former Ku Klux Klan leader who also is running for the Republican presidential nomination, is not on the Georgia ballot. Buchanan's remarks suggested that he will target the same constituency of low- to moderate-income whites who flocked to Duke's Senate and gubernatorial campaigns in Louisiana.

House Minority Whip Newt Gingrich (R-Ga.), who also spoke to the conservatives, said afterward that he expected Buchanan to get 25 to 35 percent of the Georgia vote because of dissatisfaction with Bush.

In his address, Buchanan continued to assail Bush's tax and economic policies, but his speech marked a shift in focus to social and racial issues designed to win support in the upcoming southern contests.

For example, Buchanan also attacked Bush for increasing funding for the National Endowment for the Arts. He called the endowment "the upholstered playpen of the arts and crafts auxiliary of the eastern liberal establishment" and said it had been "subsidizing both filthy and blasphemous art."

Referring to two of the most controversial artists supported by the NEA, Buchanan added: "I really don't care what Andres Serrano does with his bodily fluids or what Mr. [Robert] Mapplethorpe does with that bullwhip, as long as we taxpayers don't have to pay for it."

Buchanan also sought to anticipate attacks in the pro-military South on his opposition to the Persian Gulf War. Buchanan was careful to praise Bush as an "excellent" commander-in-chief. But far from downplaying his stand on the war, Buchanan insisted he had been right all along and assailed Bush's gulf policies.

"There is no democracy in Kuwait," Buchanan said. "Mr. Bush, who denounced [Iraqi President] Saddam Hussein, is now playing footsie with [Syrian President] Hafez al-Assad, who is a character at least as repulsive."

"Mr. Bush said, our enemy is not the Iraqi people, it is Saddam Hussein, and yet the Iraqi economy is destroyed. Iraqi children are starving, and Saddam Hussein sits on his throne," Buchanan added.

Buchanan's aggressiveness on the war issue may simply reflect his passions on the subject, but his fervor may have been heightened by polls suggesting that the war is a far less important issue than it was a year ago.

Turning his attention to another country, Buchanan dismissed critical remarks about him from Japanese Prime Minister Kiichi Miyazawa, suggesting that Bush and the Japanese are so close that "a Bush-Miyazawa ticket" may be in the making.

Asked about Buchanan's remarks, Torie Clarke, press secretary for the Bush campaign, issued a mild riposte. "If Pat Buchanan wants to discuss the war and civil rights, that's fine, because it's very clear who's got the upper hand on those issues," she said. "The president fought very hard for three years and finally got civil rights legislation without quotas."

A sharper response to his comments on civil rights came from William L. Taylor, vice chairman of the Citizens Commission on Civil Rights, a group of former federal officials. "It is, unfortunately, nothing new," he said. "But it sets a horrible tone for the campaign that's coming up."

Conductor of Exit Poll Tries to Explain Results

By Richard Morin
Washington Post Staff Writer

The final returns are in from New Hampshire and the people who conduct the most widely reported exit poll are trying to explain the results.

Specifically, Voter Research and Surveys, the organization that provides the television networks and other clients with information on why votes are cast, is looking for an explanation of why the final VRS exit poll showed President Bush with only a 6-point lead over Patrick J. Buchanan. Bush ended up beating Buchanan by 53 to 37—a 16-point margin.

"There was a terrible skew in the Republican race," Warren Mitofsky, executive director of VRS, acknowledged yesterday.

The exit poll results on the Democratic side were virtually identical to the election outcome. But the final poll results for the GOP primary had VRS "understating Bush by 5 percentage points and overstating Buchanan by 5 points. That's a 10-point margin. I've never done anything that bad," said Mitofsky, who previously directed surveys and exit polls for CBS.

Mitofsky speculated that the discrepancy was a result of "a bunch of strongly committed Buchanan voters" among the 1,848 Republicans who were interviewed and who were more willing to participate in the poll than Bush supporters. "Bush people going to the polls seemed to be ashamed of what they were doing," he said.

The discrepancy was exacerbated by the willingness of some of its sponsors to violate the spirit of the terms of their agreement not to release results or pick winners before the polls closed in New Hampshire.

"There was an awful lot of chatter about the outcome of the election," before most of the polls closed at 7 p.m., Mitofsky said, adding that his former employer, CBS, and its chief competitor ABC, while among the guilty, "That's a change in attitude by the networks. Everybody agreed that they weren't going to do that, and I was surprised that they did it."

Those early characterizations, largely based on early exit poll results showing Bush and Buchanan deadlocked, painted what turned out to be an exaggerated view of how close their race was.

The first results of the poll, based on about 600 interviews with voters as they left selected polling places, were available at 2 p.m. for the four network sponsors and at 2:30 for the other news organizations that had bought the survey, including The Washington Post.

On the Democratic side, the race was shaping up as predicted, with former Massachusetts senator Paul E. Tsongas holding a 10 percentage-point margin over Bill Clinton of Arkansas. But the GOP numbers showed Bush and Buchanan deadlocked, each with 49 percent of the projected vote. And a subsequent update showed the same thing: a tie.

That early perception helped shape interpretation for much of the day.

President's Texas Address Opens Bankruptcy Case

For Bush, There's No Place Quite Like Home

By Christopher B. Daly
Special to The Washington Post

Two days after the New Hampshire primary evidenced public concern that President Bush is too insulated from Americans' economic woes, owners of the Houston hotel that he calls home brought reality to his door yesterday. They filed for bankruptcy protection.

Thus, an issue that has dogged Bush for most of his adult life rose anew—Where is he from?

Is Bush an oil-drilling, pork-rind-eating country music fan and good of boy from Texas? Is he the blue-fish-chasing, lobster-eating squire of Walker's Point in Maine? Or, is he—as Patrick J. Buchanan would have it—a big-government, establishment poobah from well inside the Beltway?

Come vacation time, each summer, Bush cannot get to Kennebunkport, Maine, fast enough to put the cigarette boat into the water, race around the golf course and enjoy Atlantic breezes.

But come tax time, Bush is a Texan, claiming Suite 271 in the Houstonian Hotel as his legal residence. Texas has no state income tax. And now Bush may not have Suite 271.

This bit of irony amid the economic recession was not lost on Texas Democrats yesterday.

"Although the Houstonian's bankruptcy won't make Bush homeless, for the sake of the nation, hopefully the personal experiences he has

gone through will finally get the message across: It's going to take more than election-year gimmicks to turn the economy around," said Ed Martin, the state party's executive director.

Bush stays at the Houstonian about 10 to 15 nights a year, according to Jim Sugarman, the general manager, although several newspaper columnists have noted that he was "home" only three nights in 1991. Bush plans to spend next Thursday and Friday nights there. If custom is followed, the hotel staff will bring out the family photos for his stay.

In Maine, where a nonbinding presidential-preference caucus is scheduled Sunday, some of Bush's neighbors expressed unhappiness because Bush maintains a \$2.2-million estate in Kennebunkport and spends much more time there than in Texas but pays no state income tax.

"What Bush is doing is not illegal, but we think it's sleazy," said George Christie, executive director of the Maine People's Alliance, a statewide group active in environmental, health and consumer issues. "People are calling up and saying, 'I voted for Bush, but this isn't right.' He's a very wealthy man, and he can afford to pay this. He chooses not to," Christie said in a telephone interview from Portland.

The alliance, affiliated with the national Citizen's Action group, placed a full-page ad in the Maine Sunday Telegram Feb. 2 saying,

"George Bush: Read our lips. Pay your taxes."

Quoting figures culled from the January issue of Money magazine, the ad said that, had Bush been paying Maine income tax, he would owe Maine about \$165,000—enough, it noted, to hire eight public school teachers, or "provide 330 poor kids with a year of health care."

On the same day, cartoonist Gary Trudeau told readers of his "Donesbury" comic strip to do "like the prez" and declare legal residency in Texas. The strip provided a coupon that readers could mail to Texas State Comptroller John Sharp (D), saying they intend to live in Texas someday.

Sharp has been swamped with more than 43,000 coupons from those who say they love Texas or hate taxes. He sends back a certificate of "honorary Texas citizenship."

"We see a large percentage of these coming from Maine," said Andy Welch, Sharp's spokesman. "Certainly, the highest concentration of anti-Bush feeling comes from Maine. Even the Maine Republicans are writing that it isn't fair."

White House aides seem to be tired of addressing the address issue.

"This is all a farce," deputy press secretary Gary Foster said yesterday, noting that Bush pays more than \$25,000 in Maine property taxes. "He pays every tax he is supposed to pay. His official residence is in Texas. He represented it in Congress. He spent his adult life there."

One more thing, Foster said, calling back: "As everybody knows, he is a resident of 1600 Pennsylvania Avenue in Washington—that's where he lives."

Staff writer John E. Yang and
special correspondent Elizabeth
Hudson in Austin, Tex.,
contributed to this report.

South Dakota Becomes Political Battlefield

Vote Likely to Produce Casualty; Tsongas Faces First Real Test Outside New England

By Edward Walsh
Washington Post Staff Writer

SIoux FALLS, S.D., Feb. 20—Last November, after a state party dinner in Des Moines, three of the five Democratic presidential contenders chartered aircraft and flew to a horse farm north of here for an appearance before the South Dakota party faithful. The other two—Edmund G. "Jerry" Brown Jr. and Paul E. Tsongas—got left behind because they could not afford to rent a plane.

What a difference one election can make.

Today, Tsongas finally made it to South Dakota in his own chartered plane. The winner of Tuesday's New Hampshire Democratic primary was greeted by local reporters curious to see how the New Englander would deal with the mysterious complexities of farm policy. He also was greeted by a sure sign of his new status after New Hampshire—a few shots from his opponents.

Sen. Tom Harkin (D-Iowa) started it Wednesday when he accused Tsongas of being "one of the cheerleaders for the Reagan economic program" while in the Senate. Sen. Bob Kerrey (D-Neb.) continued today, describing Tsongas as a "corporate lawyer who is a registered lobbyist in Washington" rather than a "Washington outsider."

"At least I got their attention," Tsongas replied today. "If I'm such a regional candidate, why are they spending time on me? If I'm a regional candidate, why not let natural events take their course?"

Harkin and Kerrey cannot risk letting nature

take its course. For them, next Tuesday's South Dakota primary is widely seen as a sort of demolition derby, with the loser's campaign almost certain to be left a wreck.

For Tsongas, the primary will be his first real test outside his native New England and will be closely watched for evidence of his potential national appeal. And for Arkansas Gov. Bill Clinton, the New Hampshire runner-up, South Dakota offers a chance to finish ahead of Tsongas and perhaps one of the Farm Belt senators.

Suddenly South Dakota, out of the way and accustomed to being not much more than a blip between New Hampshire and the March 10 Super Tuesday primaries, has become a battleground. All five of the candidates will be in the state this weekend for a debate Sunday and other campaign events.

It is both different and the same as the first battleground in New Hampshire. Farm prices are depressed, but unlike in New Hampshire the overall economy here is far healthier than it was in the 1980s, when this region went through a wrenching economic retrenchment while much of the rest of the country, including New England, was booming.

Off the farms, the economy is in even better shape. Earlier this week, the Sioux Falls Argus Leader published a front-page story on how national publications have discovered the city as "a haven from the recession." The state has an aging population, much of it in small towns, and health care, Kerrey's chief issue, is a prime concern.

But South Dakota is the same as New Hamp-

shire in the aspirations of its Democrats. "Democratic people are looking for a winner," said Alan L. Clem, professor of political science at the University of South Dakota. Clem added that "if Clinton can survive these negatives, they could go for him."

Tsongas made it clear today that he has no intention of matching wits on agriculture policy with his two Farm Belt opponents. A day after Harkin, he too toured the Sioux Falls Stock Yards, ending up in the pig auction arena where he stood on a floor covered with straw in front of a sign that said, "Not an official weight."

Tsongas promised to "listen and learn" while campaigning in South Dakota. "I don't pretend to be an expert on some of the issues that affect this part of the country," he said.

But Tsongas, without naming Harkin, assailed proponents of "protectionist, Japan-bashing" policies that he said could ignite a trade war in which one of the main casualties would be the agricultural exports of South Dakota and other farm states.

Tsongas said he considered South Dakota a battle chiefly between Harkin and Kerrey, and he declined to say whether he expected to finish ahead of Clinton here. "Winning is not something we expect," he said.

But for Harkin and Kerrey, not winning here could mean for their campaigns the fate described on a sign near the pig arena where Tsongas spoke.

"The Sioux Falls Livestock Market will no longer receive non-ambulatory livestock," the sign said. "Animals arriving in that condition will be euthanized humanely."

FRIDAY, FEBRUARY 21, 1992

The Washington Post

Rowland Evans and Robert Novak

After New Hampshire: Two Deluded Parties

George Bush's political lieutenants, relieved that the president's embarrassment in New Hampshire was not deeper, conclude that the worst is over and await easier southern encounters against Pat Buchanan.

Democratic politicians, noting adulation heaped on Bill Clinton for finishing second in the opening primary, conclude that the governor of Arkansas has surmounted his troubles and will pass cleanly through southern primaries to a November encounter with destiny.

These baroque conclusions drawn from the results in New Hampshire suggest two disordered political parties. Just as the Republican high command had convinced itself that Buchanan was no real threat in New Hampshire, it now blinds itself to Bush's weakness nationwide. Democratic leaders see themselves as powerless to prevent the nomination of Clinton, the candidate many of them view as most vulnerable against Bush.

At the White House, Bush operatives believe the spin they provide the news media: The 18-percentage-point victory by the president is a great feat; no place is so unfavorable for Bush as economically desolate New Hampshire; nowhere can Buchanan concentrate the time and money he lavished on one little state; in the conservative South, where the economy is not so bad, Bush will sail home easily. Privately, they complain Bush himself refused to release a TV commercial indicting Buchanan as a critic of Desert Storm.

All this obscures the reality confronting Bush. Exit-poll interviews confirm that the president's record in office has ripped not only the conservative movement but the fabric of the Republican Party, with Buchanan voters saying they would prefer a Democrat to Bush.

His credibility boosted by his perceived performance in New Hampshire, Buchanan is propelled into a

possible 30 to 40 percent showing in every state right up through recession-torn California June 2. In the South, Buchanan can unleash the racial quota issue abandoned by Bush.

The fear of GOP pros is that Bush will react by attacking Buchanan as an extremist. The spectacle in New Hampshire of a Republican president assailing the "far right" could be repeated across the country.

The answer is for Bush not to attack Buchanan (as he signaled Wednesday that he would) but to zero in on the Democratic-controlled Congress and try somehow to dissociate himself from inside-the-Beltway wisdom that led to his 1990 tax increase and his decision to postpone his promised middle-class tax breaks. The president's first speech after New Hampshire, addressing the Knoxville Chamber of Commerce, took a timid first step in that direction, but genteel Congress-bashing was submerged in bureaucratic prose.

The truest post-New Hampshire conclusion by the White House is that the Democrats are George Bush's secret weapons. That Clinton is once again favored to be nominated after dropping one-third of the votes given him by the polls 17 days before the primary is attributable to an adoring news media, accepting his claim of being the comeback kid.

The New Hampshire primary had been seen by Democratic politicians as the means to emancipate them from a choice between Clinton, burdened with questions of character, and Tsongas, whose victory did not erase doubts about his electability.

House Majority Leader Richard Gephardt, toughened and tested in the 1988 presidential run, had confided to colleagues he was ready to enter the race if last Tuesday's vote count revealed a vacuum. Bill Carrick, the astute Los Angeles-based political consultant, flew to Washington to as-

sist Gephardt in his reentry. On the other side of the Capitol, Sen. Lloyd Bentsen seemed ready to heed pleas from colleagues and become a candidate.

Not after New Hampshire's returns. On Tuesday night, Gephardt decided to stay in Congress, and Carrick flew back to the coast the next day. That was not because of the win by Tsongas, whose apostasies from Democratic orthodoxy (pro-business, anti-protectionist, refusal to take orders from organized labor) make him so different from Gephardt.

Gephardt and Bentsen dropped out because Bill Clinton's vote was 26 percent instead of 21 percent. That feat was exalted by reporters he has charmed and by liberal special interest groups that view him as much safer than Tsongas. Here is one justifiable cause for satisfaction at the White House after New Hampshire.

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Robert Kuttner

The Democrats' Tax Muddle

At a moment when the Republican economic program has plainly faltered, the Democrats have an unparalleled opportunity to distinguish their economic philosophy from that of the Republicans. But the Democrats are in real danger of squandering the opportunity.

The reasons have to do with Democratic confusion about their fundamental principles, with the conflicting logic of presidential and legislative politics, and with the fragmentation of Congress itself.

The most immediate problem is the role of tax-writing committees of Congress. These committees—House Ways and Means and Senate Finance—have immense power to bestow tax breaks on industry; their members invariably reap the most special-interest campaign money, and they attract lobbyists like a picnic attracts ants.

To be a member of a tax-writing committee is to be in a perpetual state of moral hazard. "The Ways and Means Committee is so rotten that even the good guys on the committee lose their compass," says one influential Democratic aide. "Most congressmen and senators never see three-quarters of the lobbyists in town, because the lobbyists only work those two committees."

On Feb. 12 the House Democratic Caucus agreed that the Democrats should devise a tax and budget plan that maximized the distance between themselves and President Bush. The Democratic plan would include a tax hike on the very rich, tax relief for the broad middle class, and narrowly targeted tax incentives for business only as a temporary recovery measure.

Democrats seemingly were well positioned to carry out this strategy, since the president had

Paul Tsongas happens to share many of President Bush's views on business tax relief.

decided to defer the portion of his own recovery package that awarded tax relief to the middle class. Here at last was a chance for Democrats to embarrass the White House and get back on the side of the working stiff.

But by the time the bill came back from the Ways and Means Committee to the Democratic Caucus on Wednesday, it included a cut in the corporate income tax rate and full indexation of capital gains taxes, consuming most of the revenue to be raised by the higher taxes on the well-off.

The business tax cuts were to be permanent, while the tax relief for the middle class was to phase out after two years. In effect, the money raised by taxing the rich would be recycled . . . right back to the rich. The Democratic Caucus, dismayed with the product, then voted to direct the Ways and Means Committee Democrats to scrap the bill and return with a more plausibly Democratic plan. Yesterday, the Ways and Means Committee Democrats tentatively agreed to kill the corporate tax cut—but retained other tax preferences for business. Meanwhile, Senate Democrats decided not to spend the peace dividend on tax relief.

To some extent, this is tactical posturing, intended to produce a bill that a majority of Democrats can support but that the president will veto. But underlying this jockeying for turf is confusion about which of several possible courses makes the most political and economic sense.

Is it better to tax the wealthy to provide tax relief for the middle class? Or to tax the wealthy to provide money to generate new investment? Apart from who pays the taxes, should the revenues be used to reduce the deficit? Or should taxes be cut, even if that means a bigger deficit, in order to stimulate recovery now? Should the peace dividend be invested, or spent on tax relief or used for deficit reduction?

In pressing a middle-class tax cut, the Democrats have opened themselves to the charge that they are merely pandering to the voters, not addressing the recession. But that, I think, is unfair. For better than a decade, Republican policies have shifted the tax burden from the well-off to the middle class. It is good policy as well as smart politics to restore tax equity, quite apart from whatever strategy is devised to promote a recovery.

It is also sensible policy to increase federal borrowing during a recession, in order to generate a recovery that will then reduce deficits over the long term. What ought to divide Democrats from Republicans is the question of where that spending should go: to public investment and tax relief for the middle class, or to tax relief for the affluent.

However, just enough conservative Democrats share essentially Republican economic views that

the majority view among congressional Democrats is not the majority view of the whole House. That's why the House Democratic Caucus is fuming. "We're hopelessly scrambling the message, and it's not even going to do anything for the economy," says one despairing congressman.

Complicating the Democrats' task is the race for the Democratic presidential nomination. The Democrat who won the New Hampshire primary happens to share many of President Bush's views on business tax relief. Not surprisingly, Paul Tsongas ran strongest among the most affluent New Hampshire Democrats. This does not bode well for Democrats' ability to differentiate themselves from Republicans on tax and budget issues.

Finally consider this: If Tsongas or his New Hampshire runner-up, Bill Clinton, continues to seem implausible as the nominee, the heavyweight most likely to be lured off the Democratic bench to run for president is Sen. Lloyd Bentsen of Texas, the chairman of the tax-writing Senate Finance Committee and the most Republican of all the senior Democrats in his views of taxing and spending. So, one way or another, the muddle in the Democrats' economic message is likely to continue.

Note: In a recent column I criticized the economist Charles Schultze for believing the economy could "deflate its way to recovery." This description was overly glib and also misleading; Schultze does advocate greater fiscal discipline for the long term, but he supports deficit spending in the current recession.

Charles Krauthammer

Curious Campaign Arithmetic

Campaign arithmetic keeps getting curiouser. Bush beats Buchanan in New Hampshire by 16 points—twice the margin of his 1988 “landslide” over Dukakis—and the New York Times front page speaks of “Buchanan’s near-triumph.”

On the Democratic side, Bill Clinton comes in nine points behind Paul Tsongas and the media declare Clinton resurrected. Four years ago in New Hampshire, Bob Dole came in nine points behind George Bush and Dole was declared decisively beaten.

The nice thing about the general election in November is that the winner is determined by addition: You add up the electoral votes and see who got more. It doesn’t matter a whit what the media say about it. In the primaries, however, raw votes mean nothing. Winners are determined by divination: the people speak in numbers, but the media get to translate them into words.

Translation is an inherently distorting enterprise. First, it is the early returns that produce the prime-time TV headlines and shape the story. Trouble is, the early returns are often wrong. Early on Tuesday night, Buchanan and Bush were running neck and neck. The gap between them did not get really wide until it was over. By then the story line had been set and the legend launched: Buchanan’s near triumph. It is almost as if the late returns don’t count.

Second, the early deciders don’t either. The media play not just the expectations game but a peculiar kind of expectations game: the late expectations game. The winner is the guy who does better on Tuesday than he was expected to *on the preceding Saturday*. It is almost as if those voters who made up their minds before the last weekend don’t count. The winner is the one who wins the late deciders over the last weekend.

Take Clinton. He was declared healthy after New Hampshire because he beat the expectations game. By that we mean the expectations of Saturday, when he was 20 points behind Tsongas. By that standard, finishing nine points behind translates into a comeback. The fact that Clinton was 20 points ahead a month ago counts for nothing. It is the last media guess that counts. Beat it, and bask.

Similarly, Buchanan was stuck at around 30 percent until the last week of the campaign. When he finished near 40, that 10-point jump exceeded the latest expectations and made him the winner.

The third source of distortion is the echo chamber effect. Once a media consensus is reached about the meaning of the numbers—a process that takes at most an hour or two of network time—the verdict is endlessly repeated and lovingly embellished into some grand over-interpretation. The most astonishing example of this effect—it still inspires awe—is the great “new ideas” bubble that followed Gary Hart’s (unexpected) nine-point win over Walter Mondale in New Hampshire 1984. It generated a media bounce so huge (if brief) that Hart was able to carry Florida, for example, on momentum alone.

Today’s beneficiary of media bounce is Buchanan. Having beaten the 40 percent hurdle the media had established for him (in fact, he finished with 37 percent, but early returns had him over 40), he “won.” But that will not last long. It is absolutely guaranteed: If in the coming primaries Buchanan continues to run strong but second (say, between 30 and 45 percent), the bloom will be off. The media will create a new standard. The question will be, “Where does he win one?” If Buchanan cannot produce a clear triumph in any one state, he will have failed to meet expectations and he will be said to have “lost.”

But what did he “win”? No doubt, New Hampshire demonstrated a large, indeed ominous reservoir of Republican ill feeling toward Bush. Exit polls showed that more than half the Buchanan vote was a “send a message” protest and that almost a third of Republicans would not vote for Bush in November. But a “near triumph” for Buchanan? Buchanan won in an extremely conservative state at the bottom of a deep recession against a president with no message, no program, and no convictions. (To say nothing of the fact that the one statewide newspaper acted, in effect, as a Buchanan campaign organ.)

Consider one totally overlooked New Hampshire result: 10 percent of the Republican electorate—six times more than in 1988—voted for minor candidates, or wrote-in Democrats. That means that more than 20 percent of the anti-Bush protest vote could not bear to pull the lever for Buchanan, the protest candidate.

Nonetheless, Buchanan’s New Hampshire “win” will now enter conservative lore. It will help him immensely in his attempt to make his ’92 campaign a replay of Reagan’s in ’76 and thus a gateway to the White House four years from now. The game plan is simple: Challenge a weak Republican incumbent, weakening him further and establishing yourself as the leader of a conservative insurgency. The doubly weakened president falls in November to a mediocre Democrat, say a relatively unknown southern governor. The Democrat messes up, and four years later you ride in from the right, reclaim the party, and win it all.

I doubt that Buchanan can take the plan as far as Reagan. Buchanan’s brand of conservatism is simply too angry, too narrow, and too bigoted. A subject the media might turn to—as soon as they get over celebrating his New Hampshire “victory.”

Vietnam—Mortal Thoughts

The Washington Post

FRIDAY, FEBRUARY 21, 1992

At my last visit to the Vietnam War Memorial, I found the point in time on the chronological roll of the dead at which my own commitment to work against the war became firm. At that point, more than 20,000 had been killed. If the war had ended then, more than 30,000 would have been spared.

As presidential candidates have been asked to account for their actions during that era, I have asked myself whether I regret anything. I regret this: that my colleagues and I who worked against the war were not persuasive enough, not resourceful enough, not dedicated enough—we lacked something—to persuade those in power to end the war before so many thousands more died.

The test we should apply to candidates who came of age in that era is of whether their personal choices with regard to the war and military service can be traced to some sense of responsibility and regard for the many others whose lives were in jeopardy. We could then be certain that those decisions, whatever they were, rested on compassion and integrity.

That is a good starting point for evaluating candidates. We also would all benefit from having found common ground in respect and regret for the sacrifice of the dead.

LARRY RIEDMAN
Gaithersburg

Since the Vietnam disaster has been swept into the political campaign, it would only be fair to Gov. Clinton as well as to the electorate to have the results of a public opinion poll that would ask:

(1) With the benefit of hindsight, do you agree or disagree with the position taken by Gov. Clinton and his fellow university students in opposing our involvement in the Vietnam War?

(2) Do you believe that we would be better off today had the majority of Americans then supported the position taken by Gov. Clinton on Vietnam?

The results of the poll should help settle the question of whether Gov. Clinton is an electable candidate for president of the United States.

JOSEPH NEWMAN
Washington

I was in the Army ROTC in 1969. I knew several cadets who played games with their ROTC commitments after they pulled high numbers in the draft lottery. I felt then, and still believe, this was wrong.

What Bill Clinton did was very different, and, to my knowledge, quite unusual. He withdrew his agreement to enroll in ROTC and got himself reclassified 1A before the lottery. If he had

drawn a low number, he would have been drafted and very likely sent to Vietnam.

The facts suggest Gov. Clinton is sincere in saying he decided to make himself available for the draft. He had not entered into the cadet contract itself; he had only agreed to enroll in the future. That agreement was unenforceable, so if Bill Clinton's intention really was to evade the draft, the right move would have been to wait until after the lottery before withdrawing the agreement.

Gov. Clinton almost certainly was not motivated, as some have suggested, by then-secretary of defense Melvin Laird's announcement of reduced draft calls in the two months preceding the lottery. At the time, Secretary Laird had little credibility among young people. We interpreted this announcement as an attempt to dodge criticism of the draft until after the lottery had been held. We fully expected the draft to return in strength after the lottery.

MICHAEL J. HIRREL
Arlington

I'd like to thank Andrew Ward for his Feb. 11 op-ed article, "No Heart for the Draft." This is the best and most moving overview yet written concerning the Clinton draft controversy.

I too was subject to the same sort of circumstances and forced to make the same life-and-death choices as all the young men of my generation. I took a route used by many others and served four years of active duty in the U.S. Navy, knowing full well that as a member of the Atlantic fleet, the chances of being sent to fight in a worthless war were virtually nil.

I managed somehow to maintain my sanity, and though I'm not proud of having been a part of that immense death machine, I am nevertheless still alive and intact. I also received an honorable discharge, which, I must admit, offered me good cover during subsequent antiwar activities.

I will not vote for Bill Clinton for president, but not for any reasons having to do with his avoiding the draft. And as much as I detest Dan Quayle's breathtaking hypocrisy about Vietnam, I can fully appreciate his using whatever influence he had to avoid being sent there. Bill Clinton, Dan Quayle, Andrew Ward, myself and tens of thousands of others were all doing what we had to do to survive a stupid, insane war. I only wish that those who died in Vietnam or came home broken had done the same.

RODGER FRENCH
Alexandria

Jack Kemp's Honesty

Jack Kemp, in calling George Bush's tax credit proposal the gimmick that it is, has dared to reveal that the emperor wears no clothes. This was viewed by President Bush's advisers as an act of "political treachery" for which Mr. Kemp should have been fired [news story, Feb. 6]. No other recent example of narrow-minded, self-interested political toadyism has incensed me more.

Is the Republican Party honestly saying that no dissenting opinions may be presented to the public? Last time I

checked, Stalin was still dead, free speech was still a constitutional right, and the American democratic system not only allowed but required individuals to speak out against tyranny.

If anyone should be fired, it is the sycophants who have blindly shored up the president's vapid policies, who have tried to make us believe that a tattered blanket is an ermine cape.

VICTORIA MCKERNAN
Washington

For the Democrats, Dueling Dispatches

As if the Democrats didn't have enough to handle with their campaign warfare, now they're mediating tiffs between news organizations. In a letter to the publishing firm hired by Congressional Quarterly to produce its first-ever convention newsletter this summer in New York, the Democratic National Committee warned the company to stop suggesting that it will be the "official" convention publication.

"They have been going to advertisers claiming to have exclusive rights to distribute through hotels," says John Fox Sullivan, president and publisher of the National Journal, which has thought of

itself as the de facto official GOP and Democratic convention chronicler since '84. "Advertisers have said, 'Gee, we've been told CQ has exclusive rights at hotels'—and it's not true."

CQ Editor Robert Merry assures all interested parties that there will be

problems no longer. The publishing firm, International Media Partners Inc., has given CQ "very strong assurances," says Merry, that it will neither present CQ as the exclusive mouthpiece of convention news nor ask hotels for exclusive distribution commitments. Says Merry: "Congressional Quarterly has no intention of being a party to any enterprise that suggests it has an official or an exclusive relationship of any kind with any political party."

- When a journalist greeted John Sununu, CNN's new "Crossfire" co-host, with a seemingly innocuous "Welcome to our trade!" recently, the former White House chief of staff responded, "I feel slimy already."
- Dick Gephardt got the Michael Jackson treatment Saturday at Universal Studios in Orlando when ushers stepped him to the front of a 55-minute line at the Back to the Future ride. One usher explained that, like Jackson a week earlier, Gephardt needed special attention for his own security.
- Unlike Jackson, however, no one recognized the House majority leader. (Well, almost no one.)
- Before Paul Tsongas's New Hampshire victory this week, tickets to Washington lawyer Kip O'Neill's upcoming Tuesday fund-raiser were selling, shall we say, sluggishly. Not surprisingly, everyone wants to shell out \$500 now.
- Apparently Salman Rushdie isn't the only one who's found solace with another. His ex-wife, Marianne Wiggins, has been linked of late to New York Times Washington bureau chief Howell Raines.
- While Bill Clinton was taking his campaign down South this week, wife Hillary stopped by Washington to attend a board meeting of the Children's Defense Fund, at which time she went on temporary leave as its chairwoman.
- Lt. Gen. Benjamin O. Davis Jr. was quite surprised last night when he became the 21st recipient of the Smithsonian Institution's prestigious Langley Medal. Davis led the first squadrons of African American pilots—the " Tuskegee Army"—into battle during World War II.
- It's not the Kremlin, but at least it's a job. Mikhail Gorbachev has agreed to write 10 to 15 syndicated newspaper columns over the next two years, the New York Times Co. announced yesterday. The columns will be translated from the Russian by Richard Lourie.

WE'VE HEARD THAT

Why Things Are

Dirty Politics

By Joel Achenbach
Washington Post Staff Writer

Why are politicians always getting into sex scandals?

Male politicians are often sexually greedy. You might call it the JFK Syndrome—an extreme form of rakishness in which women are treated as perquisites of power, just like access to the better golf courses or free rides on military planes. One of these days, an American politician will simply begin his presidential inauguration speech with seven words: "My fellow Americans: Bring on the babes."

We know that, historically, sex and power have been natural partners. In pre-Columbian South America, the Inca emperor had houses of virgins spread throughout the empire, 700 virgins per site. He alone was permitted access. In ancient Rome, concubines were legally sanctioned, and the Emperor Commodus had 300. In the present-day *Ache* culture of Paraguay, the more skilled a man is at hunting fresh meat, the more women he is allowed to claim as mates.

"Across cultures, across space and time, power has correlated with sexual access," says Laura Betzig, an anthropologist at the University of Michigan who has studied the sex lives of leaders in pre-modern cultures. "It's one of the reasons people want power."

Is it possible that the powerful are abnormally horny? (Oh, excuse us, we meant to say sexually addicted.) Or are they, historically, men of average sexual drives who merely exploited their power? To what extent is sex drive associated with political ambition? And should we care if a guy who asks us to vote for him is unusually randy?

This is where it gets tricky: No one wants to elect a leader who is merely out for personal gain, financial, sexual or otherwise. Sexual behavior isn't irrelevant to the character of a leader; despots, historically, have been sexually promiscuous.

"It seems bizarre to me to hold politicians to a higher standard of sexual propriety than everybody else. On the other hand, extreme abuse of sexual privilege correlates with abuse of all sorts of other privileges," Betzig says.

It's likely that powerful men have a stronger sex drive than the average Joe, says anthropologist Helen Fisher of the American Museum of Natural History. "There have been quite a few studies that show that in monkeys, and in people, levels of testosterone ... go up when one rises in rank," Fisher told us. "Testosterone is clearly associated in both men and women with sex drive. So there's every reason to believe that these leaders should have a high sex drive."

Testosterone also is associated with aggressiveness, and the quest for power is certainly a kind of aggres-



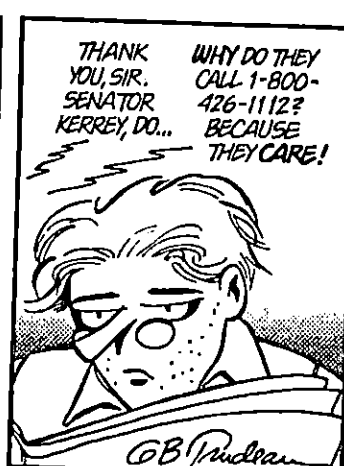
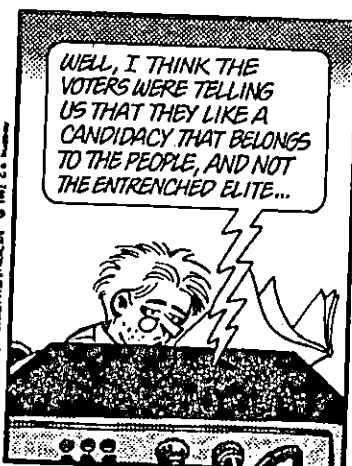
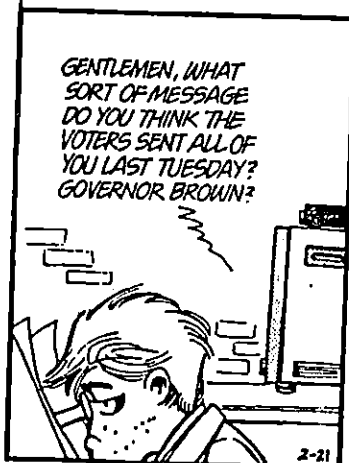
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sion. So you might conclude that the higher sex drive is a preexisting condition for politicians. But it also may be an aftereffect of leadership—a symptom of the intoxicating nature of power. Men gain power, and suddenly are surrounded by women. Sex doesn't result in satiation, it results in still greater desire. Says Betzig, "Once you've tasted the perquisites, I think it's going to be difficult for a lot of men to resist."

There is something called the Coolidge Effect, the gist of which is that sex drive increases in response to an increase in the number of sexual part-

By G.B. Trudeau

DOONESBURY



In "Children's Rights," her second major article on the subject... the argument for a presumption of children's competence is presented... as an urgent priority. "The first thing to be done is to reverse the presumption of incompetency and instead assume all individuals are competent until proven otherwise."

She also lays new stress on children's responsibilities as the inescapable correlative of children's rights. "This [pregnant] presumption of incompetency has profound significance not just because children are reliant on adults to exercise their rights for them, but because a child denied the opportunity to exercise responsibilities is effectively denied the opportunity to mature into a responsible adult."

Her academic record has been stellar (president of her class at Wellesley, first student to speak at a Wellesley commencement, an editor of the Yale Law Journal, legal counsel on the Nixon impeachment staff of the House Judiciary Committee, professor of criminal law at the University of Arkansas). But what set her apart from other successful and scrambling lawyers was her attempt to understand practical activity with legal theory. She had become involved with the Children's Defense Fund after her graduation from Yale, and she deplored the ad hoc nature of reform efforts in a field where slogans and sentiment blurt response to the right-wing defense of "family values," which tells the state, in effect, to "put out" of what is the parent's sphere of sole discretion.

For the Record

From an article by Garry Wills in *The New York Review of Books*, March 5:

Millions of Americans were first exposed to Hillary Rodham Clinton as she sat loyally by her husband, Gov. Bill Clinton, on "60 Minutes." It would be a shame for people to continue thinking of her only in that role...

Doro's Left-Hand Man

The First Daughter's Democratic Intended

By Donnie Radcliffe
Washington Post Staff Writer

They say marriages are made in heaven, but it's hard to imagine Doro Bush LeBlond and Robert Petri Koch coming together anywhere but Washington.

Where else but in this citadel of bipartisanship could the daughter of the Republican president of the United States hope to find wedded bliss as the wife of a top aide to one of her father's most persistent critics, the Democratic majority leader of the House? The very same Democrat—Richard A. Gephardt of Missouri—some people think could end up challenging George Bush in November.

But as one friend of the couple's,

public relations consultant Mark Johnson, says: "There's room for more than one bumper sticker on the Koch family car."

No date has yet been announced for the wedding of Doro Bush, 32, divorced mother of two small children, and Bobby Koch, 31. But the White House says the ultra-private vows will be exchanged at Camp David, the presidential retreat in Maryland's Catoctin Mountains. Koch gave LeBlond her ring Saturday night over dinner while Sam LeBlond, 7, and Ellie, 5, looked on.

Koch (pronounced Cook) is by all reports a Democrat just as LeBlond by all indications is a Republican. But Fred Hatfield, who was Koch's boss when they worked for former House

See KOCH, C3, Col. 1

Koch and LeBlond

KOCH, From C1

majority whip Tony Coelho of California from 1986 to 1989, says the common ground in the Koch-LeBlond courtship, which began just about a year ago, was never politics.

"What they share are very similar backgrounds. They're both tremendously family-oriented. They both have great senses of humor. They're both very athletic. They play tennis—Doro plays well, and sometimes she wins."

Koch's performance on the courts almost certainly has been ranked already by the mythical Bush family "Ranking Committee," believed to be composed of LeBlond's four older brothers. The Bushes, remember, don't like to lose.

On the golf course, Koch has his good and his bad days. Last summer it was one of the latter, when he rounded out a presidential foursome with actor Kevin Costner and tennis champ Andre Agassi. President Bush drove straight if not long, Costner and Agassi were steady if unremarkable, while Koch sliced his first drive, hitting a mulligan almost straight up.

"I hope," a disdainful president noted later, "the summit with Gorbachev goes better than golf with these guys."

One enthusiasm of Koch's presumably not shared by Doro's dad is professional wrestling. It's not unusual

for him to jump on a plane to go to a major bout.

On the political front, Koch has already been ranked by Roll Call, the insider journal of Capitol Hill, as one of the Hill's "Most Powerful Staffers." Coelho, who resigned his California congressional seat in June 1989 amid scrutiny over a loan from a California savings and loan executive, credits Koch with running his successful campaign to become majority whip in 1986.

Koch's relationship with Coelho began in 1983, shortly after he graduated from the University of Maryland with a bachelor of arts degree in political science. He was 23 when he went to work for the Democratic Congressional Campaign Committee (DCCC), which Coelho chaired. A Washington native, Koch is one of six children of Helen and George W. Koch. His father was president of the Grocery Manufacturers of America until he retired in 1990 and is legendary as a lobbyist.

Martin Franks, vice president, Washington, of CBS but executive director of Coelho's DCCC staff at the time, remembers Koch as "the hour-to-hour manager who kept track of the commitments and promises" in Coelho's whip campaign. "He was very well organized, had marvelous people skills and came from a family which maintained high standards in a

town in which manners and class have been in the decline."

In the late 1970s, in fact, Koch's father became a virtual pariah in the prestigious Congressional Country Club, to which he belonged, when he led a seven-year battle against it because, he claimed, the club had been skimming wages from some of its predominantly minority service staff.

The club, whose membership includes members of Congress, was never prosecuted because the statute of limitations had expired, although the Maryland attorney general's office found that there had been irregular payroll practices.

After Coelho left Congress, Bobby Koch went to work for Gephardt. As administrative assistant in the majority leader's office he is involved in everything from overseeing all administrative functions to working out the legislative floor schedules and determining Gephardt's political activities.

"He's as smart as they come on the Hill, with very much of a political

way," says Nides. "With Bobby, I found myself at the Rehabilitation Hospital in the middle of an afternoon. They hit it off."

Coelho says Koch called him some time later to say that LeBlond had invited him to a state dinner. "I said, 'Remember, your name will be in The Washington Post the next day. You better go in and tell Dick [Gephardt].' Dick didn't have any problems with it, but way back then we knew, the Bushes too, it could cause some difficulties."

The Bushes were reportedly all for Koch, doing what they could to help the couple carry on a normal courtship. Barbara Bush reportedly kept Koch's name off that first guest list, though it showed up on subsequent ones. In Kennebunkport, where the

mind, but he's not a wacko liberal," says another Coelho alumnus, Tom Nides, who now works on Speaker Thomas S. Foley's staff.

Coelho, managing director of a New York banking investment firm who is a member of the National Rehabilitation Hospital's board, recalls that the roots of the LeBlond-Koch courtship go back to one of the hospital's functions. LeBlond had moved to Washington after her April 1990 divorce from William H. LeBlond, a Maine contractor, and had gone to work in the hospital's fund-raising and special events office.

"Doro expressed an interest in meeting Bobby," Coelho remembers. "I counseled her that if someone comes across aggressively, Bobby moves the other way. So I told her we've got to go about this carefully. It took several months to get the first date going."

Then one day another Coelho alum, Heidi Hicks, invited Nides and Koch over to the hospital. "Let's put it this

Bushes vacationed last August and LeBlond took her regular morning runs, Koch was identified to reporters merely as an unnamed Secret Service agent. And now that the two are engaged, the White House is handling all media inquiries.

As the president's son-in-law, Koch could be privy to information Bush's political opponents would relish. Friends like Tom Nides say that "obviously your first loyalty is to your wife. But I have all the confidence in the world that Bobby will be able to handle a situation like that."

As for Gephardt, his reaction is being funneled through his spokeswoman, Deborah Johns.

"He's very happy about Bobby and Doro," she said yesterday. "That's it."

FRIDAY, FEBRUARY 21, 1992

The Washington Post

247.6 million losers in New Hampshire

Four years ago, I asked then-governor John Sununu of New Hampshire if it's fair that his little state has so much power in picking presidents. He quipped:

"I've always thought that's the way God intended it." With or without divine blessing, the Granite State again has played a grossly disproportionate role in the making — or unmaking — of presidents.

Bush and Tsongas won by the numbers, but narrowly. Buchanan and Clinton claim moral victories. Kerrey, Harkin and Brown survived. The other 56 candidates on the New Hampshire ballot lost.

But the big losers are you and I — 247.6 million of us who don't live in New Hampshire.

For 40 years, this tiny state — population 1.1 million — has been in the catbird seat. No one has won the White House without first winning this overpublicized first-in-the-nation primary.

That might not be all bad if New Hampshire were a microcosm of the USA. But it is one of our least representative states.



AL NEUHARTH
USA TODAY FOUNDER

New Hampshire is nearly all white. Mostly pretty well-to-do, despite current cries of hard times. The USA is much, much more diverse in race and income and by most other measures. Examples:

► Population — New Hampshire, 98.9% white. The USA, 80% white.

► Per person annual income — New Hampshire, \$20,827, the seventh highest in the nation. U.S. average, \$18,691.

I have nothing against white, well-to-do people. I'm one of them. I just don't think they/we should dictate who shall be president.

The solution to this silly situation? A single national primary, preferably some late-summer day in September.

That would come after would-be presidents of both major parties have subjected themselves to scrutiny by people of all races and incomes and philosophies all across the USA.

Both parties would field stronger candidates in the November general election under such a system. The general public would win, although New Hampshire would lose a little.

Sununu aside, I think God might applaud.

FEEDBACK

Other views on the New Hampshire primary

"Some other states may pick corn; New Hampshire picks presidents. New Hampshire primary voters do the job well and that is why the country is well served by the first-in-the-nation New Hampshire primary."

— John H. Sununu, counselor to the president

"No state is representative of the country. In New Hampshire, they have a good track record of picking candidates who go on to win the presidency."

— Stephen Hess, senior fellow, Brookings Institution

CAPITAL LINE

USA TODAY'S BRIEFING ON WASHINGTON

Texas recession hits Bush close to home

The recession has finally hit home for President Bush. The company that owns the land and buildings of President Bush's Houston residence, burdened with \$28 million in debts, filed for Chapter 11 bankruptcy protection this week. The holding company, Houstonian Properties Ltd., leases the site to the Houstonian Hotel and Conference Center. A suite in the hotel is Bush's official residence for tax and voting purposes. Hotel operations "have nothing to do" with the bankruptcy filing, said Houstonian Properties lawyer Daniel Johnston and Bush isn't likely to lose use of the suite. Texas Democratic Party leaders didn't miss a beat, saying the bankruptcy filing may help Bush finally understand the economic troubles affecting millions of other Americans.



NIXON: 'Politics is the greatest sport'

NIXON ON SPORTS: Former president Richard Nixon says that being a sports announcer "would be the greatest job in the world." In the first of a two-part interview on C-SPAN, the cable TV network, Nixon says he'd be good at it "because I like to watch how they play ... how they meet the test. ... Politics is the greatest sport there is. It's competitive. People win, people lose, people come back." Discussing his new book, *Seize the Moment: America's Challenge in a One Superpower World*, Nixon

says that Russian leader Boris Yeltsin isn't "in Gorbachev's league as far as style. ... Yeltsin may not know what fork to use at a state dinner, but he has a very sharp mind." The hour-long interview airs Sunday at 8 p.m. EST.

HEALTH CARE: Senate Democrats and Republicans are in agreement on one piece of health care reform legislation that could make it easier for small businesses to buy health insurance policies and the uninsured to get coverage. Sen. Lloyd Bentsen, D-Texas, sponsor of a bill to reform the insurance marketplace for small firms, said Thursday he hoped to get the measure through Congress swiftly. President Bush also is supporting a similar measure. Bentsen's bill would prohibit insurance companies from denying insurance to people with existing medical conditions — a problem that has caused "job lock" for many people who risk losing medical insurance if they change jobs.

HAITIAN REFUGEES: Congress for the first time got directly involved in the growing controversy triggered by the forced return of Haitian refugees to their troubled Caribbean homeland. The House Judiciary Committee voted 21-12 along party lines to impose a six-month moratorium on returning the refugees. The Supreme Court was expected to rule today on whether or not to block the continued repatriation of some 10,000 Haitian refugees detained at the U.S. naval base at Guantanamo Bay, Cuba.

CAMPAIGN FUNDS: President Bush remains the front-runner in attracting money for the presidential race, according to the latest Federal Election Commission report filed Thursday. Bush raised \$1.6 million in January and has \$8.8 million on hand. Among Democrats, Arkansas Gov. Bill Clinton reported \$1.6 million in contributions with \$1.4 million on hand. Nebraska Sen. Bob Kerrey received \$550,000 in contributions and has \$115,000 cash on hand and former California governor Jerry Brown raised \$190,000 and has \$67,000 on hand. Reports not yet available: Republican Pat Buchanan and Democrats Paul Tsongas and Tom Harkin.

BIPARTISAN MATCH: President Bush's daughter, Dorothy Bush LeBlond, is marrying a top aide to one her father's most vocal Democratic critics, Rep. Richard Gephardt, D-Mo. Barbara Bush's spokeswoman Anna Perez said LeBlond, 32, and Robert Koch, 31, will tie the knot at the Camp David, Md., presidential retreat, and the bride-to-be's parents are "thrilled." No date has been announced.



LEBLOND: To wed at Camp David

INTERIM NASA HEAD: Aaron Cohen, director of Johnson Space Center in Houston, was named acting head of NASA, replacing Richard Truly, who resigned last week under pressure. Cohen, who has been with the agency since 1962, will be acting deputy administrator.

Poll indicates voters unhappy with Bush, Dems

By Richard Benedetto
USA TODAY

Voters are dissatisfied with President Bush's leadership, but are uneasy with the Democratic alternatives.

A USA TODAY/CNN/Gallup Poll finds that nearly half of Democratic voters want to see other candidates enter the race, while nearly one in three Republicans say they too would prefer some new entrants.

New York Gov. Mario Cuomo is mentioned most often by Democrats; Housing Secretary Jack Kemp by Republicans. "I'd like to see stronger Democrats," says Luther Jones, 66, of Hampton, Va. "Our strongest people got scared off by Bush's success in the war, but now he looks vulnerable."

Bush — dogged by an ailing economy, and battered in New Hampshire by conservative commentator Pat Buchanan — gets record-low approval ratings for his stewardship. Less than half say he deserves re-election.

But Buchanan's candidacy appears to be going nowhere among GOP voters. Nearly eight of 10 favor Bush for the nomination; nine of 10 think he'll get it. Yet, two of three still want Buchanan to continue his challenge.

"There are things I'd like to see changed. This would keep Bush on his toes," says Peggy Smith, 32, Roopville, Ga.

The poll also shows that Bush would beat the two Democratic front-runners, Arkansas Gov. Bill Clinton and ex-Massachusetts senator Paul Tsongas, if the election were held now. Buchanan, if nominated, loses in a matchup with Clinton, but runs virtually tied with Tsongas.

Roman Storch, 56, of Tempe, Ariz., is behind the president: "I think Desert Storm was one of our greatest moves."

But given Bush's low overall approval rating, the Democrats still may be too unknown to get thorough judgment.

"I'm not familiar with any of these people," says Ann Burnett, 32, of Mount Clemens, Mich.

Democratic leaders say that will change: "As they hear our candidates' messages of economic growth and positive leadership, they'll like them more and more," says Mark Steltz of the Democratic National Committee.

Neal Van Noorden, 43, of Los Angeles, who is out of work, is listening: "I'd like to see a Democrat who had specific ideas about how to get the economy healthy again."

While there are opportunities for the Democrats to gain ground, the poll also shows Clinton has problems. He's had to deny charges of womanizing and draft dodging. One in four say they're unlikely to vote for him because of it.

"I worry about people who have problems in one area of their lives because it usually means they'll have problems in other areas as well," Smith says. "What I know about him waves a warning flag."

The poll also shows that Tsongas, despite a decisive win in New Hampshire, still lacks stature. Only one in four Democrats want him as their nominee, and one in three say he's the Democrat most likely to beat Bush.

His bout with cancer seems to matter little. Only one in 10 would be unlikely to vote for him because of it.

Contributing: Brian O'Connell

► Election '92, 1A, 4A

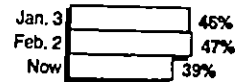
Bush tentatively in front

Less than half of the electorate is satisfied with President Bush's leadership, but most say he'll be re-elected in November. Nearly half of the Democrats want other candidates to enter the race.

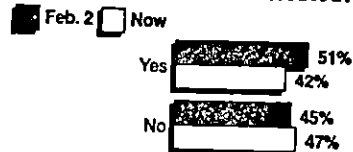


Latest USA TODAY/CNN/Gallup Poll national results:

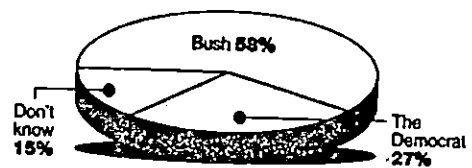
President Bush's approval ratings:



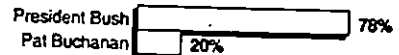
Does Bush deserve to be re-elected?



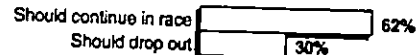
Who voters think will be elected in November:



Preference of Republican voters for their party's presidential nomination:



How Republicans feel about Buchanan's continued candidacy against Bush:

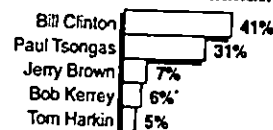


How Republicans feel about their choice of candidates now:

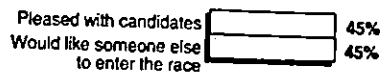


THE DEMOCRATS

Preference of Democratic voters for their party's presidential nomination:

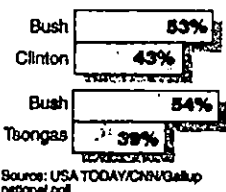


How Democrats feel about their choice of candidates now:



Source: USA TODAY/CNN Gallup telephone poll of 754 registered voters nationwide conducted Feb. 19-20 by The Gallup Organization. Margin of sampling error, plus or minus 4 percentage points. Note: Bush approval rating was derived from a sample of 1,070 voters, not just registered voters.

How Bush would fare against...



Poll: Bush slips, but would win

By Richard Benedetto
USA TODAY

President Bush's approval rating has hit a new low, but he'd still win if the election were held now, shows a USA TODAY/CNN/Gallup Poll.

Taken after the New Hampshire primary, the poll shows Bush's approval at 53%, down from 47% early this month.

Only 42% say he deserves re-election, a drop from 51% three weeks ago.

But most still prefer Bush over Democrats Bill Clinton and Paul Tsongas.

The finding suggests the Democrats have yet to convince a majority they offer a better alternative to Bush.

Nearly half of all Democrats say they're unsatisfied with the

Democratic field as it is.

Clinton, who has denied charges of womanizing and draft dodging, hasn't put the issues behind him: 24% said they'd be unlikely to vote for him because of questions about his character. Other results:

► 58% expect Bush to win re-election, down from 63% in early February.

► 27% expect a Democrat to

win, down from 29%.

► Clinton over Buchanan, 49%-40%; Tsongas over Buchanan, 43%-41%.

But history warns against complacency. President Carter was beating Ronald Reagan 58%-33% at a similar point in 1980. Reagan won a landslide.

► Buchanan opens fire, 4A
► New faces wanted, 5A

Buchanan takes aim at arts fund

By Judy Keen
and Bill Nichols
USA TODAY

Republican Pat Buchanan launched a new conservative attack on President Bush Thursday, while Democrat Paul Tsongas' national campaign got off to a rocky start, at least logistically.

Buchanan, previewing his Southern campaign, called the National Endowment for the Arts an "upholstered playpen of the arts and crafts auxiliary of the Eastern liberal establishment" subsidizing "filthy and blasphemous art."

The Bush administration, Buchanan said, has increased NEA's budget each year.

Last year when Sen. Jesse

Helms proposed adding anti-obscenity restrictions to NEA art grants, Bush backed a version leaving obscenity questions to the courts.

Meanwhile, two days after his New Hampshire victory, Tsongas displayed the growing pains confronting his informal campaign.

Tsongas had to be told by reporters on his plane to South Dakota that he was speaking at the Sioux Falls Stockyards, rather than the state Legislature as had been scheduled for several days.

Aides hadn't told him of the change. "Where am I going tomorrow?" Tsongas joked with reporters. Also:

► Bill Clinton said he'll run a full campaign in Mary-



By Jim Cole, AP

IN SOUTH DAKOTA: Democrat Paul Tsongas shakes the hand of a stockyard worker in Sioux Falls.

land's March 3 primary, but expects "a lot of people there would agree" more with Tsongas "because they're more upper middle class than regular middle class."

► Tsongas is expected to win Sunday's Democratic caucus in Maine, but Clinton is well organized and Jerry

Brown seeks a breakthrough.

► Two days before the South Dakota primary, the five major Democrats and Larry Agran, former Irvine, Calif., mayor, meet Sunday in a statewide TV debate. C-SPAN will air it at 7 p.m. EST.

► Poll results, 1A, 5A

Exit polls an 'evolving art,' says L.A. pollster

By Leslie Phillips
USA TODAY

New Hampshire voters pulled a fast one on the national media.

Tuesday, more Republicans than expected, 7.5%, compared with 1.5% in 1988, voted for none of the above.

Restive Republicans wrote in their own choice, including 2% who voted for Democrat Paul Tsongas.

The result: New Hampshire GOP primary numbers reported on TV and front pages were off the mark. Not dramatically off the mark, but off by enough to overplay the support of President Bush and Pat Buchanan.

Early exit polls of voters showed Bush leading Buchanan 51% to 46%. Late TV news and many Wednesday newspapers reported Bush leading 57% to 41%, based on actual vote counts.

But the official result of the primary

balloting, released on Wednesday, showed Bush won 53% to 37%.

The error "happened so early in the season, it's bound to make network people a little more cautious," says Richard Harwood, who has studied the interaction between voters and the media.

The problem began when Voter Research & Surveys — set up as a cost-cutting measure by the four TV networks to share exit polling — failed to account for the Republican write-ins.

It was compounded when election officials waited, as usual, until Wednesday to count the actual write-ins of New Hampshire's unpredictable voters.

So Tuesday night, when VRS pollsters checked their numbers with the actual vote count, they saw no discrepancy.

Two other polls, conducted for the Los Angeles Times and the Boston Herald and WCVB-TV, also overstated Bush and Buchanan support. But both detected the

unusual number of GOP write-in voters.

VRS director Warren Mitofsky attributes his problems to polling methods as well as a reluctance of Bush voters and eagerness of Buchanan voters to answer questions after they voted.

At any rate, network officials say, the updated numbers wouldn't have changed the thrust of their stories.

"The interpretation wasn't totally wrong," says Kathleen Frankovic, director of surveys for CBS. "This is not good for Bush either way."

Others question the media's tendency to predict results based on exit polling. Los Angeles Times pollster John Brennan calls it an "evolving art."

Lee Miringoff, director of the Marist College Institute for Public Opinion, adds: "The best use of exit polls is to look back when the dust settles and analyze the strength and weaknesses of candidates in terms of who supported them."

Dems' tax plan makes rich pay for cuts

By Richard Wolf
USA TODAY

Democrats in Congress set a collision course with President Bush over tax cuts Thursday by agreeing to pay for them by tax hikes on the rich.

Senate Democrats abandoned their effort to use military cuts to pay for middle-class tax breaks, agreeing instead to follow House Democrats' soak-the-rich approach.

The Senate is expected to go after even wealthier taxpayers than the House: those with incomes above \$150,000, rather than \$85,000. But the Senate change could make it easier to come up with one version to pass both bodies.

The Democrats face uphill battles. Minority Republicans will unite against the plans and liberal and conservative Democrats oppose parts of each.

If Democratic leaders can

get a compromise to Bush this spring, it faces a likely veto.

"It's the first act in a play that may have no ending," said House Budget Chairman Leon Panetta, D-Calif.

The deal sets the stage for the House to consider Wednesday the Democrats' five-year, \$90.9 billion plan keyed to middle-income tax cuts and Bush's smaller package of business and investment tax breaks.

► Senate Majority Leader

George Mitchell, D-Maine, and Finance Committee Chairman Lloyd Bentsen, D-Texas, agreed to use unspecified tax increases to pay for any cuts. Bentsen had pushed a \$72.5 billion package financed by the Pentagon's "peace dividend."

Bentsen refused to be specific, but a 10% surtax on millionaires similar to that sought by House Democrats is expected.

► House Speaker Thomas Foley, D-Wash., agreed to drop

from the House bill a 1% cut in the corporate tax rate that irked liberals. As a result, the bill will raise more than it spends on tax cuts, leaving \$14 billion over five years to help trim the \$400 billion deficit.

Some liberals complained about capital gains cuts; moderates expressed doubts about the two-year \$200-\$400 cut for middle-income taxpayers.

Still, Foley predicted the bill would pass the House.

Where's the Rest of Him?

Patrick Buchanan calls his showing in New Hampshire the beginning of a "middle-class revolution" with himself starring in the role once played by Ronald Reagan. He thus grandiosely misconstrues voter anger over tough times as a mandate for his eccentric brand of conservatism. That's fanciful thinking, made possible because Mr. Buchanan put only some of himself on display.

"Where's the Rest of Me?" is how his paragon, Ronald Reagan, titled his autobiography, quoting some famous movie dialogue. It's a question Pat Buchanan now needs to answer about himself.

Mr. Buchanan came within 16 points of President Bush in New Hampshire, not as close as first appeared, but impressive nevertheless considering that he's a newspaper columnist who has never run for anything. The question is, what does his 37 percent mean?

Half of those who voted for him told exit poll interviewers that they did so to send the President a message, presumably about how hard the recession has hit them. And half the Buchanan voters said they were unsatisfied with both Republicans.

With attitudes like that apparent, any idea of a Buchanan "revolution" is mainly a fiction in the candidate's mind. The nagging questions after New Hampshire are these: Was the reasonable Patrick Buchanan who campaigned there also a fiction? Where was the rest of him — the angry chauvinist who says "America First" without embarrassment at the slogan's Nazi connotations? Where was the polemicist so quick to deride "Zulus" and supporters of the Persian Gulf war?

The Patrick Buchanan who shook hands across New Hampshire did not hide his foreign-policy views. He touted retrenchment and argued for supplanting Mr. Bush's "globalism" with a "new nationalism."

But on other issues, Patrick Buchanan, the arch conservative, seems to have sat out the campaign. He who not long ago went out of his way to offend Jews when talking about the Middle East now discusses the subject decently, calmly. The Patrick Buchanan who said that black lives are more expendable than white was nowhere seen on the campaign trail.

His record suggests someone intent on bringing out the worst in people, preying on fear of foreigners and minorities. For instance, he crossed the line recently in *The London Sunday Telegraph* when he argued that America should be sympathetic to independence in the Baltic states because they are populated by white people:

"Why are we more shocked when a dozen people are killed in Vilnius than a massacre in Burundi?" he asked, "Because they are white people. That's who we are. That's where America comes from." Millions of Americans who are not Anglo-Saxon are right to be alarmed by a candidate for President who thinks their lives less valuable than his own.

Mr. Buchanan expressed himself with similar, perhaps even anti-Semitic fervor, in his opposition to the Gulf war. All the fighting would be done by "kids with names like McAllister, Murphy, Gonzales and Leroy Brown," he said, while those who were "beating the drums" for war in the Middle East were "the Israeli Defense Ministry and its amen corner in the United States," as though the war had only Jewish supporters.

Mr. Buchanan surely realized that his candidacy would burn up if he continued such inflammatory pronouncements. But it defeats logic for him, having suppressed his extreme views during the campaign, now to claim that New Hampshire voters endorsed them. The real Patrick Buchanan has yet to reconcile the sober candidate of the last 60 days with the intolerant sloganeer of the last 20 years.

A Dubious Battle in Lebanon

Smashing through United Nations barricades, an Israeli armored force has mounted a search-and-destroy operation against Shiite guerrilla bases in southern Lebanon. The Israeli Government insists this is a limited operation for a limited time. But the timing is deplorable, the circumstances murky and the serious wounding of two U.N. peacekeepers indefensible.

The provocations were real, but this overreaction blurs the difference between Israel and Shiite extremists in Lebanon. Yesterday's incursion followed weeks of random shelling of Israeli settlements by Shiite militias from the 10-mile "security zone" instituted by Israel.

In escalating violence, sleeping Israeli soldiers were killed in their camp; an Israeli helicopter took the lives of Sheik Abbas Musawi, a Shiite leader, his wife and child; Arab guerrillas called for mobilization, and Israeli tanks and artillery struck pre-

emptively, their ostensible mission to eliminate "Katyusha launchers and terrorist nests."

A major objective of Arab-Israeli negotiations that resume in Washington next week is to pacify Israel's frontiers with Lebanon. The Israeli incursion guarantees fresh polemics in which Lebanon and its Syrian patrons can claim the moral high ground. Worse yet, by storming through U.N. barricades and wounding two U.N. peacekeepers, Israel has invited the censure of Secretary General Boutros Ghali and called into question its good faith in observing peace efforts.

Israel bitterly and often justly complains of being judged by a double standard when it takes what it regards as defensive measures to protect Israeli lives and security. But in this latest dubious battle, which has sent thousands of villagers fleeing their homes, Israel has lost more than it can possibly gain.

December Trade Gap Widened

But 1991 Deficit Is Smallest in 8 Years

By KEITH BRADSHAW

Special to The New York Times

WASHINGTON, Feb. 20 — Dwindling exports resulted in a sharp widening of the nation's merchandise trade deficit in December, but for 1991 as a whole, the deficit narrowed to \$66.20 billion, the smallest shortfall in eight years.

The Bush Administration hailed the full-year results as a sign of renewed American competitiveness, and members of Congress from both parties said that the improvement last year would be more important in the national debate over protectionism than December's poor showing.

In December, the deficit grew by 42 percent, to \$5.94 billion, as exports fell and imports climbed, the Commerce Department said.

Exports Up in '91

But for the full year, exports rose 7.2 percent, led by a 9.3 percent gain for manufactured goods, the main casualties from foreign competition during the 1980's. And imports fell for the first time since 1982.

"Those figures would tend to dampen down the enthusiasm for trade law changes," said Representative Don J. Pease, an Ohio Democrat who supports more trade restrictions. "If I were President Bush and could say that I'd reduced the trade deficit from over \$100 billion to \$66 billion, I'd be pretty pleased."

Economists, however, attribute much of the improvement from the \$101.7 billion deficit in 1990 and the peak \$152.1 billion deficit in 1987 to the weakening of the American economy, which has left businesses and individuals less able to afford imports.

Recession Is Cited

"At least half, maybe two-thirds, of the year's improvement was due to the recession," said C. Fred Bergsten, the director of the Institute for International Economics, a Washington public policy research group.

And the widening trade gap reported for December served as unwelcome news for Mr. Bush's re-election campaign, as the seasonally adjusted deficit deteriorated by \$1.77 billion from November.

J. Antonio Villamil, the Commerce Department's chief economist, said the increase in the deficit in December was not significant because a third of it reflected a decline in aircraft exports, which vary enormously from month to month as planes worth \$100 million or more apiece are delivered in bunches.

But private economists generally agree that as other industrialized nations' economies continue to slow down this year, making them less able to buy American exports, trade balances in 1992 will more likely resemble the December results than the overall improvement in 1991.

The United States will avoid deteri-

Trade Gap Wider in Month But Much Smaller for Year

Continued From First Business Page

oration in its trade balance this year, Mr. Bergsten said, only if the economic recovery is exceptionally weak.

Exports Down in December

Exports, which accounted for most of the nation's economic growth in 1990 and 1991 and which the Administration sees as powering the nation's economic recovery, dropped 2.2 percent in December. And the Commerce Department also revised to-day its November export figure to show a drop instead of a record high.

Japan and China, two of the nation's three least politically popular trade partners, showed bigger trade surpluses with the United States in 1991. The third trading partner, Mexico, with which the Administration is negotiating a free-trade agreement, last year posted its first deficit with the United States in a decade.

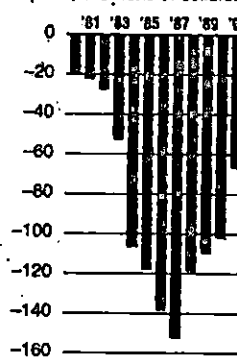
Exports to Japan dropped sharply in December and slightly for all of last year, so that the annual trade deficit between the nations widened to \$43.44 billion from \$41.10 billion, the first such deterioration since 1987.

The persistent deficit with Japan has grown to two-thirds of the overall deficit from a third in the last four years, and Congressional Democrats have made it a centerpiece of their recent criticisms of Administration trade policy.

"I think it's frustrating to see us make this kind of progress with the Europeans, with Mexico and many other countries" but not Japan, said Senator Lloyd Bentsen, the Texas Democrat who heads the Finance Committee.

A Shrinking Deficit

The excess of imports over exports, in billions of dollars.



Source: Commerce Department

The New York Times

The trade deficit with China expanded to \$12.7 billion last year from \$10.4 billion. After nearly a year of political maneuvering, the Senate is expected to vote within the next week and finally send President Bush a bill imposing conditions on the June renewal of China's trade access to the American market. The President has promised to veto the bill.

Today's report contributed little to resolving the fundamental trade-deficit question that has divided international trade experts and economists: whether the improvement of the last four years represents a structural and lasting change in America's role in world markets or simply the steep slide since 1985 in the dollar's value, which has made imports more expensive and American exports more competitive abroad.

Clyde V. Prestowitz Jr., the president of the Economic Strategy Institute, a Washington public policy group, said the rising deficit with Japan shows that foreign trade barriers persist while America's domestic weaknesses, such as high health-care costs, continue to hobble American exporters. "Devaluation of the dollar devalues U.S. assets and makes us all poorer," he said.

A study released today by Kenneth Leventhal & Company, a large accounting firm, said that Japanese investors had used the strong yen to buy \$76 billion worth of American real estate since the mid-1980's, although the pace slowed significantly last year.

A Lasting Difference

But Harold Malmgren, a deputy United States trade representative during the Nixon and Ford Administrations, said that slow growth in American industrial wages and the trimming of corporate middle management had made a lasting difference in keeping American goods affordable in foreign markets. The main threat to American exports this year lies in the possibility that the weakness of foreign economies will cause a rise in the dollar's value, he said.

The trade deficit announced today may be worse than it seems because it includes only goods and because exports are often undercounted, several economists said. The nation ran an estimated \$34 billion trade surplus in services last year, largely because of a big increase in foreign tourism.

A report last month from the National Research Council estimated that American exports of goods were undercounted by 3 to 7 percent, or \$13 billion to \$29 billion last year, because duties were not charged on them.

Including the undercounting and services, the nation's trade in goods and services was nearly balanced last year.

Foreign Affairs

LESLIE H. GELB

What Peace Dividend?

As campaign '92 heads south, Republicans and Democrats will no longer be able to ignore perhaps their most telling point of conflict: Democratic Presidential hopefuls propose cuts in U.S. military spending roughly three times greater than now projected by President Bush.

Mr. Bush's peace dividend — or savings on previously planned defense outlays — would total about \$66 billion by 1997.

His Democratic opponents are calling for savings of between \$180 billion and \$200 billion by that date.

Almost as startling as this gap is the fact that even the Democratic candidates are talking about limited reductions. Their Pentagon budget five years from now would still be over \$200 billion in today's dollars — or about one-third the present budget. In other words, the much-touted peace dividend to produce extra dollars for domestic priorities and deficit reduction is turning out to be far smaller than anticipated.

And the peace dividend will be smaller still if Democratic leaders in Congress have their way. Their suggested cuts put them closer to Mr. Bush than to their own would-be party standard-bearers, an embarrassing fact that is just beginning to dawn on several of them.

Legislators, Democrats and Republicans, say they are worried that faster reductions will lead to swelling unemployment rolls. But the Pentagon is not supposed to be a jobs agency, and a particularly expensive one at that. Concerned legislators would better serve their country if they followed Senator Sam Nunn's

The campaign time bomb.

lead and put their minds to creating new jobs for military personnel in education and new uses for unneeded military bases.

In any event, the size of the defense budget should be set relative to overall national priorities and a realistic judgment of external threats. On these counts, Democratic Presidential hopefuls make more sense than their Congressional counterparts and George Bush.

It is very hard to understand why military outlays cannot be reduced by at least one-third over the next five years. Until now, well over half of the defense budget has been devoted to countering Soviet threats. That country is now a fractured bunch of basket cases, begging to be allied with Washington.

Meanwhile, the Pentagon is thrashing around trying to justify a force that will be about 1.6 million strong, down from the present 2.1 million, by 1997. The Times published on Monday the results of that thrashing, a set of seven illustrative scenarios where the U.S. might be called upon to use military power.

It would be easy to make fun of these scenarios, but that would be unfair. The U.S. needs an effective and strong military, and the military has to think about situations where force may be likely.

But the striking thing about the Pentagon list is how far its planners had to stretch to come up with any plausible threats. A resurgent Iraq or an attack by North Korea on South Korea are practically off imaginable charts. And the U.S. along with its allies could deal with them crushingly with only a fraction of current military power, as happened in the Persian Gulf war. As for protecting American citizens in places like the Philippines or Panama, a few battalions and a few air squadrons could do the job easily. And as for worrying about some new world military power, none is near any horizon.

These comments oversimplify, to be sure. Pentagon planners have to think about length of combat, troop rotations, maintaining an industrial base and the like.

They are also in the business of selling insurance. The U.S. bought a great deal of insurance against Moscow for 40 years, mostly well spent. Americans paid the price not because they thought Moscow really would attack Europe or the U.S., but because the effects of Soviet military might had to be counterbalanced and because the actual use of that might would fundamentally damage American security. Currently imaginable threats to U.S. interests are trivial by comparison.

Democratic Presidential candidates have solid arguments for the one-third cuts in spending they propose, and should press their case harder. And Congressional Democrats should look again at their own position and do their part by pushing the Pentagon to justify its much higher spending projections. Otherwise the peace dividend will vanish in the usual "complexities" of Washington's political bazaar. □

Continued on Page D16

On My Mind

A. M. ROSENTHAL

Buchanan's Free Ride

They did not create Patrick Buchanan's victory in New Hampshire — the recession and the Administration's long lost-weekend case of economic staggers did that. But suddenly stricken with pusillanimous paralysis the press, politicians and President gave Mr. Buchanan a nice, comfortable, free ride on his way.

Wait, stay with this, even if you loathe the man. I have good news toward the end about fighting him.

But first: The press, which could spare armies of reporters and cameramen to track down every charge about a candidate's sexual adventures and hunt earnestly for examples yet uncovered, just couldn't spare a few bodies to probe into Mr. Buchanan's past.

I am not talking about secrets but his own words and attitudes, while on the Government's payroll or when masquerading as a journalist. What do they tell us about this man who wants to be President — about his angers against blacks, Jews, gays and others not to his tastes, about his fondness for a variety of dictators, his disdain for Americans who think democracy is a way of life that the U.S. should try to encourage in the world.

Instead, reporters and editors allowed him to wave them off with breezy contempt and false denials on those occasions they did ask questions. Columnist friends and TV partners gathered their wagons, and

thy, bulldozed his way right over the American press in the 50's.

Maybe that's because journalists have a soft spot for "underdogs." Personally I don't care what kind of a dog a candidate is. I just want to be told if it is carrying fleas.

President Bush: He let Mr. Buchanan walk all over him. Worse, neither he nor his surrogates acted as if they had even heard of the regular Buchananite nastinesses about Dr. Martin Luther King, small "d" democrats, Jews dragging the U.S. into war, and his anti-gay rantings, on and on.

Nor were there peeps from the Democratic candidates or almost-candidates. Et Mario, too. That hurts; maybe he forgot.

Now, the promised reward. In California, an elected Republican politician is showing the courage and intelligence needed to handle the Buchanans: say what they are, not behind the hand, not in embarrassment, but out loud as a matter of plain duty. He is Representative Tom Campbell, whose district includes the Silicon Valley and who is running for the U.S. Senate.

Before the New Hampshire primary vote, Mr. Campbell decided that "silence is unacceptable" and sent an unsolicited statement to the Simon Wiesenthal Center in Los Angeles, named after the great Nazi-hunter and working in his tradition.

The statement tears into Mr. Buchanan's "obsession" with Jews, his tenderness toward war criminals, his "bizarre revisionist claim" that the British let a million German P.O.W.'s die, his evil remark about the group "fantasies of martyrdom and heroism" of Holocaust survivors.

The Buchanans can be sent back to the shadows, the Louisiana way. Louisiana defeated David Duke through coalitions of whites, blacks, Jews, Christians, Republicans, Democrats, workers and businessmen, united by the determination that this man would not represent them.

It is past time for the press to do its job. It is past time for politicians and voters of both parties to put Buchananite assaults beyond acceptability.

"Protest votes" duck reality. On the phone, Mr. Campbell posed the issues in two questions:

Do Republicans want Patrick Buchanan to represent them as head of their party?

Do Republicans and Democrats want this man to be President of the United States?

Anything else is evasion.

From press, politicians, President.

counterattack weapons, around him. Other journalists got all choked up when Mr. Buchanan decided that there might be some votes in throwing the unemployed a few more benefit checks after all. Keep an eye out for more articles about the wiser, kinder, gentler Buchanan.

I don't relish slinging away at journalists. But it has to be said that over all, in print and on the air, the coverage of Patrick Buchanan, a man who came out of the dark shadows of the America First past and wants to drag us back into them, was the mushiest, most protective and unprofessional since his idol, Senator Joseph McCarthy,

Give Mideast Talks a Boost

By Richard W. Murphy

The fighting in southern Lebanon between Israel and Hezbollah, reviving memories of the warfare that began after Israel's invasion of Lebanon in 1982, points up the urgency of diplomacy on that front. The fragile Mideast peace process needs tangible success to keep the parties engaged. Until now, hopes have been pinned on the Israeli-Palestinian talks, but when the parties reconvene Monday, they apparently will bring no new positions to the table. Only the Lebanon-Israel talks may have the potential for significant movement.

The Lebanon front presents the possibilities of early diplomatic moves and military redeployment. It does not confront Israel with the choice of land for peace vs. peace for peace, as the other fronts do. Likud and Labor leaders stress that Israel has no territorial ambitions in Lebanon and that it respects the border.

This is not to say progress in the Israeli-Lebanese talks will be easy. Israel has maintained a limited force in southern Lebanon since withdrawing most its troops in 1985. It describes this sector, five to eight miles deep, as a security zone, and says it must remain that way to protect northern settlements until the authorities in Beirut demonstrate they can physically control the area.

Many Israelis doubt that Beirut can prevent terrorist infiltration so long as the Syrian Army and Iran's armed clients remain in Lebanon. Syria has made plain it will neither withdraw its army from Lebanon nor block what it calls Palestinian "freedom fighters" and militias such as Hezbollah from operating against Israel before an Israeli withdrawal.

To cut through this standoff, Washington and Moscow, co-sponsors of the talks, should call for the withdrawal of Syrian troops.

Richard W. Murphy, a senior fellow at the Council on Foreign Relations, was Assistant Secretary of State for Near Eastern and South Asian Affairs from 1983 to 1989.

drawal of Israeli forces from Lebanon. A 12-month timetable would be reasonable, with the first six months devoted to training and re-equipping Lebanese Army units for deployment in substantial numbers in the south, integrating the Israeli-supported Army of South Lebanon into the Lebanese Army and disarming the remaining militias.

Movement on the ground would start in the seventh month, with a phased withdrawal from the south coinciding with a takeover of responsibilities for the "security zone" by Lebanon. To achieve any elements of this package, maximum Lebanese-Israeli cooperation as well as supervision by the U.N. or a combination of countries would be essential.

U.S.-sponsored Israeli-Lebanese negotiations in 1983 failed, under very different conditions, to develop a sustainable agreement, largely because the talks excluded Syria and because Israel erred in linking its withdrawal from Lebanon to Syrian withdrawal.

Since then, Syria has agreed on an arrangement worked out under the

Israel and Syria should pull out of Lebanon.

auspices of Saudi Arabia, Morocco and Algeria to pull its forces back into the eastern Bekaa Valley by this September and then to negotiate a final withdrawal with the Lebanese Government. The proposed diplomacy in the south complements and does not contradict this agreement.

Lebanese-Israeli talks will not produce a separate peace treaty. Beirut's interests are too intertwined with those of its Arab partners to get that far out in front of them. But all parties to the Mideast talks should recognize that a diplomatic success this year, even if it directly affects only Israel and Lebanon, may well restore confidence that diplomacy can work.

Japanese Cut U.S. Investing

Japanese investment in United States real estate tumbled to \$5 billion last year, according to a report released yesterday by the accounting firm of Kenneth Leventhal & Company.

Within the context of earlier Leventhal reports, the 1991 investment figure represents a 61 percent decline from the 1990 level of \$13 billion. The Leventhal report noted that Japanese investors are having some of the same problems that are besetting American financial institutions and developers and that low-cost capital is far less abundant in Tokyo today than it was a few years ago.

Though widely used, Leventhal's studies of Japanese real estate investments tend to exaggerate the amount the Japanese spend in the United States on property deals because the company counts the entire value of a real estate project as a Japanese investment even if American partners are providing half of the cost of the project. If, for example, a Japanese-American partnership develops a new building for \$200 million, the entire \$200 million would appear in the Leventhal numbers as a Japanese investment even if the Japanese provided only half of the equity in the project.

Nevertheless, virtually all indexes of property investments by foreigners show that there has been a sharp drop in Japanese investments in recent years. The downturn in the domestic commercial property markets account for much of the decline, but the Persian Gulf war, the recession, and the financial shocks that Tokyo felt over the course of 1991 also contributed. Also, in April 1990, the Japanese Ministry of Finance imposed real estate lending restrictions on Japanese financial institutions that have only recently begun to ease.

"A restrictive monetary policy, higher bank capital requirements, a declining stock market, the banking industry's low profit margins, and declining land prices have changed the profile of the Japanese financial system," the report noted.

On a cumulative basis, the office sector attracted the most Japanese investment, 38 percent, followed by hotel/resort with 26 percent, with mixed-use buildings and residential properties both at 11 percent.



A Confederacy of Fools?

By Molly Ivins

Southern voters may surprise everyone.

AND the herd of Presidential candidates rounds that first curve and heads south — thundering into Dixie prepared to eat grits and talk down to the populace. We are about to witness the quadrennial political effects of the popular assumption that a Southern accent is the equivalent of a low I.Q.

One might hope that the enduring stereotype of Southerners as a collection of slope-browed ridge-runners would have been shaken by the results the last time out. You remember 1988, when all the candidates came south and carried on obligingly about the need for a strong national defense, daringly endorsed traditional family values and courageously committed to no-new-taxes. Jesse Jackson won seven states.

But one forebodes that the South's actual maverick politics have not made a dent in the national presumption that most of us are borderline morons. More powerful than magnolia, moonshine and mint juleps, stronger than the image of red-necked, black-hating bigots, is the notion that the South is the land of the Big Dumb. What to my wondering eyes should appear in this very newspaper just a few years ago but the headline, "Southern Practice of Eating Dirt Shows Signs of Waning." Sheesh, no wonder Yankees think we're a trifle slow.

I'm a lifelong Southerner and never met a mud-muncher myself. Roy Blount, another son of the South, was moved to invent an entire menu based on this to-him-novel regional custom.

Molly Ivins, political columnist for the Fort Worth Star-Telegram, is author of "Molly Ivins Can't Say That, Can She?"

Red dirt and rice. Blackened red dirt. Of course, there are regional differences that will work for and against some in the current crop of candidates. Paul Tsongas is minus-zero on the Elvis scale, but that won't hurt him as much as the sad fact that the butterfly stroke is just not real big on the Southern sports pages. If only he played ice hockey instead; of course, we have no ice here, but it looks as rough as football. On the other hand, Southern women do like gentlemen; Tsongas should probably study Southern women.

The South honors the warrior tradition more than most regions, which should help Bob Kerrey. Florence King, a distinguished daughter of Virginia, once described Southern mental life as "a Cecil B. DeMille screenplay sired by a Sir Walter Scott novel." But when you ponder the preponderance of Southerners in the military, keep in mind that the United States Army is almost certainly the most thoroughly racially integrated institution in the nation.

Ah, race, the Southern curse. "If ya'll have come so far on race, explain David Duke, huh, explain him." Have you been to Louisiana lately? We've been hearing a lot about the terrible pain in New Hampshire — economy gone bust, folks without jobs. I don't want to get into a wound-matching contest here, but you want to put our pain up against their pain, go right ahead. What people in pain often do is look for someone to blame, and there's a sorry old Southern tradition — whenever anything goes

wrong, blame Mr. Black.

But any decent populist, Tom Harkin for example, can make David Duke look no-how by pointing out that "the people on welfare" (Duke's code phrase), did not create the S. & L. debacle, now costing us half a trillion bucks. The people on welfare are not responsible for the orgy of mergers and acquisitions and leveraged buyouts that left the corporate economy staggering with debt, and unable to make it through a recession. The people on welfare aren't the ones who spent \$2 trillion on the military in the 1980's without raising the taxes to pay for it, leaving us with a deficit the size of a galaxy that now eats half of every tax dollar we pay.

As for our native son, Bill Clinton of Arkansas, and his even more native campaign strategist, Jim Carville of Louisiana, they'll have to answer to precisely the most caricaturish elements of the Southern stereotype — socially conservative Southerners do not much care for wife-cheaters and draft-dodgers. Of course, even fundamentalist preachers are in no position these days to wax indignant over scarlet wimmin. A television comedian said the other night that Gennifer Flowers looks like a lady even Jimmy Swaggart would have passed up.

The President is supposed to have a lock on the Southern White Male Vote, but I'll put money on the proposition that Bubba is going to like Buchanan.

All in all, I think we can expect the South to do the unexpected. Bet against the conventional wisdom, sports fans. Any takers for Jerry Brown? □

Bill Set for Mild Curb on Car Imports

By KEITH BRADSHAW

Special to The New York Times

WASHINGTON, Feb. 20 — The chairman of the Senate subcommittee on trade says he will announce legislation on Friday calling for mild restrictions on sales of Japanese cars, in part to head off, stronger protectionist bills now being proposed.

Senator Max S. Baucus, the Montana Democrat and free-trade advocate who heads the Subcommittee on International Trade, said in an interview that he considered the passage of some restrictions likely.

His new willingness to accept some limits signals the changing mood in Congress as it responds to the lingering recession, Japan's persistent trade surplus and the rise of protectionist sentiments across the nation.

Tighter restrictions on Japanese car makers, Mr. Baucus said, are "likely, given the political currents, Americans worried about jobs, election year."

Mood Swings

Many senators and representatives still contend that the passage of legislation remains unlikely. "The mood in Congress changes with the occasion; it hypes up and then it cools off," Senator Frank H. Murkowski, Republican of Alaska, said today. "I don't think a consensus is building."

Representative Jim Leach, Republican of Iowa, was more cautious, contending that how well Japan adheres to voluntary agreements negotiated during President Bush's trip to Tokyo last month would determine whether Congress passes protectionist legislation this year.

"If the Japanese don't walk the extra mile to support and more than support the modest agreements the President enacted, Congress could well pass country-specific legislation in the guise of more generalist legislation," he said.

threatened to veto protectionist legislation, and Democrats have yet to overturn any veto by President Bush. White House trade officials declined to comment on Mr. Baucus's proposal until they saw the details.

The Democratic chairmen of the House trade subcommittee and Ways and Means Committee both oppose import limits, and together with Mr. Bush are likely to prevent protectionist bills from becoming law, said Representative Don J. Pease, an Ohio Democrat on the trade subcommittee.

Mr. Baucus proposes to cap Japanese auto makers' sales of imported and American-made cars at the 1991 level of 3.6 million vehicles. His bill

since 1987.

Mr. Baucus's move is particularly surprising because he has opposed protectionism and his state, Montana, does not make cars. He joined Senator Lloyd Bentsen, the Texas Democrat who is chairman of the Finance Committee, in successfully leading last year's legislative battle to give President Bush the authority to negotiate a free-trade agreement with Mexico. And he led a group of seven farm-state Democratic Senators who crossed party lines last summer to support the President's renewal of China's preferential trade status.

The new proposal by Mr. Baucus would require the Administration to persuade the Japanese Government to restrain its companies' car sales for a series of two-year periods. Japan has participated in recent, so-called voluntary restraint arrangements, or V.R.A.s, with the United States in the steel and machine tool industries, while Japanese auto makers have limited their exports to the United States without the explicit participation of the Japanese Government.

The United States current limit of 2.3 million cars from Japan has no direct effect because Japan sends only 1.8 million. Annual sales of another 1.8 million cars by Japanese-owned factories in the United States are not restricted.

Mr. Baucus said that his bill was not protectionist because of the condition that American auto makers improve their own quality. "There is no doubt that whenever there is a V.R.A., the American consumer pays a price," he said, because domestic and foreign auto makers are able to charge more when fewer cars are available. "That's why in return the American industry has got to invest and restrain."

He added that voluntary restrictions by the Japanese without his legislation would risk padding the pockets of American auto makers, and their shareholders, without for-

A Senate free-trader hopes to head off stronger protectionism.

would require improvements in American car quality — as measured by the quality standards applied to applicants for the Commerce Department's annual Baldrige Awards — as a condition for the renewal of the car sales limit every two years.

Senator Donald W. Riegle Jr., Democrat of Michigan; Representative Richard A. Gephardt, the majority leader from Missouri; and four House Democrats from Michigan suggested tighter restrictions on Dec. 20. They proposed that Japanese auto sales be reduced by 250,000 cars each year through 1996 that the trade deficit with Japan does not shrink by at least 20 percent.

The Commerce Department announced today that this deficit widened last year to \$43.4 billion from

Republicans

Bush's Allies Are Told Not to Attack Buchanan in Georgia, the Next Battleground

By MICHAEL WINES
Special to The New York Times

WASHINGTON, Feb. 20 — President Bush's re-election strategists told their Georgia operatives today to refrain from attacking Patrick J. Buchanan, the insurgent Republican in this spring's primary races, even as the White House signaled that it would make Mr. Buchanan's record a campaign issue.

The move in Georgia hinted at indecision among the strategists as to whether Mr. Bush can secure his party's nomination quickly without using negative political tactics that would anger Mr. Buchanan's conservative backers.

It also suggested that they remain confident that the President's major campaign themes — that he cares about economic problems and has the best program to cure them — need little tinkering in the aftermath of Tuesday's strong showing by Mr. Buchanan in New Hampshire.

Georgia, the first of eight Southern states that hold Republican primaries next month, is viewed as the next ma-

jor battleground for Mr. Bush and Mr. Buchanan. The Georgia primary is on March 3.

Mr. Buchanan is expected to use the same kind of slashing political attacks on the President that drew 37 percent of the Republican vote in New Hampshire this week and underscored the weakness in Mr. Bush's political support. Some analysts have claimed that Mr. Bush's failure to respond in kind contributed to his relatively slim victory there.

In the South, Mr. Bush's advisers believe that a more prosperous economy will help the President avoid an embarrassment like this week's vote. On Wednesday they called New Hampshire an "aberration," saying the economic hardship spurred voters to back Mr. Buchanan as a protest against all of the Government's leadership, not Mr. Bush in particular.

Those advisers contend that the President is strong in Georgia and has an excellent chance to sweep through the South without another strong Buchanan showing. That would allow an

uncontested victory in California, the big state in which Mr. Bush is considered politically vulnerable and the single most important state in the November general election.

But other Republican political advisers said today that a sustained attack by Mr. Buchanan could seriously injure Mr. Bush in Georgia, where the economy has sagged, and even in Texas,

Bush's 'Home' Seeks Bankruptcy

HOUSTON, Feb. 20 (Reuters) — The owners of the Houston hotel President Bush calls home have filed for bankruptcy.

A suite at the hotel, the Houstonian Hotel and Conference Center, has long served as Bush's official residence for tax and voting purposes, though he rarely visits Houston and spends much of the summer at his home in Maine.

The hotel's owners, Burdened with about \$28.5 million in debt, mostly from renovations to the 300-room hotel, filed for bankruptcy protection under Chapter 11 on Tuesday after four years of trying

to renegotiate terms with the primary lender, Prudential Insurance.

Lawyers for the owners said the bankruptcy filing was unlikely to affect operations because the hotel is under a long-term lease to a separate company, the Houstonian Hotel and Conference Center, Inc.

Texas Democratic party leaders used the bankruptcy to jab at Mr. Bush about the economic troubles affecting millions of other Americans. "I think this might help him get the message," said Ed Martin, the state party's executive director.

Mr. Bush's adopted home state and the victim of an economic downturn over much of the last three years.

"The expectations for Buchanan in Texas are lower, and I think Buchanan feels he can do damage there," said one Republican strategist who does not work for Mr. Bush. "And remember, it was Bush's home state when he lost it to Bentsen" — a reference to Mr. Bush's failed race in 1970 against the current senior Senator from Texas, Lloyd Bentsen.

To again underestimate Mr. Buchanan's potential, one of Mr. Bush's campaign officials said today, would be a grave mistake. "If he goes one or two more states after Georgia and has to put up with a 35 percent, 37 percent showing" from Mr. Buchanan, "he is dead," the official said of Mr. Bush, adding, "He will be like Jerry Ford was in 1976 — mortally wounded, and bleeding from every part of his body."

At the White House today, Mr. Bush's deputy spokeswoman said the campaign is "certainly going to take a more aggressive approach" to Mr. Buchanan's candidacy now by defining the differences on issues between him

and the President.

Charles Black, the senior adviser to Mr. Bush's campaign, said in an interview today that the campaign "has no plan to unload on him right now," but added: "Our intention is to respond and not let it go unanswered this time. It depends on what he does."

Other officials in the White House and in Mr. Bush's national and Georgia campaigns said the President would shun an assault on his opponent for now. In his first major opportunity, a speech on Friday to Republican leaders in South Carolina, Mr. Bush is expected to refer to some issues on which he and Mr. Buchanan part ways, such as protectionism, but to refrain from any outright attacks.

As expected, the White House said Mr. Bush would visit a number of Southern primary states in the next two weeks, including stops in Georgia, Texas, Florida, Alabama and probably Tennessee and Mississippi.

The President is scheduled to open his Maryland campaign in suburban Washington on Monday, and will make a six-day trek through California, Texas and Georgia next week.

Real Estate news:
Wednesday, Friday, Sunday

Pennsylvania

Trouble Shadows Specter in Senate Race

By MICHAEL deCOURCY HINDS
Special to The New York Times

PHILADELPHIA, Feb. 20 — Last November, when for the first time in 30 years Pennsylvanians elected their first Democrat to the United States Senate, politicians across the country took note. Now, with the political landscape here still rumbling from Senator Harris Wofford's landslide victory over former Attorney General Dick Thornburgh, the state's Republican Senator, Arlen Specter, is running for re-election to a third term.

While Mr. Specter is way ahead of the pack of candidates jockeying for positions in the April 28 primaries here, political analysts say he is increasingly vulnerable because of the long recession, the voters' anti-incumbent mood and a ballot headed by a President whose re-election efforts are having serious problems.

Mr. Specter, a onetime Democrat with one of the most liberal voting records of any Republican in the Senate, has also alienated some of his supporters. Conservatives still criticize him for voting against Judge Robert H. Bork's nomination to the Supreme Court in 1987, and many women were outraged by his prosecutorial grilling of Professor Anita Hill in Judge Clarence Thomas's nomination hearings last October.

Ridiculed in 'J.F.K.'

Making matters worse for the Senator is that the election year opened with the star of a popular movie, "J.F.K.," calling him a liar and ridiculing him by name. So far more than 525,000 Pennsylvanians have seen Oliver Stone's

Rumblings from 'J.F.K.' and the Thomas hearing.

movie, in which the actor Kevin Costner, playing the role of Jim Garrison, the New Orleans District Attorney, refers to Mr. Specter as "an ambitious junior counselor" who perpetuated "one of the grossest lies ever forced on the American people."

Mr. Specter, who served as an assistant counsel to the Warren Commission, called the movie "absurd" and said it "mangled the facts on the single-bullet theory" that he devised. Mr. Specter was the first to rule out a conspiracy by theorizing that one bullet killed President John F. Kennedy and wounded the Texas Governor, John B. Connally Jr. Many experts on the assassination say the theory strains credulity, but it has never been disproved.

The brief mention of Mr. Specter's name in the movie draws applause or shouts from detractors in theaters across the state. At some theater exits campaign workers for his opponent in the primary, Stephen F. Freind, hand out leaflets that try to raise more doubts about Mr. Specter's record.

Mr. Specter refuses to address what he calls his opponent's "scurrilous charges," and has joined other members of Congress in calling for the release of sealed documents relating to investigations of the assassination.

Some political analysts believe the 62-year-old Senator may be heading for trouble.

"Arlen Specter is perilously close to becoming the issue in this race, and being put irretrievably on the defensive," said Michael L. Young, a professor of politics and public affairs at Pennsylvania State University in Harrisburg. "And one of the most reliable axioms in modern politics is that if you become the issue in the race, the race is over and you lose."

So far, Mr. Specter dominates his potential opponents when it comes to name recognition, political support, campaign finances and organization.

In the Republican primary Mr. Specter, who recently won the party's nearly unanimous endorsement, faces Mr. Freind, an eight-term State Representative from a suburb of Philadelphia. Mr. Freind, 47, is best known as the main promoter of an anti-abortion law that is now being considered by the United States Supreme Court.

Three Democratic Contenders

The Democratic candidates are Lieut. Gov. Mark S. Singel, who is running against the wishes of the Governor, Robert P. Casey; Robert Colville, a five-term District Attorney of Allegheny County, and Lynn Yeakel, a 51-year-old fund-raiser for women's organizations and who lives in a Philadelphia suburb. The Democratic Party has endorsed Mr. Singel.

If it is clear that Mr. Specter has political problems, it is unclear how deep they go.

"A lot of women are angry about Arlen Specter's performance during the Thomas hearings, but this isn't the time to indulge our anger because we need his leadership in the Senate on women's issues," said Elizabeth Hrenda-Roberts, executive director of Planned Parenthood, Pennsylvania Affiliates.

Mr. Freind has raised little money but says he has about 5,000 volunteers from the state's anti-abortion movement. Senator Specter and the three Democratic candidates support a woman's right to choose abortion.

Many conservatives are also angry at Mr. Specter who, according to the American Conservative Union, votes with conservatives only 34 percent of the time.

"His Bork vote weighs very heavily against him, but the way he conducted the Thomas hearings has relieved most of that stigma," said James O. Pickard, a Republican from Lancaster who is a leader of the party's conservative wing. "Arlen Specter also has strong positions on law enforcement, anti-gun control and economic development."

'A Lot of Red Flags'

Mr. Specter says he knows his campaign has some trouble spots. "I see a lot of red flags," he said in an interview. "But there are too many problems in this country for me to become the issue."

While the Senator did not officially begin his campaign until Feb. 10, in a sense he has been campaigning non-stop for the last 11 years. He often criss-crosses the state, visiting each of Pennsylvania's 67 counties every two years, and has held more than 400 "town meetings." He has also raised

more than \$5 million, and expects to spend more than \$7.5 by November.

Mr. Specter's tireless style of campaigning comes from a 25-year political career in which he lost as many races as he won. He was born in Wichita, Kan., graduated Phi Beta Kappa from the University of Pennsylvania, served in the Air Force and, at Yale Law School, was editor of the Yale Law Journal.

He worked as an assistant district attorney in Philadelphia and, at the age of 35, began his political career as District Attorney of Philadelphia. He ran unsuccessfully for mayor in 1967 before winning a second term as District Attorney in 1969.

He then skidded through a series of defeats, losing a third term as District Attorney in 1973, a senatorial primary in 1976 and a primary for the governorship in 1978. A year later his wife, Joan, won a seat on Philadelphia City Council, where she still serves. Mr. Specter narrowly won the 1980 election to the Senate and was re-elected by a comfortable margin in 1986. The Specters have two sons — Stephen, 31, a college teacher in California, and Shanin, 34, a lawyer in Philadelphia who is an adviser to his father's campaign.

David L. Buffington, who last fall was the first political analyst to predict that Mr. Wofford would defeat Mr. Thornburgh, a former Governor of Pennsylvania, said there would be no upset this year. "Democrats are divided, Specter will out-spend everybody, and he works and he works and he works," Mr. Buffington said.

New York

2 Democrats Struggle to Push Each Other Off April 7 Ballot

By MICHAEL SPECTER

Dropping all previous restraint or reservations, the two leading Democratic Presidential candidates yesterday bitterly challenged each other's right to appear on New York's primary ballot on April 7.

"We didn't start this and we didn't want it," said Harold Ickes Jr., the state campaign chairman for Gov. Bill Clinton of Arkansas. "But now we have to defend ourselves, and believe me, we will."

Mr. Ickes and aides to former Senator Paul E. Tsongas of Massachusetts each say they have no desire to throw their opponents off the ballot. And both sides say their challenges are "defensive." But the actions could well mean that the primary will be fought in Federal court before voters get a chance to choose a candidate.

Jim Armenakis, Mr. Tsongas's state chairman, said: "If they dump us off the ballot, I think it's a good bet you will see the next step occur in court. This is obviously not what anybody wants."

Complex Election Rules

Clearly, however, somebody does want it, because all efforts to prevent the Byzantine and cumbersome challenge process failed. New York State's election laws, which at times appear to have been written before the Enlightenment, are the most complex in the country. To appear on the Democratic ballot a candidate must collect at least 10,000 signatures from registered party members. At least 100 signatures must come from each of the state's 34 Congressional districts.

The petition requirements are notoriously complex. Despite a strong showing in this week's New Hampshire primary, for example, Patrick J. Buchanan has already been precluded from running against President Bush in New York, failing to obtain the required number of signatures. Candidates have been thrown off the ballot because their petitions were filed on the wrong color paper. Others were rejected because they used paper clips to fasten their entries rather than staples. One local legislator was disqualified several years ago because he filed his petition at 8:30 in the morning. The rules clear-

ly state the filing time begins at 9. "If you were trying to think of a way to discourage participation in democracy you would come up with New York election law," said Julian Palmer, executive director of New York State Common Cause, the public affairs lobby. "It's an abomination."

All campaigns, as well as the state Democratic chairman, John Marino, busied themselves yesterday by blaming everyone but themselves for the mess. Mr. Tsongas, whose campaign blamed Mr. Clinton's campaign, which said it wasn't at fault, clearly has the most to lose. With only 14,000 signatures, Mr. Tsongas is the candidate that political observers say would most likely get knocked off the ballot. Mr. Clinton, by comparison, filed a petition with nearly 50,000 signatures, and the likelihood that they will survive any challenge seems strong.

Mr. Armenakis said that if the election board rejected Mr. Tsongas, campaign officials would challenge the notion that New York State election laws could override national Democratic Party rules for selecting delegates.

Mr. Marino said that he wanted everyone on the ballot and that he would continue to work to resolve the differences before next Monday, when the campaigns must spell out the specific grounds for their objections. Like literally every other participant in the drama, he called for an overhaul of the election law, an unlikely possibility because the laws almost always cushion incumbents and make life more difficult for new candidates.

Mr. Marino, a political soldier for Gov. Mario M. Cuomo, reserved his harshest words for the Clinton campaign. Last week the campaign declined to enter a "nonaggression" pact proposed by Mr. Marino because it would have applied to anybody, whether they had 10,000 signatures or 10. "You could see this coming," he said. "And now it is going to be ugly."

Watch for colorful Part 2's of The New York Times Magazine.

Inquiry Into Abuses At H.U.D. Produces Its First Guilty Plea

By DAVID JOHNSTON
Special to The New York Times

WASHINGTON, Feb. 20 — In the first successful prosecution in the inquiry into influence peddling at the Department of Housing and Urban Development, a New York State businessman close to former Secretary Samuel R. Pierce Jr. pleaded guilty today to attempting to evade taxes on income he received from a consulting firm that had a grant from the housing agency.

The businessman, Samuel P. Singletary of Pleasantville, entered his plea before Judge Stanley S. Harris of United States Court for the District of Columbia, admitting that he gave the Internal Revenue Service false information about his earnings in 1985.

The plea agreement was reached with Arlin M. Adams, the independent prosecutor who is investigating influence peddling and fraud at the housing agency while Mr. Pierce was Secretary during Ronald Reagan's Presidency.

As part of the deal, Mr. Singletary agreed to cooperate fully with the prosecutors, and Mr. Adams agreed to drop tax-evasion charges relating to Mr. Singletary's returns for 1986 and 1987. Prosecutors also said they would ask the judge to waive fines or a jail sentence for his crime. Mr. Singletary is

Continued on Page A13, Column 1

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INQUIRY INTO H.U.D. YIELDS GUILTY PLEA

Continued From Page A1

scheduled to be sentenced in August. The felony he pleaded guilty to, attempting to evade Federal taxes, carries a maximum penalty of five years in prison and a fine of \$250,000.

The prosecutors said in papers made public today that Mr. Singletary failed to include \$13,424 in income on his return for 1985. He and his wife reported income of \$37,762 that year. Had he reported the additional money, Mr. Singletary would have owed \$5,883 more in taxes.

The money that Mr. Singletary failed to report was paid to him by the Center for Resource Development, a consulting firm that received a H.U.D. technical assistance grant from a discretionary fund supervised personally by Mr. Pierce. DuBois Gilliam, a former deputy assistant secretary at H.U.D., told a House subcommittee two years ago that Mr. Pierce asked him to steer the grant to Mr. Singletary's firm.

Today's guilty plea represented Mr. Adams's first conviction in his two-year-long inquiry. He has obtained indictments against two other people, Leonard E. Briscoe, a Texas developer, and Lance H. Wilson, who was Mr. Pierce's former executive assistant. Both have denied wrongdoing.

Betsy K. Wanger, a lawyer for Mr. Singletary, would not comment on the case, but Mr. Singletary's agreement to cooperate suggested that prosecutors believe he may provide them with information about Mr. Pierce's activities as the top official at H.U.D.

Comment From Pierce Lawyer

Paul L. Perito, a lawyer for Mr. Pierce, said, the guilty plea will have no effect on the former H.U.D. official. "I do not believe that the guilty plea will directly or indirectly impact on Mr. Pierce," he said.

Mr. Adams's investigation inquiry began after Congressional investigations, news accounts and an internal report in 1989 that showed severe managerial lapses in a program that provided financial incentives to developers to upgrade apartments for people with low incomes.

Subsequent inquiries by lawmakers uncovered possible fraud, waste and favoritism and numerous cases in which millions of dollars in H.U.D. contracts were awarded to developers who had formerly held senior jobs at the agency or had political contacts there.

Mr. Singletary worked as a consultant for the Center for Resource Development from 1984 to 1987, advising cities on how to apply for community development grants financed by H.U.D. The center itself sought technical-assistance funds from the agency out of the discretionary fund supervised by Mr. Pierce.

Mr. Pierce has known Mr. Singletary for years, and Mr. Singletary worked on the H.U.D. Secretary's unsuccessful campaign for a New York judgeship in 1960. "Mr. Pierce knew Mr. Singletary as he knew other people when he was in New York," said Mr. Perito, who added that the two men have not seen each other in years.

A report issued by a House Government Operations subcommittee that investigated H.U.D. in November 1990 found that, like many of the agency's programs, the technical-assistance program was often used to benefit private organizations like Mr. Singletary's rather than the cities they were advising.

In addition, the subcommittee found that in 1985 the H.U.D. Inspector General had been highly critical of the management of the technical-assistance program. The Inspector General also found that the center had "not acted as a responsible contractor" and recommended that the firm be barred from future government contracts.

In May 1985, H.U.D. had awarded a \$321,000 technical-assistance grant to the Center for Resource Development that was to be used to help the New Jersey cities of Camden and East Orange attract private development.

SOME SENATORS SEE LITTLE RISK OF WAR

Say the Military Is Inflating
Its Concerns as Tactic to
Inflate Its Budget, Too

By ERIC SCHMITT
Special to The New York Times

WASHINGTON, Feb. 20 — Several members of the Senate Armed Services Committee today challenged some of the war scenarios that the Defense Department has prepared to help the military services plan their budgets through the end of the decade.

After a hearing with Adm. David E. Jeremiah, who is the Vice Chairman of the Joint Chiefs of Staff, several senators cast doubt on the likelihood of United States involvement in the seven possible wars outlined in internal Pentagon planning documents.

The classified scenarios, disclosed in press reports this week, are the first detailed military plans drafted by the United States for the post-cold-war era. Significant levels of military spending would be required well into the next century to sustain forces capable of fighting and winning one or more of the seven hypothetical conflicts.

'Incredibly Unlikely'

Some senators expressed concern today that the Defense Department might be exaggerating some potential threats to justify robust military spending and to shield the Pentagon from future spending cuts.

"Some of these scenarios are incredibly unlikely," Senator Carl Levin, Democrat of Michigan, said in an interview. "If they are used for budget rationale, they could undermine the strength of the Pentagon's budget request."

Among the hypothetical threats are another Iraqi invasion of Kuwait, a North Korean attack on South Korea and an attack on Lithuania by Russia.

"We can see through these scenarios," Senator John W. Warner of Virginia, the ranking Republican on the Armed Services Committee, said in an interview. "I don't think Congress should put limits on their hypothetical planning, but then we have a right to be critical of them."

'Not Predictive,' Pentagon Says

Admiral Jeremiah, the military's second-ranking officer and head of the Pentagon working group that prepared the list, defended the planning as an essential guide to help the services shape their forces and budgets, in this case for the years 1994 through 1999.

"The question for the services really is, are you prepared to deal with scenarios like these, and if so, what kind of shortfalls in munitions or spare parts might you expect," he said.

The planning outlined in the documents — described as "illustrative" and "not predictive" — does not mean that any of the scenarios are imminent or inevitable, and Admiral Jeremiah stressed that it would be wrong to describe them as contingencies.

Senator Sam Nunn, the Georgia Democrat who is chairman of the committee, said the Pentagon had refused to give the documents to the committee. Admiral Jeremiah cited the classified status of the files, although the Pentagon frequently gives committees classified documents.

Senator Nunn said the refusal put senators in the awkward position of making decisions on military spending without the same information available to The New York Times, which first reported on the documents.

"We're in the position of demanding it now," Mr. Nunn said. "We're entitled to anything The New York Times gets."

The Senate hearing was the main event in a day of developments that could affect the Pentagon's proposed \$281 billion budget for the fiscal year that begins Oct. 1.

The Congressional Budget Office released a study concluding that the \$160 billion in Pentagon spending cuts announced last year would ultimately increase economic growth if the savings are used to reduce the budget deficit.

The study found that if the money is used to reduce the deficit, the Pentagon cuts would increase output by about \$50 billion a year, or six-tenths of 1 percent, by pushing down interest rates and thus spurring investment.

Corporate Tax Cut Deleted As Democrats Polish Bill

By ADAM CLYMER

Special to The New York Times

WASHINGTON, Feb. 20 — Congressional Democrats moved today to increase the chances for passage of their tax proposals. House leaders dropped an unpopular corporate tax provision and a powerful Senator said he would try to include a politically attractive health insurance measure in the bill.

House Democrats, after a second day of party caucuses dominated by continual criticism of a proposed one-percentage-point cut in the corporate income tax rate, decided to eliminate the provision from the bill entirely. On Wednesday, they had decided to limit the cut to two years rather than make it permanent, as first planned.

Those shifts were aimed at winning Democratic votes for the six-year tax bill, whose centerpiece is a tax credit of up to \$400 for married couples, financed mainly by raising the highest personal income tax bracket to 35 percent, from 31. The corporate tax

cut provision had attracted no visible support, even from corporations.

The bill now has \$79.1 billion in tax cuts and \$93.5 billion in tax increases.

Senator Lloyd Bentsen, the Texas Democrat who is chairman of the Senate Finance Committee, said in an interview that he would seek to attach a measure intended to improve access to private health insurance to the tax bill. The measure would set Federal standards for insurance companies and prohibit them from discriminating against people with existing medical problems, who now have difficulty obtaining insurance at affordable rates. It would also make it easier for small businesses to obtain group policies.

Mr. Bentsen said his proposal, which has wide support in Congress and has been generally endorsed by President Bush, should be part of the tax bill, both to get action on the insurance measure quickly and to make the overall package more at-

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Corporate Tax Cut Deleted As Democrats Polish Bill

Continued From First Business Page

tractive politically.

He said including the health insurance measure would make it harder for Mr. Bush to veto the bill, as Republicans have threatened because of the provisions raising taxes.

"I sure makes it a positive package," he said, adding that he did not think that overall health care reform could be enacted this year, but that this was an important "interim step."

Mr. Bentsen also announced, after a caucus among Senate Democrats, that any tax-cut bill his committee reported would be financed by tax increases. Last fall he had proposed paying for tax cuts with a cut in

them quite conservative, and nine Republicans, some of them fairly liberal.

The committee will begin voting on the measure on Thursday, and Mr. Bentsen may find he has broader support for his insurance proposal, which has considerable Republican backing, than for the underlying tax measure.

Military Savings at Issue

The acknowledgement that any tax cuts would be paid for with tax increases also ended a disagreement with Senator Robert C. Byrd, the West Virginia Democrat and chairman of the Appropriations Committee, who has insisted that any savings from military programs go to domestic needs.

In fact, under the 1990 budget act, military savings this year can be used only to reduce the deficit. But the House Government Operations Committee voted today to amend that act so that the savings could be used for domestic programs. Before the vote, Representative John Conyers Jr., the Michigan Democrat who heads that committee, called the restriction "an outdated and unnecessary budgetary straitjacket."

The Bush Administration is generally opposed to eliminating the so-called internal firewalls in the budget act. The proposed change is expected to come to the House for a vote in late March or early April.

The tax bill is expected to come up next Wednesday or Thursday. "The bill will pass," Speaker Thomas S. Foley said after today's caucus.

He said the House would also vote on Mr. Bush's proposals. "It's my view that in that comparison, this does more for tax equity and fairness, and it's more fiscally responsible," he said.

Asked if Mr. Bush's promised veto did not reduce the Democratic bill to no more than a "political document," Mr. Foley replied: "No. Is not the President's threat just a political

A popular health measure may turn up in the tax proposals.

military spending. The shift in approach puts him on the same track as House Democrats.

He said he thought that along with "better access to health care," any Senate bill should include a tax cut for the middle class, probably focused on children, and a cut in capital gains taxes "targeted to try to encourage new business and small business and venture capital."

Mr. Bentsen said he did not want to get into numbers today, but would make a proposed bill public on Monday. He does not dominate his committee the way Representative Dan Rostenkowski, Democrat of Illinois, dominates the tax-writing Ways and Means Committee, if not his party, in the House. The Finance Committee consists of 10 Democrats, some of



George Taubes for The New York Times

Senator Lloyd Bentsen, chairman of the Finance Committee, who is seeking to add a health insurance provision to the Democrats' tax bill.

threat? We have to make our judgments, and the President has to make his." He said that if Congress gave way every time a President threatened a veto, that would "create a dictatorship."

Representative Bill Archer, the

Texas Republican who is his party's senior member on the Ways and Means Committee, complained today that the Democrats were being unfair in not permitting him to make changes in the President's proposal that will be offered on the floor.

RESEARCH SPENDING IS DECLINING IN U.S. AS IT RISES ABROAD

A LONG TREND IS REVERSED

Federal Study Worries Analysts,
Who Fear Nation Is Losing
Its Edge in Innovations

By WILLIAM J. BROAD

American spending on research and development has begun to fall for the first time since the 1970's, even as foreign rivals increase their investments in research, a Federal science agency said yesterday.

The amounts spent on research by the Federal Government and private industry each fell, worrying many analysts. They fear that the nation is losing its edge in the international race for discoveries and innovations that can form the basis for new goods and services.

The National Science Board, in its biennial report on the health of the nation's research enterprise, said overall spending on research by the Federal Government, industry, universities and private patrons slowed during the second half of the 1980's and began to fall in 1989, ending an era of extraordinary growth.

Recession and End of Cold War

A Federal analyst, who spoke on the condition of anonymity, said the decline was caused by cutbacks in military research with the end of the cold war and by industrial reductions prompted in part by the recession.

Dr. James J. Duderstadt, president of the University of Michigan and chairman of the National Science Board, said in a statement that the decline, when coupled with educational woes, "should give us real concern for the continued vitality of our research enterprise."

He noted that the United States, despite the drop, still leads the world in overall spending on scientific research.

Yet analysts already edgy about America's status in the global contest for economic advantage expressed worry about the research decline. American spending is falling, they said, as similar investments by Japan and Germany are rising rapidly.

"Clearly it's another warning sign," said Kent H. Hughes, president of the Council on Competitiveness, a private group in Washington that seeks policies to promote industrial vigor. "Especially

U.S. Spending on Research and Development on Decline Since '89

Continued From Page A1

ly on the private side, I'd be concerned. That's the research closest to commercialization and marketable products."

Dr. Frank Press, president of the National Academy of Sciences, a federally chartered organization of scientists that advises the Government, said, "We especially need to ask why industrial research is down when for other countries it's going up," he said. "That's a matter of concern."

News of the overall drop came in a 487-page report, "Science and Engineering Indicators." Its author, the National Science Board, is the policy-making arm of the National Science Foundation, a Federal agency that supports science research and is responsible for monitoring the nation's overall scientific health.

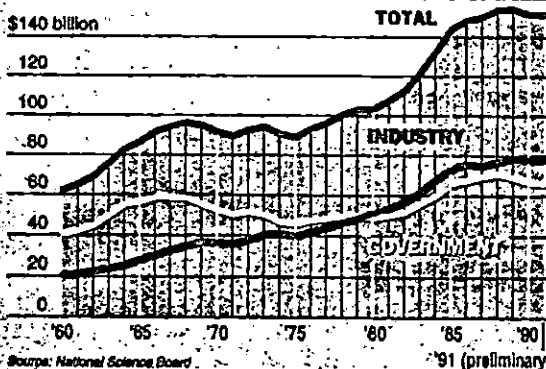
The biennial report is meant to give decision makers in Government, industry and academia concise information about national trends in science spending, education, manpower and the various fruits of the research enterprise, including patents, scientific papers and new technologies.

In recent decades, the only other drop in overall science spending occurred in the early 1970's as the United States reduced space research after the Apollo moon landings and cut back on military research amid an early thaw in the cold war.

The new report shows that the United States, beginning in 1975, embarked on a spending spree that climaxed in

Research Spending Slips

Research and development spending in the U.S., in 1991 dollars.



Source: National Science Board.

The New York Times

1989 with an annual national expenditure for research and development of \$154.3 billion. After that peak, the amount for 1990 fell to \$151.57 billion. The figures are in constant 1991 dollars to cancel the effects of inflation.

The report said that preliminary data suggest that the total for 1991 will be about the same as 1990. But a Federal analyst working on the data sug-

gested that the 1991 total might go down further.

"The dip," said the Federal analyst, who spoke on the condition of anonymity, "is not simply in Federal dollars but in almost all sectors."

"The bottom line for industry is that they had tremendous growth in the first half of the 80's," the analyst said. "And now, with a change of expecta-

tions in profits and sales, and a certain amount of consolidation, there's been a slowing in research and development."

From a peak in 1989 of \$78.83 billion, annual research spending by American industry dropped to \$77.84 billion in 1990, according to the report. It was the biggest drop in three decades.

'Probably Will Get Worse'

"It's bad news," said Erich Bloch, former director of the National Science Foundation. "And it probably will get worse. A couple of years ago, the leveling off had to do with restructuring. But the drop now has to do with the recession and restructuring."

Even before the decline, the rate of growth had fallen sharply. Between 1980 and 1985 the rate of annual growth for industrial research was 6.9 percent in inflation-adjusted dollars, the report said. Between 1985 and 1990, it fell to 1.2 percent.

The report also noted that the American share of the global market for high-technology goods had fallen from 40 percent in 1980 to 37 percent in 1988.

The report, which is required by Congressional legislation, is submitted by the National Science Board to the President, who in turn provides it to Congress. The current volume is the 10th in a biennial series begun in 1972.

In a preface to the report, Dr. Duderstadt of the National Science Board noted the rapid changes around the globe and warned that American research priorities and programs must be "refined and reshaped in order."

U.S., Low Key After Israeli Raid, Tries to Prevent Spread of Combat

By ANDREW ROSENTHAL
Special to The New York Times

WASHINGTON, Feb. 20 — The United States offered a restrained public response today to the Israeli raid in Lebanon. But Administration officials said they were privately seeking to insure that the fighting does not spread and were persuaded that Israel did not intend a larger-scale operation.

Administration officials said the United States had been in contact with Syria, Israel and Lebanon to warn leaders in those countries to be, as one official put it, "careful about any potential of an escalation."

The White House said the United States was "deeply concerned about the renewed cycle of violence in southern Lebanon." Margaret D. Tutwiler, the State Department spokeswoman, said Washington had made "high-level démarches to those involved to urge the exercise of maximum restraint."

Embarrassment to U.S.

The Bush Administration deliberately avoided any condemnation of the Israeli action, but the attack puts the United States in a difficult position.

Washington does not want to interfere with Israel's attacks on Shiite Muslim guerrillas in southern Lebanon, and it is clear that Israel's assassination on Sunday of Sheikh Abbas Musawi, the leader of the fundamentalist Party of God guerrillas, was in American interests. The Party of God

was linked to bombings of American, French and Israeli military targets in the 1980's that killed hundreds.

But the Bush Administration does not want to be seen to be condoning assassination and said it deplored all killings on "all sides."

Beyond that, Israel's move to sweep aside a United Nations peacekeeping force in southern Lebanon clearly embarrassed the United States, since President Bush has made much of the United Nations' enhanced role as a peacekeeper since the Persian Gulf war.

The Administration repeatedly characterized the Israeli advance as a limited move to wipe out a single guerrilla outpost that had been firing rockets into northern Lebanon, and Miss Tutwiler said Israel's public statements to that effect echoed what the United States was being told privately.

"The Israeli Government themselves, it is my understanding, have said that this was a small, armored element that went after an alleged Katyusha launching site," she said. "The Israeli Government, it's my understanding, has said this activity is limited, both in terms of space and time. It is also my understanding that the Israeli Government has said that they intend for this operation to last about 24 hours."

Continued on Page A16, Column 1



Campaigning above the din of the negative press attention that confounded his campaign in New Hampshire, Gov. Bill Clinton's challenge in the South, he said yesterday, is to make sure that his

message of greater government action in exchange for a higher degree of personal responsibility is heard. He chatted with Mike Herrington, right, at a cafe in Winter Haven, Fla.

Political Memo

Clinton Task: Making Message Heard

By GWEN IFILL

Special to The New York Times

WINTER HAVEN, Fla., Feb. 20 — Standing together just out of reach of the handshake of Gov. Bill Clinton, the Dionne brothers came to the town park here today looking for answers.

None of the three young men, ages 18 to 22, have any health insurance, and two are taking courses at Polk Community College here in the hope that it will help them find other jobs. Because of their economic circumstances, all three still live at home.

"Getting George Bush out of office is a big issue for us, whether it's Bill Clinton or somebody else," said Pete Dionne, the eldest brother.

His brother Henry, 21 years old, said, "I'm personally not concerned about the accusations and the mudslinging," and added, "Since George Bush has been President, my father has lost his job and I've lost my job."

None of the brothers had ever heard of Paul E. Tsongas until the former Massachusetts Senator won the New Hampshire Democratic Presidential primary two days ago. They were more familiar with Mr. Clinton because he is from the South. But their presence at the Clinton rally was due more to curiosity than commitment.

It is these voters — young, male, alienated — that Mr. Clinton must win if he is to regain his footing and win the Democratic nomination. To do so, his advisers realize, he must learn from the mistakes that nearly derailed his campaign in New Hampshire and capitalize on his convincing second place finish in New Hampshire.

'The Comeback Kid'

It was an artful and successful bit of political spin that allowed Mr. Clinton to anoint himself "the comeback kid" at his election night rally on Tuesday. His advisers had started inserting the word "comeback" into all their conversations in the hours before the polls closed, and by the next day, astute campaign organizers in Georgia and Florida had lifted the phrase from the morning's headlines, and plastered it on cardboard placards for rallies.

For the first time in weeks, the Clinton campaign had finally won the expectations game. And with the spotlight shifting away from Mr. Clinton and onto the Bush-Buchanan contest, Mr. Clinton also had a chance to catch his breath.

The Arkansas Governor acknowledged as much today, commenting on a plane ride between campaign stops that he had been in a "coma" for the

past two days, hoarse from his nagging New England head cold and ready for a slower campaign pace.

But Mr. Clinton denied published reports today that he was scaling back his efforts in Maryland, which holds its primary on the same day as Georgia, March 3. Nonetheless, he told reporters he considered Maryland a Tsongas state.

"I would expect that a lot of people there would agree with some of the things he has said, because they are more upper middle class than middle class," he said.

Mr. Clinton's theory ignores the fact that Maryland is a state more Southern in nature than Mr. Clinton may realize, and that its two largest metropolitan areas — Baltimore and Prince George's County near Washington — have majority black populations that supported Jesse Jackson in 1984 and 1988.

Mr. Clinton has scored well among former Jackson supporters in polls in other states, and all his Southern

'What got people excited was the idea that I was a fighter.'

campaign stops are well-attended by black elected officials and other community leaders.

His challenge in the South, he said today, is to attempt to make sure that his messages are heard.

On the Death Penalty

"I don't think what I did caused me a rocky time in New Hampshire," Mr. Clinton told reporters today in Albany, Ga. "I think I'm going to go back to the issues. I'm going to run the campaign I started with. And I think the campaign I started with will do real well down here."

Mr. Clinton also sought to play down comments made by Gov. Zell Miller of Georgia that Mr. Tsongas would not be considered electable by Southern voters because he opposed the death penalty. Mr. Tsongas has said he favored the death penalty only in certain cases, like for drug kingpins.

Mr. Clinton, who supports the death penalty and returned to Arkansas to

preside over the execution of a convicted murderer on Jan. 24, said he considered Mr. Tsongas's position an attempt to "fudge" on the issue.

But he also said that he does not plan to emphasize their disagreement on the capital punishment issue to win votes in the South, where many people favor the death penalty.

"I've never tried to use the death penalty as a political issue," he said. "It's just that we have a law that we agree with and I follow it. That's my position on it."

He said New Hampshire voters became convinced that Mr. Tsongas was the candidate with the best new ideas because "my ideas were blown out of their consciousness for three solid weeks."

He added, "And in the last eight days when we finally got the campaign going again, what got people excited was the idea that I was a fighter, that I could plainly be President, that I could plainly stand up to George Bush and fight and argue."

Mr. Clinton salvaged his New Hampshire campaign by engaging in what one of his advisers later described as a "high-wire act" in which he was forced to perform credibly on live television five times within a single week, including three nationally broadcast programs.

Looking to TV

The Clinton campaign is now counting on turning its candidate's strength on television to quick advantage prior to the string of primaries that begin next week in South Dakota and culminate with the Super Tuesday grouping of 11 primaries and caucuses on March 10.

Gone are the rambling question-and-answer sessions Mr. Clinton held with New Hampshire voters after each speech and the late-night visits to doughnut shops and half-empty restaurants in search of hands to shake. Instead, Mr. Clinton has spent the last two days engaging in classic Super Tuesday strategy, hopping from fund-raising events to television markets and back again.

And now that the grueling pace of the New Hampshire primary is behind them, Clinton campaign strategists are beginning to hope for a little positive fallout from the events that just days ago had seemed only negative.

"Bill and Hillary are celebrities now," one of Mr. Clinton's advisers said last week. "I don't know if it's a positive or negative. I just know it's a fact. But something in my gut tells me it's a positive, because Americans forgive celebrities."

"Since George Bush has been President, my father has lost his job and I've lost my job." HENRY DIONNE

A Politician Who Thought He Could

Paul Ethemios Tsongas

By KAREN DE WITT
Special to The New York Times

SIoux CITY, S.D., Feb. 20 — For Paul E. Tsongas, the defining moment of his victory in the New Hampshire primary didn't come on election night, nor in the sudden outpouring of support from Greek-Americans who had largely ignored him, but at a rally Wednesday in Baltimore's Hopkins Plaza.

Man
in the
News

"To walk onto that plaza and see all those people was not just another event," Mr. Tsongas said today in an interview. "This was a memory being made." The big turnout was special because Mr. Tsongas has campaigned in Maryland for only five days.

Once again, he had taken on a political challenge few thought he could meet, and he had done it.

Political analysts scoffed last April when he announced he would seek the Presidency. Another Greek from Massachusetts, with all the reminders of Michael S. Dukakis's disastrous 1988 campaign, could not be a viable candidate, they said.

In the final week of campaigning in New Hampshire, Mr. Tsongas joked with volunteers that their support showed that they had "no political instincts."

Reveling in Victory

Wednesday morning he reveled in victory. "Thank you, New Hampshire, you've done it," he said before leaving for campaign stops in Baltimore and New York. "You've proven the pundits are wrong."

By the time he visited a Greek-American neighborhood in Astoria, Queens on Wednesday his campaign, until recently a mom-and-pop operation, had begun to resemble an army in size, if not discipline. Nearly 6,000 people came out to meet him in Queens, forcing a candidate who likes to meet voters one-on-one into using a police escort in Astoria.

Doing It His Way

But for most of his 51 years, Mr. Tsongas has done things his way, and he has confounded the naysayers while doing it. "He was always determined to do things his way," his twin sister, Thaleia Schlesinger, said in an interview this week.

Paul Ethemios Tsongas was born Feb. 14, 1941, in Lowell, Mass., into a middle-class Greek immigrant family. The twins' mother, Katina, contracted tuberculosis shortly after their birth and died six and a half years later. Much of the time, she was in a sanitarium. "She could not touch us or be with us," said Mr. Tsongas.

The children worked in the family dry-cleaning business, and Mr. Tsongas's father, a Republican, wanted his son to enter it when he graduated from Dartmouth College in 1962. Instead, he joined the Peace Corps. He has described his experiences in Ethiopia and the West Indies as "the crossroads of my life," one that gave him a sense of the value of public service.

After completing Yale Law School in 1967, Mr. Tsongas ran for the City Council in his hometown and won, serving from 1968 to 1972. In 1969 he also became deputy assistant state attorney general. When he decided to run for the House in 1973, no one expected him to win, but he did.

In 1978, again against the odds, he unseated Senator Edward Brooke, a Republican. He planned to run for reelection, and then for President, but in 1983 cancer interrupted his journey.

At the time his illness was diagnosed, there was no cure for the type of cancer he had, lymphoma. Mr. Tsongas said he never expected to live and feared that his young daughter would have only a distant memory of him, as he did of his mother.

Feeling a New Obligation

In 1986, he beat the odds again, undergoing experimental bone-marrow treatment. He has been cancer-free since, and his doctor, Tak Takzorian, says only 5 percent of patients who survive the disease have any recurrence.

Dr. Takzorian told Mr. Tsongas that surviving cancer obligated a person to do something transcendent. In his battle with the disease, Mr. Tsongas had quit the Senate and set out to

make money, joining the Boston law firm of Foley, Hoag & Eliot. He worked for clients like Drexel Burnham Lambert, the Wall Street investment firm that has since collapsed and was a lobbyist for an oil company and other energy businesses, work which would draw criticism from environmentalists.

With his recovery, Mr. Tsongas began thinking again of politics, and Dr. Takzorian's words helped drive him to enter the race for President.

"These are not ordinary days," Mr. Tsongas said this week. "And there must be a purpose in these days."

'Not Larger Than Life'

If the candidate is aware that he has a sanctimonious side, he definitely has a down-to-earth side, as he showed Wednesday in New York City. "I'm not larger than life," he said after being greeted by crowds in Astoria's Greek-American community. "But you can understand how this outpouring of affection and expectation can change you," he said.

Mr. Tsongas said he will be saved from that by his wife, Niki. Paul Tsongas and Niki Sauvage met at a party in Washington 22 years ago when he was a first-term Congressman. Within a month and a half, they were married.

The oldest of an Air Force colonel's four daughters, Mrs. Tsongas, 45, had grown up in West Germany and Japan, had worked for Senator Eugene J. McCarthy of Minnesota, who ran for President on an anti-war platform in 1968, and had just finished her

junior year at Smith College. Now a lawyer whose partnership has just dissolved, she is a tireless campaigner for her husband.

"I married the right person," he said. "She keeps me grounded."

Into the Arena

So does campaigning. Today, on the flight to South Dakota, Mr. Tsongas discovered that there had been a mixup: he was not going to address the South Dakota Legislature, as he had thought, but was scheduled to visit the Sioux City stockyards. So he held a press conference in a pig arena.

The candidate said he didn't expect to win the South Dakota primary but wanted to give voters the opportunity to hear his message. But though there was a gaggle of media, there were only a handful of voters. And at The Stockyards Cafe across the street from where he stopped, no one wanted to hear his message. Clearly, they were mostly Republicans.

But Mr. Tsongas says he won't change his message, regardless of the audience. His sense of focus has allowed him, he says, to tell the "hard truth" to the country, emphasizing sacrifice to revive the economy.

When Mr. Tsongas said he was considering a run for the Presidency, he asked his wife and their three daughters what they thought.

Mrs. Tsongas says she never hesitated: "The mysterious twists and turns of our life have some internal sense. From day one, I felt this was possible."



Paul E. Tsongas jogged in one of a series of races across portions of Massachusetts for his senatorial campaign in 1978.

THE WALL STREET JOURNAL.

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FRIDAY, FEBRUARY 21, 1992

While Blacks Loom Large in Democratic Race, They Have No Natural Home Among the Rivals

By MICHAEL McQUEEN

Staff Reporter of THE WALL STREET JOURNAL
ANNAPOLIS, Md.—State Sen. Decatur Trotter, one of the Free State's senior black lawmakers, is trying to decide who to support in the March 3 Democratic presidential primary here.

"This young man Clinton, he seems to be good with the media, has ideas about a vision of the country," Sen. Trotter says of Arkansas Gov. Bill Clinton. Then he sighs. "But I don't know."

It is a problem that many black Democrats are grappling with right now. Black voters, though a mainstay constituency of the national party, comprised only 1% of the electorate in the New Hampshire primary, where Gov. Clinton finished second to former Massachusetts Sen. Paul Tsongas. But as the pace of the primary season accelerates, black votes become immediately critical to the course of the nomination struggle.

In the March 3 contest here, black voters may make up a quarter of the electorate, and an even higher percentage in the Georgia contest on the same day. In all but one of the five Southern states holding primaries on "Super Tuesday," March 10, at least one out of five voting-age adults is black. Moreover, such big industrial Midwestern states as Illinois and Michigan—both of which hold primaries March 17—have smaller proportions but still sizable numbers of black voters.

The problem for many of these people is that they have no natural home among the Democratic contenders. Mr. Tsongas pushes a pro-business message that has little resonance with many black voters; for him, Maryland looms as a crucial test of whether he can transfer his appeal to an electorate far distant, and far different, from his native New England, and especially of whether he can attract minority votes.

Meanwhile, Sens. Bob Kerrey of Nebraska and Tom Harkin of Iowa both have had little experience in courting black votes in previous campaigns, while former Gov. Jerry Brown of California—who won the Maryland primary back in 1976—is having trouble being taken seriously. The one candidate who might have excited black voters here, Gov. L. Douglas Wilder of neighboring Virginia, is long gone from the contest.

The result is that the beneficiary should be—and probably will be—Gov. Clinton, who is used to courting black voters in his Arkansas campaigns and who has been the most assiduous of the Democratic presidential hopefuls in wooing them this year. But the nagging questions about his electability because of concerns over his character leave many black leaders, like Sen. Trotter, uneasy.

Southern Black Vote

Percentage of black adults age 18 or older in the 11 former Confederate states and Maryland

Alabama	22.7%
Arkansas	13.7
Florida	11.4
Georgia	24.5
Louisiana	36.3
Maryland	23.4
Mississippi	31.6
North Carolina	20.0
South Carolina	26.9
Tennessee	14.3
Texas	11.2
Virginia	17.5

Source: The Joint Center for Political and Economic Studies, 1990

Sen. Trotter, for example, remains undecided in part because of such issues. For the senator, a Korean War veteran, the reports about how Mr. Clinton avoided being drafted reopen the issue of unfairness to the poor, the uneducated and minorities. "It bothers me that rich boys got to duck the draft where poor people, black people, couldn't," he says. He contrasts Mr. Clinton's actions with the "valor" displayed by Sen. Kerrey, a Medal of Honor winner.

But Sen. Trotter's concerns aren't universally shared; state Delegate Beatrice Tignor says she isn't bothered by the Clinton draft issue, because "black folks remember that Martin Luther King was against the war."

In any event, the questions surrounding Mr. Clinton are all the more disconcerting because of the fact that black leaders across the country are following a radically different course in presidential politics this year than they did in 1988, when they, along with millions of black voters, overwhelmingly supported the Rev. Jesse Jackson. Back then, many black leaders were seeking a candidate who could carry a message. This time, they are seeking one who can carry an election.

"The thing to me in politics is, we have to win," says state Sen. Gloria Lawlah, who has stuck with her early support for Mr. Clinton despite his travails. "If you don't win, you can't change the system. I feel we in the Democratic Party, we've had our chance to do something different and we still haven't won the voters back."

But the pragmatic approach offers risks. None of these candidates has the support of nationally known figures like civil-rights leader Andrew Young, whose support buoyed the campaign of Jimmy

Carter in 1976. And in any event, at this early stage of the campaign the focus has been on enlisting delegates to the party convention, not on building grass-roots support. So it remains to be seen whether the judgment of leaders will necessarily be followed by the mass of black voters.

"Big elections are won by the margin of enthusiasm," Mr. Jackson says in an interview. "The burden is upon the candidates to inspire support," he says, "and the way to inspire support is to speak to real needs"—and not by relying on the endorsement of black opinion leaders, even him.

Big Vacuum

Mr. Jackson, who ran in 1984 as well as 1988 but said he wouldn't run this time, realizes there's a big vacuum. "There's pressure on me to get in," he says. And he plainly resents speculation that the party might turn to others, such as House Majority Leader Richard Gephardt of Missouri or Tennessee Sen. Albert Gore, if a deadlock develops. "I beat Gore [in 1988] in white states," he argues, adding, "Does anyone think Gephardt could beat me in California or Michigan or New York?"

It's highly doubtful that Mr. Jackson would actually run, risking a third straight loss and giving up his recently launched Cable News Network program. But if no candidate commands a strong following among black voters, Mr. Jackson might well seek to play a large role in the deliberations leading up to the Democratic convention—a prospect that privately worries some other leading Democrats.

Meanwhile, here in Maryland, where Mr. Clinton has an edge on endorsements from black party leaders, Tsongas campaign officials are struggling to find some compelling argument they can use to convince black voters. "No one is more liberal on your individual rights—your civil rights, your gay rights, your pro-choice—no one has as long or as consistent a record as Paul Tsongas," contends Patrick Smith, the Tsongas chairman here. "Paul Tsongas lived two years in Ethiopia [while in the Peace Corps]. Color doesn't make any difference to him. He's always communicated well with them, and worked well with them."

But analysts say Mr. Tsongas will have an uphill struggle to get that message across here—not just because of Mr. Clinton's substantial money edge, but also because of the Arkansas's shrewd efforts to mine the network of experienced black elected officials that has grown up here over the past decade. Maryland has 31 black state lawmakers—the nation's second-largest caucus of black state officials—and more than two dozen local elected leaders.

A Clear Plus

Mr. Clinton's Southern background, which once could have been a liability among blacks, has so far been a clear plus; black supporters see in him a candidate who has experience in forging multi-racial coalitions. Because Mr. Clinton "has been around blacks all of his life, there's a comfort level there," says state Delegate Howard Rawlings, who represents a majority-black district in Baltimore.

But it will take more than that, suggests Bert Lance, the former adviser to President Carter. He says that despite Mr. Carter's early ties to Mr. Young and the Rev. Martin Luther King Sr., he still had to cement his support through specific policy positions on such issues as affirmative action.

Mr. Carter's ability to do that proved crucial after comments he made regarding the "ethnic purity" of neighborhoods touched off a storm of controversy. By then, Mr. Lance says, "he had a reservoir of people who were willing to stand up and defend him."

That is what no candidate—including, for all his endorsements, Mr. Clinton—has at the moment. And whether he or anyone else can nurture those kinds of feelings among black voters may ultimately prove as important to the black voters as to the candidate.

"This is a defining moment for African American voters," says Hulbert James, an aide to New York Mayor David Dinkins and a key operative in Mr. Jackson's last two campaigns. "In a lot of ways it was easier to support Jackson: this time people are really going to have to say why they support a candidate. And people are going to have to decide what issues really are of concern."

THE WALL STREET JOURNAL.

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FRIDAY, FEBRUARY 21, 1992

Nothing Wrong, The Bushies Say, New Ads Can't Fix

Pat Buchanan's pounding has opened many cracks in the presidential facade but the most important is the split between the status quo and the forces urging change.

To over-simplify, think of a Bush team divided into two general camps, technocrats and reformers. Their different reactions to New Hampshire reveal the main division over Bush re-election strategy, as well as over prospects for the big Republican royal rumble of 1996.

Most of the technocrats rose to power under Mr. Bush and now dominate his campaign—new RNC boss Rich Bond, for example, and lobbyist Charlie Black. They include the Brady bunch at Treasury and Dick Darman's \$400-billion deficit gang. This crowd prizes maneuver over message, defense over offense.

The reformers are sprinkled throughout the second tier of Bushdom. They include William Kristol of Vice President Quayle's staff, Jim Pinkerton at the Bush-Quayle campaign, and such ideologically diverse Young Turks on the Hill as Minnesota's Vin Weber and Steve Gunderson of Wisconsin. Their spiritual leader is Jack Kemp, but their main political strategist now is the Georgia insurgent, Rep. Newt Gingrich. They want to turn the GOP into a "reform" party that becomes a governing majority.

The technocrats think their biggest mistake in New Hampshire was not running

Potomac Watch

By Paul A. Gigot

negative ads against Mr. Buchanan. They now vow to "define" (read: disembowel) him in the South with Desert Storm and ancient newspaper columns. A techie's idea of creative campaigning seems to be sending Arnold Schwarzenegger to attract a crowd.

Reformers prefer beef, not beefcake. They want Mr. Bush to define himself, not Mr. Buchanan. Savaging a former "Crossfire" host misses the main problem—the voters' anti-Bush, not pro-Buchanan, sentiment—and might make things worse for November by alienating even more of Mr. Bush's conservative base. Focus instead on giving voters a reason to support the president again.

But, reply the techies, we already have an agenda—see the State of the Union. The economy will recover by November in any case, public anger will thus subside, and Americans still like Mr. Bush personally. Conservatives have nowhere else to go.

Reformers rebut that New Hampshire shows that speechwriter Peggy Noonan isn't enough; voters don't lip-read anymore. Mr. Bush's New Hampshire ads repeating his State-of-the-Union message could barely persuade a majority of Republicans. Only by acting can Mr. Bush make his promises credible again. So he should veto Democratic tax bills, use the line-item veto, or reward Nick Brady's loyal service with a much-deserved retirement.

The two camps also disagree on the Democratic threat. Techies tend to believe Democrats will repeat their ritual hari-kiri act. By summer the Bushies will be able to "define" and exploit either Bill Clinton's personal foibles, or Paul Tsongas's history of northeast liberalism.

But GOP reformers see a Democratic party struggling for a more mainstream, and thus electable, message. Mr. Tsongas's pro-growth ideas and Mr. Clinton's "middle-class" and welfare "responsibility" themes occupy the sensible center.

Besides, add the reformers, the coast-to-victory crowd underestimates the anti-Washington tidal wave now forming in the land. A status-quo president risks getting swamped in a tsunami ridden by an outsider Democrat. Reformers think Mr. Bush should cast himself as the outsider by running against a Democratic Congress even more unpopular than he is.

Techies say that would be fine, but Mr. Bush hates attacking his Pennsylvania Avenue pals and, anyway, he can profit as much from "governing" as from confrontation.

Who will win this debate? The techies are still in control, but New Hampshire gave reformers new credibility. Robert Teeter, the campaign's straddling strategist, and White House chief of staff Sam Skinner are listening to both sides.

Where's George? I asked Mr. Gingrich, who surprised me with his optimism. "The message I get from New Hampshire is incredibly anti-Washington," he said. "None of the Bushies are worried about Pat after New Hampshire. What they are worried about is November." That suggests private soul-searching, despite the public Bush spin that nothing but tactics needs to change.

I said I was still skeptical. Mr. Gingrich vowed that Mr. Bush would veto the Rostenkowski tax bill. How about a later bill? "I believe George Bush will veto any tax increase this year," he said, even an increase on the rich. "That's part of the message of New Hampshire too."

Mr. Gingrich is a notorious Pangloss, and Mr. Bush is no reformer. Yet the logic of New Hampshire suggests that Mr. Bush has little choice but to adapt or bleed.

Mr. Buchanan aims not just to wound Mr. Bush this year, but to take over the GOP by 1996. A status-quo, idea-less Bush strategy will give him that chance. Even if he could personally squeak past a de-flowered Democrat in the fall, Mr. Bush would reap a divided party and a bloody second term. New Hampshire has told Mr. Bush that the political risk is not in fighting for change but in standing Pat.



Rep. Newt Gingrich

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FRIDAY, FEBRUARY 21, 1992

Taxpayers Begin to Reap the Benefits Of Cut in Withholding: About \$1 a Day

By LUCINDA HARPER

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The money has begun to flow in President Bush's plan for pumping billions of dollars into workers' paychecks without an act of Congress.

You'll be forgiven if you haven't noticed.

At the president's order, big employers are taking less money out of their workers' paychecks for federal taxes.

While the new withholding rate could pump \$25 billion into the economy over the next 12 months, the typical married worker will be getting about a dollar a day—not even enough for bus fare in most cities.

A married taxpayer with two children will get an extra \$6 or \$7 a week. A single taxpayer will get half as much.

In his State of the Union message last month, Mr. Bush suggested far greater sums, describing the added cash as "money people can use to help pay for clothing, college, or to get a new car."

But his top advisers haven't been able to agree on whether the change is actually intended as an economic stimulus or just a good-government idea. Budget Director Richard Darman, told reporters recently, "It's a withholding adjustment. It is not described as an economic stimulus." Treasury Secretary Nicholas Brady, however, calls it "an enormously important part" of the president's plan for economic growth.

Private economists say the change is likely to have a very modest stimulative effect on the economy this year. "The reduction in withholding add[s] directly to disposable income, which in turns boosts personal consumption," says Oxford Economics USA, a forecasting firm in Wynnewood, Pa. But \$25 billion a year amounts to less than 1% of total consumer spending.

The change in tax withholding already has taken effect in many workplaces, but employers have until the pay period after March 1 to comply. Exceptions will be granted for those employers who at least make a "good-faith effort," the Internal Revenue Service says.

For most large companies it's a simple matter of changing computer software to fit the new withholding tables. Smaller companies often hire service agencies to handle their payrolls, or they can make the changes manually. James Medlock, project accountant for the Denver Water Department, said the change was made on the paychecks of its 1,100 employees in the second week of February.

Most Americans will realize the change at refund time. Because this year's paychecks are larger, next April's tax refunds will be smaller.

"I think if [taxpayers] find next year that a \$900 or so refund isn't there, they are going to be shocked, really shocked, and very, very disappointed," Thomas Bloch, chief executive officer of H&R Block, the nation's largest tax preparer,

Bigger Paychecks

Here are the reductions in weekly withholding at various annual pay levels for a single taxpayer with no dependents and a married couple with two children:

ANNUAL PAY LEVEL	SINGLE-TAXPAYER NO DEPENDENTS	MARRIED-COUPLE TWO CHILDREN
\$20,000	\$3	\$7
50,000	3	6
53,200	1	7
60,000	0	6
70,000	0	7
90,000	0	6

NOTE: No change will occur at wages higher than \$53,200 for single taxpayers and \$90,200 for married.

Source: Pannell Kerr Forster

told the Senate Finance Committee recently.

But Loren Lukes, tax partner at BDO Seidman here, says excessive withholding amounts to "forced, no-interest saving."

Mr. Darman says some people might even call it "stealing" because the government isn't paying interest. Lower- and middle-income workers are more likely than rich people to have too much withheld from their checks, he adds.

One big question yet to be answered is how many Americans deliberately ask their employers to take out too much tax money as a way to save. The Internal Revenue Service says it's too soon to tell how many workers are opting not to have their withholdings reduced by submitting a new W-4 form to their employers.

David Pankonin, owner of a small farm-equipment dealership in Louisville, Neb., said he thinks most of his 17 employees will opt not to get the extra bit of money in their paychecks every two weeks.

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FRIDAY, FEBRUARY 21, 1992

Rep. Aspin Is Seeking To Cut \$110 Billion Of Defense Outlays

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—The chairman of the House Armed Services Committee is advocating at least \$110 billion in defense-spending cuts over the next six years, more than twice the reductions proposed by the White House, according to congressional aides.

Rep. Les Aspin (D., Wis.), who has criticized the Bush administration for not being bold enough in redefining long-term military threats to the U.S., is working to develop a consensus around proposed cuts of \$110 billion to more than \$150 billion by fall 1997. After a series of closed-door meetings with lawmakers this week, aides said that the chairman was close to announcing a package that could become the cornerstone of a broader, Democratic-backed defense-spending plan.

The thrust of Rep. Aspin's initiative is in line with earlier proposals floated by Senate Majority Leader George Mitchell of Maine and Sen. James Sasser (D., Tenn.), chairman of the Senate Budget Committee, though they don't go as far to reduce Pentagon spending as many other lawmakers prefer.

Rep. Aspin has claimed that unlike most of the other proposals, his package of personnel and hardware cutbacks is shaped primarily by analyses of post-Cold War international military threats, rather than domestic budget pressures.

Some elements of Rep. Aspin's package may be changed in the next few days, and the overall numbers may be adjusted as various House Democratic leaders weigh in on the debate. How quickly the services should shrink in the next two years, when defense contractors are expected to announce heavy layoffs, is likely to be a major point of contention.

House Budget Committee Chairman Leon Panetta (D., Calif.), for example, has held off announcing his position on how deep Pentagon cutbacks should be until Rep. Aspin finishes his effort to draft a package acceptable to a majority of the Armed Services panel.

Initial Jobless Claims

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—Initial claims for state unemployment benefits in the week ended Feb. 8 rose to 452,000 from a revised 434,000 the previous week, the Labor Department said.

In the week ended Feb. 1, a total of 3,293,000 persons were receiving state unemployment benefits, down 66,000 from the previous week's revised 3,359,000. The number of people receiving unemployment benefits fell to 3.1% of those covered by unemployment insurance from 3.2% the week before.

Bush Aides Holding Session to Formulate Attack on Buchanan

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON—President Bush's advisers, stung by the results of the New Hampshire primary, are holding a major strategy session tomorrow to decide how hard to attack GOP rival Pat Buchanan.

Although spokesmen for Mr. Bush have publicly denied any significant change in tactics, campaign advisers and top White House aides will be evaluating a proposed series of advertisements comparing Mr. Bush's record and policy positions with Mr. Buchanan's.

The advisers will also be reviewing the president's domestic proposals to decide whether refinements are necessary or whether they should highlight certain proposals.

Mr. Bush himself signaled the change in tactics this week when he told reporters that "all I did was lay back and get hammered by these Democrats and, to some degree, by Pat. And so it's a new ball

game. And we're coming out strong." But he insisted that "the gloves are still on." Those comments came the day after Mr. Bush's smaller-than-expected win—33%-37%—in Tuesday's primary, which followed a Buchanan campaign that focused on Mr. Bush's alleged insensitivity to voters' economic pain.

The meeting tomorrow will be dominated by top policy officials including Chief of Staff Samuel Skinner and new domestic policy adviser Clayton Yeutter, and will be attended by campaign adviser Robert Teeter and other key officials.

Among the ideas being debated is whether to focus more on the personal exemption increase proposed last month by Mr. Bush as part of an economic stimulus package. The proposal was omitted in the first set of legislation President Bush sent to the Congress.

Future Medical Products

HAUPPAUGE, N.Y.—Future Medical Products Inc. said it exercised its right to buy 5,227,159 shares of common of Viromedics Inc. from a third party it didn't disclose. With the purchase, Future Medical owns 60% of Viromedics' common.

Protectionism Dies—Again

There is a lot of debate about exactly what signals New Hampshire's voters sent this week, but on one aspect of their message there should be little argument. Every four years some presidential candidates try to sell protectionism to Granite State voters, and in every election they refuse to buy it.

Americans do like to grouse about foreign-trade practices, but when they go into the voting booth they generally resist blaming all their economic woes on foreigners. Consider the treatment voters meted out to this year's trade-bashers.

Iowa Senator Tom Harkin had the enthusiastic backing of unions in pushing his flat-earth views on trade. He ran an ad that attacked Paul Tsongas as one of several "weak Democrats... who support the Bush trade plan" that will "send your jobs abroad." Mr. Tsongas fired back with a stirring defense of free trade: "Protectionism is a death trap. This country went through disaster 60 years ago when it went down that road, and it is Tom's hope that people do not remember history." Mr. Harkin came in fourth with 10% of the vote.

At the instigation of Democratic guru Bob Shrum, Senator Bob Kerrey trotted out a TV ad in which he said U.S. trade policy should be conducted like a hockey game and pledged to "tell Japan if we can't sell in their market, they can't sell in ours." After the ad ran, Mr. Kerrey saw his poll ratings plummet from 16% to 8%, and he ended up just edging out Mr. Harkin. He at least acknowledged that the commercial was a disaster.

The winners in the Democratic primary were the two most unabashed supporters of open trade. Together, Paul Tsongas and Bill Clinton won 60% of the vote.

Pat Buchanan's protectionist brain-trust, the U.S. Industrial Council, is touting his New Hampshire showing as an endorsement of trade restrictions. But Mr. Buchanan's advisers

admit he eschewed the word "protectionism," and didn't make it the subject of any of his innumerable commercials. He downplayed his views on trade and immigration when they failed to rouse audiences.

The exit polls show New Hampshire voters were interested in sending George Bush a message on taxes, not trade. Some 30% mentioned Mr. Bush's violation of his "no-new-taxes" pledge as a very important factor in their vote; only 5% mentioned trade. Of those who did, 60% voted for Mr. Bush, the more free-trade candidate. That shouldn't be too surprising in a state where nearly half the voters own a foreign car.

If protectionism didn't sell this year in recession-wracked New Hampshire, exactly when and where will it bring electoral dividends?

In 1980, John Connally was an early Japan-basher—and won one delegate after spending \$12 million. In 1984, Walter Mondale muzzled his protectionist message after losing early primaries to free-trader Gary Hart. When Bob Dole and Pat Robertson pandered to South Carolina primary voters in 1988 by endorsing tariffs on textile imports, George Bush attacked them and won resoundingly. Dick Gephardt's infamous Korea-bashing Hyundai-ad helped end his candidacy that year. Mike Dukakis's last-minute appeals to curb foreign investment fell flat. Protectionism is often touted by campaign consultants as a cure-all for politicians behind in the polls. Instead, it often ends up killing the candidate.

George Bush's poor New Hampshire showing has raised fears that the White House might back away from its commitment to a North American free-trade accord. Such a move would conjure up images of a panic-driven White House and further undermine confidence in the Bush presidency. History amply demonstrates that in the U.S., protectionism is a political loser.

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FRIDAY, FEBRUARY 21, 1992

Economy to Be on Mend by November But Strength of Pre-Election Recovery Is Debated

By ALFRED L. MALABRE JR.

Staff Reporter of THE WALL STREET JOURNAL
The saw about laying all economists end to end and their still not reaching a conclusion isn't true this election year. While they differ over the exact strength of a recovery, most economists say that President Bush will have the economic wind at his back come Nov. 3.

Their judgment, of course, may prove wildly off the mark. Few forecasters imagined the economy would remain so sluggish for so long. Moreover, huge imponderables render their crystal balls even more hazardous than usual. How seriously will record debt weigh on the economy? Or how will cutbacks in defense and by strapped states and localities suppress growth? Will a trade war erupt?

Still, the economic consensus over the years has proved right more often than wrong, and Mr. Bush can only hope that this is such a moment, for the seers' message is that by November the economy will be clearly on the rise, with only mild inflation and unemployment edging down.

Distinct Improvement

"By the time Americans head for the ballot box, the debate won't be—as it is now—over whether the economy will recover, but over how robust and lasting the recovery will ultimately turn out to be," predicts Robert Eggert, an economic consultant in Sedona, Ariz., who surveys 50 leading forecasters each month.

In his latest survey—his first since President Bush unveiled his proposals to spur the economy—the forecasters expect on average that the gross domestic product, adjusted for inflation, will rise at an annual rate of 3.1% in the third quarter and 3.3% in the fourth. They also foresee a jobless rate of 6.9% in the third quarter and 6.5% in the fourth.

Such a showing wouldn't match the usual performance early in a recovery, but it still would represent a distinct improvement over the economy's behavior of late. In the current quarter, GDP is widely expected to increase less than 1% and unemployment seems stuck at 7.1%.

"The momentum of the business cycle" is one reason for the economy to strengthen as the election nears, says Geoffrey Moore of Columbia University, an authority on the economy's ups and downs. The economy has kept expanding, albeit at a snail's pace, since last spring, he says, and "the longer it continues to rise, the likelier the recovery will spread."

Historically Speaking

Since World War II, Mr. Moore recalls, economic upturns have averaged about four years and never lasted less than one. Nor, he adds, has a recession resumed after the economy has risen uninterrupted for so long as now. A widening recovery "will also lend strength to economies abroad, ultimately reinforcing growth both at home and elsewhere," he says, adding that indicators he compiles of future trends in 10 foreign countries point to "recovery or continuing expansion" in eight.

Another plus, most forecasters say, is that 1992 is a presidential-election year. Eight of 11 such years since World War II were recession-free and another nearly so; the recession of 1945-49 didn't start until just after the election that returned President Truman to office. Only two of the 11 years were deeply marked by slumps—the 1960-61 recession and the 1980 recession.

"It's a good bet that Mr. Bush and his advisers are keenly aware of this history and will strive to keep the economy accelerating as November nears," says David Poole, economist at Van Eck Securities Corp. In presidential-election years since 1948, he notes, economic activity has risen on average about 4% and fallen only once—in 1980.

The Commerce Department's index of leading indicators, which tends to foreshadow the economy's general course by several months, has recently edged down. Even so, most analysts doubt this slippage signals a new economic decline since the index often weakens briefly as a recovery takes hold. They also cite recent gains in sectors that tend to foreshadow business activity by extra-long leads.

Encouraging Signs

One is home building, where lower mortgage rates have brought a pickup in housing starts. Anthony J. Vignola, chief economist of Kidder, Peabody & Co., notes that "increased housing activity typically precedes improvement in consumer attitudes," which remain depressed. Increased home building also leads to gains in other home-related businesses. "We're expecting above-average increases this year in such industries as household appliances and furniture," says Norman Robertson, chief economist of Mellon Bank. He estimates that household-appliance production, for example, will rise 4.5% in 1992, against 2.7% for all manufacturing.

Recent "accelerating growth in the money supply should lift the economy in coming months," says Edward S. Hyman, president of ISI Group Inc. Increases in the money supply—broadly defined to include most savings deposits—tend to precede similar gains in the economy as a whole very roughly by six months. After a prolonged period of little or no increase, Mr. Hyman notes that this monetary measure has recently risen at an annual rate of more than 4%. He's also encouraged by "the first signs in over a year of an upturn in borrowing." The volume of bank loans plus commercial paper borrowing has expanded since mid-January, he notes.

Inventory restocking should also "contribute meaningfully to recovery" in coming months, says Robert J. Barbera, chief economist of Shearson Lehman Brothers Inc. Inventory cutting in the latest recession, he says, has been more extensive than in most postwar slumps, and so restocking is likely to be substantial, particularly with recent signs of "some pretty strong gains at major retail chains."

Mr. Barbera, who looks for the economy to expand at a 5% rate by midyear, also notes that new car sales increased in January and the climb accelerated in early February. One reason, he suspects, is that the average age of cars on the road, at about eight years, is higher than in 40 years. "Replacement demand will be a growing source of strength," he says.

Thoughts on Inflation

Even with an appreciably stronger economy by election time, most forecasters doubt that inflation will worsen significantly. And, they reckon, if inflation doesn't rise appreciably, neither will interest rates. Mr. Eggert's consensus expects consumer prices to rise at annual rate of 3.3% in the third quarter, no higher than this quarter's estimate, and little change is seen for interest rates.

Inflation, analysts explain, tends to remain dormant or even abate early in recoveries, when labor, materials and equipment are ample. In such circumstances, productivity gains accelerate and serve to reduce costs and boost profits.

Factors apart from the business cycle should also work to hold down inflation. Analysts cite the likelihood of large cutbacks in military outlays, deemed especially inflationary since they pump huge sums into many pockets but do little to expand available goods or services.

Vincent J. Malanga, president of LaSalle Economics Inc., looks for oil at "perhaps \$13 to \$15 per barrel by spring," down from more than \$16 recently. He predicts that "Saudi Arabia will do everything in its power to assist Mr. Bush's re-election effort." A price of \$15 a barrel, he adds, "would be the equivalent of about a \$30 billion tax cut."

Many economists believe the economy will pick up speed even if a statement develops between Congress and the Bush administration over a plan to pep up the economy. Maury Harris, economist of PaineWebber Inc., says, "The federal deficit already is so high and the capital markets are so sensitive" to still-rising budgetary red ink that further fiscal moves "simply cannot play" a very stimulative role.

Whoever wins the election may benefit later from the relatively modest recovery that most forecasters anticipate. Precisely because the upturn won't be robust, it's likely "to be more balanced and sustainable," says Charles Reeder, an economic consultant in Wilmington, Del.

X The Capital-Gains Tax And Divine Inspiration

I was puzzled by one of Alan Reynolds's arguments ("The Flaw That Mars Bush's Tax Cut," editorial page, Feb. 6). He states that when a homeowner invests to improve his house, "those costs are properly excluded from any capital gain when the house is sold." He then goes on to argue that is not the case when "a company makes similar improvements, enhancing the firm's value."

His argument is not technically correct. Under the current law, both the business and the homeowner get to write off once any improvement and/or investment in their property. Businesses write off the full amount, albeit over several years. While it is true that the homeowner gets to write off all his expenses in one single year when the house is sold, it is not at all clear that the homeowner gets a better deal. The discounted value of the tax shield provided by the improvements may very well be less than the discounted value of the tax shield provided by the depreciation. The home improvements get added to the cost basis without indexation. They are written off at the time of the sale of the house. As such, the tax shield is back-loaded.

In contrast, with any accelerated depreciation (i.e., expensing), the tax shield offered by the depreciation is front-loaded and will not be eroded as much by inflation. This brings us to the final issue. For the homeowner and the long-term investor, indexation can bring better relief and provide higher incentives to produce and invest than the proposed reduction in the capital-gains tax rate: 15% is fine but indexing is divine.

VICTOR A. CANTO

La Jolla, Calif.

THE WALL STREET JOURNAL.

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FRIDAY, FEBRUARY 21, 1992

House Drops Corporate Rate Reduction From Proposed Legislation to Cut Taxes

By JEFFREY H. BIRNBAUM

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — House Democrats, changing their tax package for the second time in as many days, dropped their proposal to reduce the top corporate tax rate.

That decision came after rank-and-file Democrats questioned in a private meeting why corporations should be given such an indiscriminate benefit in a bill that is supposed to curry the favor of voters and spur business investment.

Meanwhile, in the Senate, Chairman Lloyd Bentsen (D., Texas) of the Finance Committee agreed to prepare a bill that would finance any tax cuts with increases in other taxes, rather than with cuts in military spending. That decision placated Appropriations Committee Chairman Robert Byrd (D., W.Va.), whose cooperation is needed if a tax bill is to pass.

Yesterday's developments improved the prospects Congress will approve a tax bill. But lawmakers still appear headed toward a direct confrontation with President Bush, who opposes Democrats' continued insistence on raising taxes on wealthy individuals.

Foley Predicts Passage

The House Democrats' bill, which would give tax relief to middle-income individuals and increase taxes on the wealthy, is expected to come to a vote in that chamber next week. "The bill will pass," Speaker House Thomas Foley (D., Wash.) predicted. It will be considered along with Republican alternatives, which would emphasize investment incentives and wouldn't raise taxes.

Sen. Bentsen's committee will begin to devise its tax plan next week. The measure is likely to be similar in concept, if not in every detail, to the House Democrats' plan. Sen. Bentsen declined to discuss the components of his proposal. But lawmakers expect that the panel will endorse some form of tax reduction for middle-income families, a tax increase for high-income earners and a smattering of provisions to promote investment.

In addition, the Finance Committee is expected to attach a number of health provisions to its tax bill, including measures that would make health insurance more affordable and easier to obtain. Democrats are eager to outdo the president in this election-year issue.

The finance panel's bill, once completed, probably would run into a partisan wrangle on the Senate floor. President Bush has said he would oppose any bill that would raise taxes, even on the wealthy, and Republican senators are considered likely to tie up any such measure with a filibuster or a long series of amendments.

Such a tactic could make it difficult for Congress to get a tax bill to the president's desk by his March 20 deadline, though

Democrats already are preparing to blame Mr. Bush and his fellow Republicans for causing such a delay.

Still, the chance of getting a tax bill to the president was enhanced when Sen. Bentsen reversed his earlier position and acceded to Sen. Byrd's demand that the so-called peace dividend be used to pay for increased domestic spending rather than tax cuts.

The health measures Mr. Bentsen plans to include in the tax bill are part of a bill he introduced last fall. They would prohibit insurance companies from denying coverage to people with medical conditions and protect people with health problems from losing their health insurance if they change jobs. They also would allow self-employed people to deduct the full cost of health insurance from their taxes and expand Medicare to cover more preventive care services, such as influenza shots and cancer screening.

House Ways and Means Committee Chairman Dan Rostenkowski introduced a companion bill to Mr. Bentsen's health legislation, but he isn't expected to try to attach it to tax legislation.

Before dropping the proposed corporate tax-rate cut yesterday, House Democrats had agreed on Wednesday to scale it back by recommending that it last just two years rather than permanently. The Democrats on the Ways and Means Committee did away with the tax-rate cut entirely because their Democratic colleagues continued to complain about it.

Snubbed by Business

The corporate community, which stood to benefit most from the one percentage point cut snubbed the idea. Big-business lobbyist Charles E. Walker campaigned vigorously against the reduction, saying he preferred instituting generous tax breaks targeted at capital-intensive companies such as those he represents.

Even the Tax Reform Action Coalition, a group of lobbyists that was established to press for corporate tax-rate cuts, shunned the Democrats' bill, apparently because it also included a proposed increase in taxes on high-income people. At a meeting yesterday of the coalition, no one even raised the prospect of supporting the Democrats' plan, said one participant.

Separately, the House Government Operations Committee took the first step toward altering the 1990 budget agreement in a way that would permit funds cut from the military to be used to increase domestic spending.

The 1990 pact requires that any savings from projected levels of military spending be used to reduce the budget deficit. The committee bill would allow such money to be spent for nonmilitary purposes. The effort is given a good chance of approval in both the Senate and the House, where it is backed by Democratic leaders.

X Human Rights Diverted

Those talking about constructive change at the United Nations will have to pause to consider what's coming out of its Human Rights Commission's annual session in Geneva this month. First, consider the good that the commission is capable of performing on this subject.

Yesterday, special rapporteur on Iraqi human rights Max van der Stoep, a Dutchman, presented what could be the strongest report of human-rights violations in the history of this commission. He concludes "that the violations of human rights which have occurred are so grave and of such a massive nature that since the Second World War few parallels can be found." Saddam's men poured toxic materials on torture wounds; the Ba'ath Party's *modus operandi*, the report notes, includes rape.

Against this stark reporting, now consider how the commission itself is conducting its affairs. Before this session the commission completed one "reform" that the New York-based Security Council has been asked to contemplate: Despite a "no" vote from America's beleaguered representative, Morris Abram, the group expanded its numbers to 53 from 43 to give Third World countries more of a say on atrocities (most of which they commit). They in turn are taking up an agenda that includes evaluating the human-rights status of Cuba, Burma, Iran and of course Iraq. Their first act was to name Iran as the group's vice-chair.

The program includes a day in which the commission reviews "detention or imprisonment, torture and disappearance." But the member na-

tions that provide judges to preside over this review include: Iraq, where Ba'athist soldiers are kicking Shia heads into the dirt in the country's southern marshlands; Iran, which is persecuting its Baha'i minority; and Cuba, which earlier this year shot and wounded children fleeing through the cactus fields in an attempt to defect to the U.S. base at Guantanamo Bay. China is also on this board, despite its Tiananmen prisoners.

Chinese Ambassador Fan Guoxiang contributed to the meeting's tone by saying that "it is not proper for any country to figure itself as a world judge in the international human-rights field."

One can write off the commission as a mere debating society. But it is obviously also capable of bringing the world important news.

All the more necessary, then, that the body return to a sounder course. The commission derives its prestige from the support of powers such as Japan, Germany and the U.S. Its potential is great. The new leadership of East European countries, such as Czechoslovakia or Bulgaria, come to Geneva to see what world standards are for right and wrong treatment of its citizens. Instead, items such as the "Right to Development" take up much of the Geneva agenda.

Yesterday's horrifying report on Iraq suggests that there is indeed a need for what the commission purports to be. But if the U.N. is to be taken seriously, agencies with the high visibility of the Human Rights Commission will have to make a much greater effort to act seriously.

X Converting the Converted

That it is imperative to find new, peaceful endeavors for the 2,000 to 3,000 nuclear-weapons experts of the Former Soviet Union (FSU) is an argument that almost no one in the West disputes. That's of course because of fears that some of these scientists might be lured by lucrative money offers to such places as Libya.

Secretary of State James Baker told a group of 50 FSU nuclear-weapons experts at Chelyabinsk last Friday that finding them new work is a matter of the highest priority for both the U.S. and Russia. And now, foreign ministers of the European Community have endorsed the formation of a new institute in Russia to facilitate the skills transfer.

A joint effort of Russia, the U.S. and Germany, the "International Science and Technology Center" would be created in Russia to match up scientists and projects. An EC official said the price tag would be \$100 million, with the U.S. contributing a quarter of that amount. German Foreign Minister Hans-Dietrich Genscher said

the effort would require "strong international support," plus funding from foundations, academic and scientific institutions and the private sector.

Ultimately, the best protection for the West is most likely to be found in the scientists themselves. If they are given decent alternatives, it is unlikely that many would choose to continue the nefarious work that has engaged them up to now. The chief scientist at Chelyabinsk, Yevgeni N. Avrorin, told Mr. Baker that it is not only important for scientists to earn a living but also to be in a position to do important work.

Surely the world has enough important work for them. For starters, they could help find the most effective ways of disarming and disposing of most of the nuclear warheads they built. They have much to contribute to the announced U.S.-Russian effort to build an SDI system. And they have enormous contributions to make to our understanding of the Soviet Union's efforts to create truly terrible weapons with the tools of biotechnology.

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FRIDAY, FEBRUARY 21, 1992

Washington Wire

A Special Weekly Report From The Wall Street Journal's Capital Bureau

BUSH HEADS for an election-year collision with Democrats over tax cuts.

Despite his dust-up with Buchanan in New Hampshire, the president won't reverse his decision to keep a middle-class tax cut out of his short-term "action plan." Advisers believe voters care more about economic growth than middle-income tax relief. Though Bush can't be seen as opposing such a tax cut, he likely would veto a Democratic tax bill that also raises taxes on the rich.

At the moment, Congressional Democrats and the White House aren't inclined to compromise; House Speaker Foley predicts Buchanan's strong showing will increase Bush's Congress-bashing. Interest in a tax cut could end if the economy is picking up steam by spring, as the administration, the Federal Reserve and private forecasters now expect.

But the optimism is restrained. The economic recovery, one Fed official laments, "has been sighted as often as Elvis in the National Enquirer."

BUSH WOULD GAIN from a crisis that plays to his foreign-policy strengths.

Several hot spots have possibilities. Bush could get tough in Haiti and try to unseat leaders of the military coup; Buchanan opposes that. Libya could be made to face the music if it fails to turn over two suspects indicted in the Pan Am bombing. The biggest boon to Bush's campaign would be removing Iraq's Saddam Hussein.

But despite stepped-up, covert efforts to destabilize the Iraqi dictator, the U.S. has limited ability to get a coup rolling on its own. And the price of failure of any such foreign adventure could be enormous.

SOUTH DAKOTA SHOWDOWN should eliminate Kerrey or Harkin.

Both New Hampshire also-rans need a win in Tuesday's primary in their neighboring state to survive in the Democratic presidential race. Nebraska's Kerrey has the best campaign operation; he even organizes Indian reservations, as the late Robert Kennedy once did. Iowa's Harkin trumpets his Harkin-Gephardt bill to aid family farmers. "The loser," says Democratic pollster Paul Maslin, "has no chance."

Money is crucial. Both campaigns are nearly broke. Looking ahead, Kerrey, if he survives, has lined up some big financial support in Florida for that state's March 10 primary. Harkin hasn't tapped big money from his union backers, and his direct-mail pleas aren't bringing in the bucks.

Tsongas, who expects a boost by winning Maine's caucuses Sunday, broadcasts an ad in South Dakota featuring his father-in-law, a former University of South Dakota football star.

CLINTON GAINS on the left after New Hampshire. Some fence-sitting liberals send donations after the release of his 1969 letter to Arkansas draft officials condemning the Vietnam war. Departing NAACP leader Benjamin Hooks praises the letter for denouncing racism.

UNIONS RUSH to endorse Democratic presidential candidates after the AFL-CIO frees members to do so. So far, 14 back Harkin, who supports labor causes. They include the auto and communications workers. Three considering Harkin unelectable, support Clinton. Just about all reject Tsongas, who has taken stands labor opposes.

DUMPED: The Bush administration drops plans to nominate James Benkard as the Justice Department's top environmental prosecutor after conservative activists attack him as too cozy with environmentalists. Under consideration: Chicago lawyer Vicki Masterman, an Environmental Protection Agency official in the Reagan years.

MOVING? Gail Wilensky, head of the agency that runs Medicare and Medicaid, is offered a move to the White House domestic-policy staff. She would probably be above Roger Porter, who recently dropped to the No. 2 spot when former GOP Chairman Clayton Yeutter took the top job. Porter's plans are uncertain.

HEALTH-CARE CHANGES likely will be narrow this year despite much talk.

The initial focus is to make health insurance more affordable and available. Legislation would include protecting people from being denied insurance because they have medical conditions and from losing coverage if they change jobs. Texas Democrat Bentzen plans to attach such proposals to the tax bill his Senate Finance Committee takes up next week.

Revising insurance is likely because "everybody sort of supports it," including Bush, says the Federation of American Health Systems' Michael Bromberg. The industry, fearing broader changes, probably won't put up a big fight. Pennsylvania Sen. Wofford, who was elected in large part because he urged national health insurance, says he backs "small, good steps in the name of the greater issue."

But some Democrats think sweeping health-care legislation still could be pushed through this year if Bush continues to stumble in his bid to be re-elected.

MINOR MEMOS: A man who introduced himself at the recent Jennifer Flowers press conference as Dr. Stanley Duck, voice-analysis expert, was actually political prankster Dick Tuck. Several reporters bought his analysis. . . . Ohio Rep. Kaptur promotes the competitiveness of America's auto-parts industry by sending reporters boxes of car parts made in the U.S.A. . . . The Justice Department, as first reported in the newsletter DOJ Alert, announces a nine-year plan to reduce its Washington-area facilities from 65 buildings to "only" 50.

—Compiled by RONALD G. SHAFER

SEC Proposes Higher Fees For Investment Advisers

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON — Investment advisers would be forced to pay annual fees of as much as \$7,000 under a plan to help the Securities and Exchange Commission beef up enforcement of the adviser industry.

The proposal, which the agency will send to Congress in the next few days, would set a minimum yearly fee of \$300 for an adviser registered with the SEC. The charge would increase based on the size of the adviser's assets, with firms managing \$5 billion or more paying the maximum of \$7,000 and those with \$10 million or less paying the minimum.

Currently, the 17,500 investment advisers registered with the SEC pay a one-time fee of \$150. But that has proved inadequate for policing the industry, SEC officials and lawmakers argue.

For example, Sen. Christopher Dodd (D., Conn.), chairman of the Securities Subcommittee, noted that the number of SEC examiners overseeing the industry had risen by only 10 in the past decade to 46 examiners, while the amount of assets managed by those advisers has ballooned to \$5.4 trillion from \$450 billion.

While big mutual funds and money-market funds are inspected annually, the SEC is hoping to cut the time between visits for the smaller advisers to five years. To do so, it wants to quadruple the examination staff to 175. The SEC is proposing to pay for the additional examiners with the fees.

X A Diplomat Explains Yugoslavia

What is causing the civil war in Yugoslavia? David Anderson, former U.S. ambassador to Yugoslavia (1981-83) and currently director of the Aspen Institute in Berlin, offers a diplomat's view in a letter to his daughter, Natalie. Excerpts follow:

You ask what has happened. Several unfortunate, sad and even tragic developments. Tito died in 1980, 10 years too late to leave behind a functioning governmental structure. He prepared no successors. In fact, the Serbian and Croatian liberals whose heads he figuratively lopped off in 1971-72 were Yugoslavia's last, best hope for a more democratic, less dogmatic system of governance. With their disappearance, the country was basically lost to the old guard of former partisans and Communist Party apparatchiks. The problem for most observers, myself included, is that we did not recognize the enormous damage that Tito had done. With his internal machinations, he left Serbia weaker, Croatia not much better, and so set the stage for events 20 years later.

He compounded the failure by drawing up a constitution in 1974 that effectively returned power to the republics—principally to keep the Serbs from dominating the others. But as he distributed power to the republican fiefdoms, he did not demand a consequent responsibility for use of this new power. Thus, there was no constitutional glue to hold the country together when he left the scene.

Economic Tribulations

The economy was Tito's other major mistake. Yugoslavia's foreign debt in the mid- and late 1970s was allowed to accumulate in an uncoordinated and uncontrolled manner. The result was that by 1979-80, the country was near bankruptcy. Western assistance helped solve the problem temporarily up to 1986 or thereabouts, but Yugoslavia's lack of financial and investment discipline re-entered the scene so that by 1988 the country's economic tribulations were catastrophic—including an inflation rate of some 2,500% in early 1989. It is almost back at that level now. The foreign debt problem also expanded so that, today, Yugoslavia owes creditors more than \$15 billion.

You will ask if Tito alone or even the Communist ideology he preached was responsible for today's breakup of the multinational state. I am of the view that Tito and his variation of communism were not especially important in the larger order of things in the land of the South Slavs. Certainly, by much flinching he kept the country together. Surely, the ideology gave a rationale for various schemes and plans, most of them misbegotten.

But the problem, I fear, is the Yugoslavs themselves. They are a perverse group of folks, near tribal in their behavior, suspicious of each other (with usually sound reasons), friendly on the outside but very cynical within, ever ready for a war or a battle, proud of their warrior history, and completely incapable of coming to grips with the modern world.

To go wandering in Yugoslavia, long before the current civil war, was an adventure. As you will recall, we always met strange people who seemed caught up in

some time-war. I enjoyed the sensation of stepping back in history, for I am something of a romantic. But I could afford my romanticism (except when I was a serious ambassador): the Yugoslav leaders could not. When confronted by nasty facts of everyday life—e.g. International Monetary Fund conditionality for loans—they would hark back to the glorious Partisan days and threaten to go off to the woods and eat leaves before bowing to the horrible American-dominated (in their view) international financial institution.

So here we are in 1992 and Yugoslavia unravels as I write. The winter will end.

They are near tribal in their behavior, suspicious of each other (with usually sound reasons), friendly on the outside but very cynical, ever ready for a war or a battle, and completely incapable of coming to grips with the modern world.

the cease-fire will lapse, the civil war will begin again—and this time, Bosnia and Macedonia will be involved.

The Croats and Slovenes knew they set out on a dangerous course when they first pressed for independence. The Croats, in particular, were well aware that the 600,000 Serbs in Croatia would not be left unprotected by the Serbian authorities in Belgrade. And, indeed, the Serbs reacted predictably.

One may debate whether the Croats were provocative at the outset and the Serbs overdid things with their violent response. Whether the Serbs were intent on creating a Greater Serbia at Croatian expense is open to question. That so many people died and suffered, that so many villages, towns and cities were devastated—that is not open to question. It all happened. The bombing of cities by the Serbs who well knew that no Serbian residents required protection (Osijek, Dubrovnik, Zadar) was, in the purest sense of the word, immoral.

So, I would say, a plague on both houses. But that is not enough. I ask myself whether these republics, which had co-existed for so many decades in peace and even friendship, can resume the personal relationships and trust of earlier years. I conclude that they simply cannot. That is the ultimate tragedy.

Those who brought about the evil in the old land of the South Slavs will go to their graves knowing that they, and they alone, not only ordered killing and devastation in their own land; they also put an end to the messy and untidy structure that once was Yugoslavia. They have left behind a population that will be as divided and hostile as anything that characterized the Balkans for several hundred years. My old Scottish mother, who understands tribal antagonisms as well as I understand Yugoslavia, would say of these Yugoslav "leaders":

"Bad seed to them." I can only echo this curse.

With Yugoslavia's having dissolved into a series of mini-states, you will ask—what now? Chaos, disaster or simple economic ruin, I reply. None of these states, not even supposedly prosperous Slovenia, is productive enough on a large enough scale to make a modern state function. Each will slide backward. Yugoslavia was never an economic success story, but it always managed to muddle through. Now, most of the country is finding it difficult to do much more than subsist.

And then there comes the self-delusion of each mini-state concerning its place in the world. All want instant international recognition, in part for reasons of pride, in part out of the expectation of aid, credits, trade, membership in the World Bank and IMF (not to mention the U.N.). They also all expect to be able finally to buy weaponry so that they can fight the next phase of the civil war on a more even footing—i.e., with more sophisticated weapons.

And, finally, several of them are beset by illusions that the West will act in decisive fashion to end the violence. For example, the Slovenes and Croats talk readily of the U.S. Sixth Fleet moving aggressively into the Adriatic to sink any ships that bombard coastal cities. Arms and ammunition will be dropped by friendly Western aircraft to communities besieged by hostiles. And no Serbian warplanes will be allowed to overfly other republics because the "West" (the U.S.) will monitor overflights and send up sorties to force the Serbian aircraft to back down.

Modern Diplomatic Methods

What of the role of the West, if any, in this unholy mess? I would like to think that the U.N., the European Community, the Conference on Security and Cooperation in Europe, the Western European Union, the U.S., Germany, France or a combination of several Western states could come up with a way to manage or at least control the conflict in what used to be Yugoslavia. But no Western soldier is going to be sent to die over a Serb-Croat conflict.

The U.N. forces will withdraw when the shooting starts again. The EC and CSCE will not become militarily involved. The U.S. hopes that the whole dirty business will go away. The Germans may send some money to Slovenia and Croatia, but very little; and any more active involvement is out of the question. As one German commentator put it, we will simply have to wait until all sides have exhausted themselves (i.e., killed themselves off) and then we will try to help the survivors. So much for modern diplomatic methods.

That is the story as I see it. It need never have happened. What was required was wiser leadership in all of the republics of Yugoslavia: less emotion and more common sense; better diplomacy by a disinterested Western Europe and U.S.; and a readiness by the Yugoslavs generally to see the modern world as it is. But there was none to be found. That is a reason to be sad when you contemplate this land where once, for a few years, you made your home—and which I once considered part of me.

Tax-Law Change Courts Disaster

Tim W. Ferguson's Jan. 31 editorial-page article, "Flat Tax Gets an Unfair Hearing in California," criticized my support for the home-mortgage deduction. Mr. Ferguson suggested my support for the deduction was motivated solely as a way of criticizing my principal opponent for the GOP senatorial primary in California, Bruce Herschensohn. Mr. Herschensohn has proposed the elimination of all deductions from the tax code.

The Herschensohn proposal would devastate the housing industry at a time when it is already reeling. Following the changes of the 1986 Tax Act, real estate went into decline. And that brought the savings-and-loan industry down. Elimination of the home-mortgage interest deduction would decimate the values built up in homes throughout the country. S&Ls and banks that made such mortgage loans would suffer a precipitous drop in their asset-value-to-loan ratios. This would lead to more closures of banks and S&Ls, more strain on the mortgage insurers, more property taken over by the Resolution Trust Corp., more real estate dumped on a declining market, and a prolonging of our economic slump.

To raise these points is not, as Mr. Ferguson suggests, to play on the fears of homeowners. It is to raise a substantive objection to a proposal that would hurt our economy at a critical time.

Mr. Ferguson suggests this harm could be lessened by adopting a "transition" period before the home-mortgage deduction is eliminated. But from the date of enactment of a new law eliminating the home-mortgage deduction, whether at once or over a period of transition, the present value of a home will decline, anticipating the eventual phase-out of the deductibility of home-mortgage payments. And from that fact follows the immediate harm to the financial industry, and the prolonging

of the current recession.

There are additional reasons to oppose the removal of the home-mortgage deduction. Removing it will lower the equity every current homeowner has in his home. Fewer Americans would be able to buy homes: 75% of all homeowners say they would not have been able to buy the home they have were it not for the home-mortgage deduction. And eliminating the deduction will also make it very hard for some people to meet the mortgage payments they pay at present.

Such dramatic changes of the tax laws, so as to fundamentally affect investments made under a prior assumption, are damaging to economic efficiency. One of the most harmful things we do in our economy is to change the tax laws, with retroactive effects, disrupting settled expectations about investment decisions.

REP. TOM CAMPBELL (R., Calif.)
Washington

THE WALL STREET JOURNAL.

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FRIDAY, FEBRUARY 21, 1992

The beginning of the end for the Bush presidency may have occurred not Tuesday in New Hampshire but four years ago in the Granite State.

Campaigning for the GOP nomination, George Bush called his chief opponent, Sen. Bob Dole, a "Senator Straddle" who would raise taxes. Mr. Bush told the New Hampshire voters who approved him over Mr. Dole that he would "never raise taxes, period."

Before that period was erased in the budget agreement of 1990, history shows that it grew. "The Congress will push me to raise taxes," Mr. Bush said in his 1988 convention acceptance speech, and to the nation, "and I'll say no, and they'll push again. And all I can say to them is

Terry Eastland is a fellow at the Ethics and Public Policy Center.

A core of convictions needed

read my lips: No New Taxes."

That was all Pat Buchanan could say to New Hampshire voters — almost enough to win. It is hardly surprising that Mr. Buchanan went back to 1988. No conservative challenger could have declined to shoot at such close, fat targets, and Mr. Buchanan, in his column and on television, had years of practice. What is surprising, although perhaps by now it should not be, is that Mr. Bush is experiencing amnesia. "I never did take the [no new taxes] pledge in New Hampshire," he told the Boston Globe last week. Will he also forget that he also took it during his acceptance speech?

Bush aides, and presumably the president himself, have decided that

his declining approval ratings, and now no doubt the New Hampshire returns themselves, are a product of "poor communication." Mr. Buchanan probably will invite the president to continue to communicate, as he did to the Globe, and Mr. Bush could oblige, unless he absorbs the message of New Hampshire.

It remains unlikely that Mr. Buchanan, a protest vote for many in New Hampshire, will wrest the nomination from Mr. Bush, who competes best when seriously threatened. And Mr. Bush, helped by an economy juiced by the Federal Reserve, may indeed be re-elected. But what then?

The Republican nightmare is an anemic second term, i.e., one like the

first, minus a second Gulf war, which has camouflaged the underlying weakness of the Bush presidency. That weakness stems from its disastrous commitment to an untenable distinction between campaigning, or politics, and governing. Mr. Bush has shown that he will say what he has to say to get elected but do as thinks he must to govern, all dissonance aside. Thus in 1990 he signed on to a \$170 billion tax increase, which included, should anyone forget, an increase in the top personal rate from 28 to 32 percent, and a jump in Medicare and gasoline taxes.

As events have proved, the budget agreement asked the wrong economic question. As New Hampshire

voters understand, the problem for the economy is not the size of the deficit but its rate of growth. But the political problem for the president is not merely whether he can be believed when he talks about taxes and economic policy today but what he believes, if anything. Mr. Bush is the only politician around whose philosophical commitments allow him to support both a constitutional amendment against flag-burning and a National Endowment for the Arts that funds equally obscene acts.

It is often said that Mr. Bush is likely to be the last president to have served in World War II. Of more relevance is that he holds to his generation's belief in governing as mainly a matter of working with elites, the public never mind. Mr. Bush's budget summit perfectly expressed that idea. Asked in 1990 whether it would

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EASTLAND

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have been better to have publicly debated the question of raising gasoline taxes instead of pursuing such a policy behind closed doors with congressional leaders, Mr. Bush replied: "Well, I don't know that any person ... opposed to raising gasoline taxes would have been more inclined to accept them if the negotiations ... had been done in public."

Mr. Bush's kinder, gentler and — it must now be said — no-growth presidency has included few mentions of Ronald Reagan, who boosted Mr. Bush's presidential prospects by putting him on the ticket in 1980. Mr. Reagan was weak where Mr. Bush thinks himself strong, inside Washington. But unlike Mr. Bush, Mr. Reagan understood the importance of forging real and symbolic links with a polarized electorate. Mr. Reagan united politics and governing in the continuous popular dialogue of his many speeches, and he acted often enough upon his convictions — securing tax cuts in 1981 and tax reform in 1986, for example — that Americans forgot when asked about the several times he increased taxes.

It is too much to ask Mr. Bush to become an authentic conviction president, which Mr. Reagan was. But if Mr. Bush wishes to avoid being devoured in a second term, he must map a strategy for governing that does not disdain the politics of public argument and that sticks to a set of core ideas, no matter how tempting it might be for him to scrap them. The president has met the enemy in New Hampshire, and it is he.

PATRICK MICHAELS

NASA, Gore, environment, liftoff

In previous discussions on these pages about atmospheric gases and other matters, we have already established the following, either from first physical principals or the refereed scientific literature:

- Ultraviolet-B radiation — the kind that causes most skin cancers — has been declining across the U.S. measurement network, and most of the industrialized Northern Hemisphere.

- Ozone depletion occurs every winter during polar night, so NASA will report some at their press conference next month.

Patrick Michaels is an environmental scientist and frequent contributor of articles on scientific issues.

- The hypothesized rapid ozone depletion mechanism is confined to the period when the sun is either below or very near the horizon. When the sun rises to higher elevations, ozone is reformed.

- This same mechanism is physically impossible in our hemisphere in any magnitude that approaches what occurs over Antarctica.

- The source of the sudden peak of chlorine observed in our hemisphere is probably Mount Pinatubo (although the critical experiment to determine this has never been performed).

- If, as the National Science Foundation has



Al Gore

said, volcanoes can accelerate ozone depletion by supplying a reaction surface that temporarily resembles what happens over Antarctica, and they release large amounts of chlorine and similarly reactive elements, rapid late-winter ozone depletions are a common phenomenon and therefore cannot be particularly threatening to the biosphere.

- The scientific review time for a mainline journal like *Geophysical Research Letters* is six to eight weeks. What was so urgent about NASA's findings that they couldn't wait for review? Who is going to get skin cancer or cataracts moonbathing in February in the Canadian Arctic Archipelago or Northern Scandinavia — the places where an ozone depletion would be most notable — while the paper is reviewed?

As they say, inquiring minds want to know.

In fact, there are already hypotheses kicking about our nation's capital, and I'll just name a few:

- (1) The Naive NASA Hypothesis. They really didn't know all of the above and thought they were saving the world. Post-discovery of the facts will result in a retraction (after the legislation has been signed and the citizenry billed). There is a precedent in the global warming issue. NASA scientist James Hansen told a hushed Congress on June 23, 1988, that "global warming is now sufficiently large that we can ascribe with a high degree of confidence a cause-and-effect relationship to the greenhouse effect." On Feb. 11, 1989, he wrote in *The Washington Post*, "The evidence for an increasing greenhouse effect is now sufficiently strong that it would have been irresponsible if I had not attempted to alert political leaders."

On Jan. 24, 1992, he took it back. From *Science*: "The aerosol forcing (cooling effects of other industrial activities) has likely offset global greenhouse warming to a substantial degree." This followed a statement that this cooling effect is "comparable in magnitude to the current anthropogenic greenhouse gas forcing but opposite in sign."

I don't buy this hypothesis. NASA knew about aerosol cooling in 1988 even when they hyped warming, and they know all of the above about ozone, too. Naive? Do you really believe that an organization that sent men to the moon didn't precalculate the downstream trajectory of a press release?

- (2) Budget Time. This one, championed by a spectrum ranging from environmental scientist S. Fred

Singer to broadcaster Rush Limbaugh, says the pronouncement was made to hype NASA's budget and importance in tough times.

- (3) Saving the Save-The-Earth-Fest. My money is on this one. Apocalyptic global warming — the centerpiece of the upcoming United Nations June Environment Meeting in Rio — is in big trouble, as the facts continue to counter the fantasies. The disparity between reality and forecasts has been exploited by the United States as a reason to not commit economic suicide for this issue, and now there are rumblings from the "Third" World that they aren't going along, either. So how does the "environmental president" keep from being tarred as the person who blows up what Colorado's Democratic Sen. Tim Wirth recently told

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MICHAELS

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a University of Arizona audience will be "perhaps the most important leadership summit in history?"

Easy. Take the lead in banning CFCs, which not only are putative ozone destroyers; they also contribute an estimated 12 percent to current global warming potential. The reason this hypothesis fits is that there are only eight weeks and two meetings (one starting in New York now) left to bang out a treaty to sign at Rio. That's about as long as it would have taken *Geophysical Research Letters* to review NASA's findings, and explains the urgency.

- (4) The Gore Hypothesis. Most of NASA's top leaders are on more than a first-name basis with Sen. Albert V. Gore Jr., Tennessee Democrat, and they should be: Inasmuch as he controls their purse strings, he's the boss.

It's highly unlikely that their ozone announcement wasn't preapproved by Mr. Gore, but was it in fact directed? This would allow it to occur prior to those two U.N. treaty drafting meetings, and it would put Mr. Gore on center stage as the man leading the charge to save the planet in the time of Jennifer Flowers, with only a few more days remaining to get on the ballot. He rammed through the Senate, on a 96-0 vote (that's the meaning of "veto-proof"), a bill to move up the

ban on CFCs by four years, and then griped when the president signed it, saying he hadn't done enough!

Further, Mr. Gore has passionate feelings about the environment, as evinced from his new book, and the plethora of misleading statements therein (see the Feb. 17 review by Julian Simon for a few, read the book for an order of magnitude more). Finally, he wants to be president in the worst way.

Maybe he has reconsidered his previous declination, and found the need to save the world so great that, well, I can see the speech: "Elect me, not for the sake of this country, for we are a mere speck upon the world in a fleeting moment of time, but for the sake of the planet."

It can't be that simple, can it?



'Going negative' against your own

Pat Buchanan, as pesky and as painful as he may be to certain parts of the presidential posterior, is not the president's problem.

The president's problem is a man named George. From all the available evidence, Mr. Bush can't decide whether he wants to be eaten now, by Republicans, or later, in his second term, by Congress.

Like most of the politicianettes among the Rockefeller-wing Republicans, the president instinctively recoils from the sock-and-slash of campaigning. The Democrats are so bad at governing because governing is something they have to do to get to campaign. Republicans, who imagine themselves managers above all else, hit the hustings with the enthusiasm of a couple of teen-agers going out on a date arranged by their parents.

Rockefeller Republicans do not know, and cannot imagine, the concerns of most of us. They're willing to defer to the liberal Democratic addiction to theoretical solutions, which don't have to work as long as the solutions cost a lot of money and can support large bureaucracies. Resistance is so, well, so... undignified.

When the Democrats want to raise taxes, Mr. Bush and his peers have no understanding of gang rape, so what's wrong with going along? The 1990 rape of the taxpayers — a \$170 billion tax increase, with an increase in the top personal rate from 28 to 32 percent and a bump in Medicare and gasoline taxes — was merely inevitable.

Neither do the president and his men understand why it's fatal to vow eternal hostility to civil-rights quota legislation, and cave at the first hint that they might have to pop a sweat to make Congress conform to presidential leadership. Or why the disgust of conservatives is nearly total, matching the contempt of liberals, when he promises to resist the bureaucracies that want to regulate America out of business, and goes into the tank at the first hint of confrontation with the congressional Democrats who can't wait to cut his throat.

MEYER

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here there has been some limited progress. Some of the prisoners accused of participating in the Tiananmen Square movement have been released, and China has been pressured by the United States to ban the export of products of prison labor.

But Asia Watch reports that 340 of the Tiananmen demonstrators are unaccounted for. Chinese lack of performance in the human rights field requires continuing publicity, but it will not be improved by cutting off the trade that is changing the face of Southern China.

—As Harry Harding of the Brook-

ings Institution warns in his perceptive new book, "A Fragile Relationship," there is no clear evidence yet that the communist elite in Beijing is prepared to relinquish control of the state. It is more likely that we shall see a succession of aging leaders as in the last days of Soviet leader Leonid Brezhnev and his successors.

However, three changes have occurred in the structure of Chinese power that cannot help but influence the future. First, the success and growth of private industry in the southern cities is irreversible, and Deng Xiaoping himself in his recent tour of the southern provinces called for more reform, not less.

Second, an extraordinary transformation has taken place in the Republic of China on Taiwan. In the Dec. 21 elections for delegates to the

When the president says, as he did in the days



LBJ

just before his debacle in New Hampshire, that he "never took the pledge" against raising taxes, you can almost believe that he believes it. When he says doesn't understand why nobody else will believe him when he runs on the promise, as he will in '92, that "this time I really mean it," you can almost believe that he believes that, too.

Being burdened by neither "the vision thing" nor

"the passion thing" nor even "the conviction thing," Mr. Bush is impervious to the shame and humiliation that any other politician would feel at having had his pants taken down in New Hampshire. Pat Buchanan's remarkable feat of winning 40 percent of the Republican vote is all the more remarkable for his having done it against a Republican incumbent who tried to prevent it.

The humiliation of Mr. Bush is far greater than the 1968 humiliation of Lyndon Johnson, who never campaigned a single day in New Hampshire and treated the primary as a nuisance. Mr. Bush spent the final week in the frenzy of a Chicago alderman about to lose his sinecure.

You might think that Mr. Bush would have by now taken a look at the ruins, figured out who and what was responsible, and raged accordingly. Any other pol would have sent Richard Darman, his budget chief and the architect of the Bush tax increase that sent the economy south, into the night without his shoes and shirt. Ditto Nicholas Brady, the Treasury secretary who has taken Alfred E. Neuman as his role model: "What? Me Worry?"

No heads rolled, and none will. The more his nebbishes screw up his presidency, the more the loyal Mr. Bush rewards them. But now the president, to avoid making his humiliation total, must campaign against Pat Buchanan as if this were not late February but late October. He promises to drop the kinder and gentler, and "go negative."

That's against the Republicans. Mr. Bush will no doubt preserve his renomination, but to do that he must treat his friends — the conservatives so despised by Rockefeller Republicans — as if they were his enemies. He'll save Mr. Nice Guy for his real enemies.

National Assembly, for the first time in 40 years, a representative body was chosen through popular vote. Combined with a surging economy, Taiwan democracy has become an alternative model for mainland China. Through television, trade ties and the visits of relatives, Taiwan now is a powerful engine for change off the China coast.

Finally, Hong Kong recently held elections under British auspices in which the United Democrats won heavily against communist candidates. As Mr. Harding points out, it may be necessary to modify American law to ensure all agreements between the United States and Hong Kong remain in force after it returns to Chinese sovereignty in 1997. With the right kind of help now, Hong Kong can continue to play its critical role in the modernization of China.

CORD MEYER

Hard bargain time for China

The Bush administration has a more coherent and effective policy toward communist China than it has so far been able to explain and defend. The initial Bush failure to respond strongly enough to the Tiananmen Square massacre has obscured the fact that U.S. policy has since matured into a sophisticated use of carrot and stick.

For example, the continuing congressional pressure for withdrawal of Most Favored Nation status from China would, if it succeeded, most severely damage those coastal areas in Southern China where trade and investment from Taiwan and Hong

We do not have to provoke a general trade war with Beijing to bring effective pressure to bear on the Chinese politburo.

Kong have helped private industry to flourish.

As State Department officials explain, the United States does not have to provoke a general trade war with Beijing and undermine the growth of private industry in Guangdong Province in order to bring effective pressure to bear on the Chinese politburo. As one U.S. official has stated, "Instead of MFN cancellation, we have specific tools to do the job in the form of legislation and negotiating strategy."

Moreover, there is evidence that tough bargaining can succeed. Under pressure, the Chinese have agreed in writing to accede to the Nuclear Non-proliferation Treaty and to observe Missile Technology Control Regime Guidelines. Beijing has been persuaded to participate in the president's Middle East arms control initiative, to place its nuclear cooperation with Algeria under international safeguards, and to support the U.N. consensus on the elimination of Iraqi weapons of mass destruction.

On the trade front, China has finally agreed to improve protection of U.S. patents, copyrights and computer software. To avoid imposition of sanctions by the Federal Maritime Commission, China has also agreed to allow U.S. shipping companies to establish branch offices in China. A third round of negotiations under a section 301 investigation of Chinese market barriers begins next Monday and will involve hard bargaining.

On regional issues, the Chinese regime has cooperated in trying to find a political solution in Cambodia, has opposed North Korea's efforts to build nuclear weapons and has supported the international consensus during the Gulf crisis.

On the human rights front, it has been like pulling teeth to obtain concessions from the Chinese, but even

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GOP

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his campaign plane for South Carolina, the first stop on his first Southern campaign swing.

"He is not out to fire people hired under quotas policies, Miss Buchanan said. "It's the policies not the people he will root out. He will put a freeze on hiring and then go through every department and agency to eliminate any policy that leads to reverse discrimination."

Mr. Buchanan surprised many at the conference by revisiting, if only briefly, the most sensitive of his themes, U.S. policy toward Israel — an issue to which he gave little time in New Hampshire.

"If I read [Budget Director Richard] Darman's budget correctly, there are \$10 billion in loan guarantees for [Israeli Prime Minister Yitzhak] Shamir, \$12 billion in new funding for the International Monetary Fund," he said.

The loan guarantees to Israel would finance housing for Jews who immigrated to Israel from the former Soviet Union. Mr. Bush refused to approve the guarantees, however, in the absence of promises by the Shamir government not to use them for new settlements on the Israeli-occupied West Bank.

"I don't think the American people should be required to subsidize the building of infrastructure half way around the world when our own infrastructure is in the process of collapse," Mr. Buchanan said, again drawing applause from the audience.

"I don't think we ought to give 12 billion more dollars in lending authority to the globalists of the IMF at the same time the mayor of New

York is saying we may be having to cut off every fourth street light in the largest city in the United States," he said.

"It is time to think of America first," he said, bringing some in the audience to their feet.

Mr. Buchanan again hammered Mr. Bush for his "no new taxes" pledge reversal, criticizing the president for his new budget that "contains \$52 billion in new spending and \$25 billion more in hidden new taxes over the next five years."

He then turned his rhetorical guns on Mr. Bush's lapses on conservative social policies.

"We know what that wonderful National Endowment for the Arts has been doing, that upholstered playpen of the arts and crafts auxiliary of the Eastern liberal establishment," Mr. Buchanan said. "They have been subsidizing both filthy and blasphemous art. And yet while Mr. Darman has been budget director, the funding for the NEA ... has risen every single year. Why?"

"And now I really don't care what [NEA-funded artist] Andres Serrano does with his bodily fluids or what Mr. [Robert] Mapplethorpe does with that bullwhip as long as we taxpayers don't have to pay for it," he said, drawing laughter from the audience.

Also for the first time in his campaign, Mr. Buchanan sought to undermine a principal strength Mr. Bush has among conservatives — his record of appointing to the Supreme Court judges who are widely believed to be conservatives.

Mr. Buchanan said yesterday that Mr. Bush, afraid to face down the Senate over a clearly conservative nominee, picked Justice David Souter for the high court because, as a judge, he had left "no paper trail" of opinions on the crucial issues of

Buchanan vows purge of affirmative action

By Ralph Z. Hallow
THE WASHINGTON TIMES

Pat Buchanan vowed yesterday to rid the federal government of every policy that smacks of racial quotas if he becomes president.

"If I am elected, my friends, I will go through this administration, department by department and agency by agency, and root out the whole rotten infrastructure of reverse discrimination, root and branch," he told the annual Conservative Political Action Conference.

The statement, part of a rousing speech at the Omni Shoreham Hotel to about 500 conservative activists from around the country, was his



strongest on the touchy issue of affirmative action since his December announcement challenging President Bush for the Republican nomination.

It was also the first time Mr. Buchanan has emphasized racial quo-

tas since he launched his New Hampshire primary campaign — an effort that began just over 10 weeks ago and ended with a strong showing against Mr. Bush Tuesday.

"We're headed south," Angela Bay Buchanan, his sister and campaign chairman, said by way of explaining the shift in emphasis of the candidate's message.

"In New Hampshire, people had other things on their minds, like the economy and taxes, but he will return to his other themes in the South, where people have different concerns," she said. Later yesterday, Mr. Buchanan was scheduled to board

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the past few decades.

"In all the great intellectual and philosophical battles of the last 30 years, Mr. Souter, unlike Robert Bork and Antonin Scalia (both Reagan appointments), had not taken a stand," he said.

By contrast, Mr. Buchanan said as president he "will find in this country the most qualified ... constitutionalists and conservatives, who have taken a stand ... on each of these issues."

"I will send them up to the Senate

Judiciary Committee and tell them to state their beliefs and not back down, even if they are defeated," he said as cheers and applause again broke out. "We will send one after another after another up until we break that monopoly in the Senate Judiciary [Committee]."

Mr. Bush, surprised in Iowa by a major straw poll victory by Pat Robertson in the 1988 caucuses and by Mr. Buchanan's 37 percent showing in New Hampshire this week, apparently felt a presence of sorts was

needed at yesterday's conference.

Conference sources said they had confirmed that, at the behest of the Bush-controlled Republican National Committee, state GOP officials were phoning conference attendees from their states to urge them to vote for Mr. Bush in the gathering's traditional presidential preference straw poll.

The poll results will be announced Saturday.

In a further apparent effort to

stack the poll, about 100 people, mostly Bush administration appointees from government agencies throughout the Washington area, walked in to pay the \$50 registration fee so they could vote, presumably for Mr. Bush, conference officials said yesterday.

"There appears to have been an inordinate amount of people walking in today to register and ask about the straw poll," said conference spokesman Craig Shirley.

And walls of Jericho collapsed

Never has investigatory reporting been so laudatory of the American government as that done by Watergate sleuth Carl Bernstein in this week's cover story of Time magazine.

Never has a decade-later story so contradicted the journalistic story line at the time than this look back at "The Holy Alliance" between President Reagan and Pope John Paul II to "subvert" the communist regime in Poland.

And never was a plan hatched so carefully that worked so well — the plan to loosen the communist

though peculiar kinship in 1982, since each had been hit by an assassin's bullet within weeks of one another the year before. "Look how the evil forces were put in our way and how Providence intervened," the pope's representative in Washington remembered Mr. Reagan saying to a friend. They felt a special mission for their lives.

All this we knew then, in 1982, but all this we somehow missed then.

For the newspaper accounts told not of amazingly sage decisions, which were subsequently well-planned and deftly executed, involving top American and Vatican aides working a most delicate unwinding of Polish communism.

No, the papers then were filled with reports of failure. Mr. Reagan's June 1982 European swing was marred by his inability to persuade the West Europeans to stop extending credits to build a gas pipeline for the Soviets. (One wonders how much money they poured in, and how the pipeline is working now!)

Failure was reported in Mr. Reagan's attempting to restrain the two wars that erupted during his trip — Israel's incursion into Lebanon and Britain's steaming straight toward the Falklands.

Failure was evident even in Mr. Reagan's own staff, as his White House aides were constantly and publicly battling Secretary of State Alexander Haig over everything from his perks to his policy.

There was failure reported even on Mr. Reagan's meeting with the pope, during which he dozed off, live on television. "The Pope Meets the Dope," so it was then thought.

Well, now it is known that their meeting set in motion the fall of communism, which Mr. Reagan had actually foretold the week before when addressing the British Parliament.

At Westminster, Mr. Reagan forecast was what to be: "repeated explosions against repression" in Eastern Europe, to which even "the Soviet Union itself is not immune." The resistance will result in a "march of freedom and democracy" that "will leave Marxism-Leninism on the ash heap of history, as it has left other tyrannies which stifle the freedom and muzzle the self-expression of the people."

Left unsaid was how Mr. Reagan was not content to watch this historical inevitability happen, but took action to assure that it happened. A month earlier, as Mr. Bernstein tells us now, Mr. Reagan had signed a secret order authorizing a host of moves to destabilize Poland and support Solidarity in his "National Security Decision Directive 32."

On June 7, 1982, the president enlisted the ever-willing pope on this holy mission. They pledged to assure that the modern world's "liberation technology" — fax machines, printing presses, computers, photocopiers, shortwave radios, video cameras and foreign radio broadcasts — was supplied to Solidarity.

The CIA and the Vatican; American labor unions, priests, and intelligence officers; Polish dockworkers and experienced diplomats — all were organized in this stunning effort.

How they did it is nicely laid out in Time magazine. That they did it makes an inspiring story even now.

"If former CIA Director William Casey were around now," a friend is quoted as saying, "he'd be having some smiles. In 1991, Mr. Reagan and Mr. Casey got the reordering of the world that they wanted." So did the pope. So did the Poles. And so did we all.

"If former CIA Director William Casey were around now," a friend is quoted as saying, "he'd be having some smiles. In 1991, Mr. Reagan and Mr. Casey got the reordering of the world that they wanted." So did the pope. So did the Poles. And so did we all.

crackdown in Poland and thereby to end the communist rule across Eastern Europe and the Soviet Union.

"We both felt a great mistake had been made at Yalta and something should be done," Mr. Reagan is quoted as saying now. He and His Holiness were right on that, as Yalta (and its aftermath) did seal Poland's fate for 40 years. "Solidarity was the very weapon for bringing this about, because it was an organization of the laborers in Poland," Mr. Reagan adds.

Right again. Besides that, the Poles are a singularly religious people, 90-plus percent Catholic, and singularly unified people, lacking any significant ethnic minority.

So much more fell in place to make Poland the ideal spot to begin communism's end. The church had remained effective and penetrated virtually all Polish organizations. The pope, of course being Polish himself, had taken a keen interest in every detail of the communist crackdown.

As Mr. Reagan said, this was a genuine workers' movement — in Marxist terms, a true uprising by the proletariat — and (perhaps most important) one with magnificent leadership in Lech Walesa.

While the pope and the president were both charismatic and anti-communist, they also felt a special

Ken Adelman is a nationally syndicated columnist.

Evangelicals press Bush

By Larry Witham
THE WASHINGTON TIMES

Leaders of the nation's largest Protestant group have written President Bush a letter warning that he is veering from the pro-family agenda he promised evangelical voters.

The Southern Baptist Convention's missive was triggered by a Feb. 13 meeting between Mr. Bush's re-election campaign chairman, Robert Mosbacher, and leaders of the National Gay and Lesbian Task Force.

"Having the highest-ranking member of your re-election campaign meet with the homosexual lobby is a direct contradiction to

your attempts to portray your administration as pro-family," the Rev. Morris Chapman, president of the 14.6 million-member Southern Baptist Convention, wrote in the letter Wednesday.

The election-year complaint is an early salvo from religious conservatives who backed Mr. Bush in 1988 but say the White House has alienated them.

The letter reminded Mr. Bush that after homosexual-rights leaders attended White House functions in 1990, evangelicals were assured it was a slip-up.

"We were told that the invitations were carried out by a misguided,

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FAMILY

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over eager staff member acting on her own," the letter said. "We call upon you personally to disavow any support or sympathy for the homosexual civil rights agenda."

The Baptist leaders recommend that Mr. Bush issue an executive order modeled on that one evangelical leaders gave him during an October 1990 meeting. The order supports traditional values regarding the family and human sexuality and implies that federal policy would follow.

"It is our firm conviction that this [order] is your only hope in restoring trust on this issue with Southern Baptists and the entire evangelical community," the Baptist letter said.

The National Association of Evangelicals also reacted to the Mosbacher meeting.

In a commentary aired Tuesday on some Christian and secular radio stations, NAE Director Robert Dugan said: "The candidate's staff, with or without the boss' approval, is playing both sides of the fence. Portray him to evangelicals as pro-family, to gays and lesbians as pro-homosexual rights."

In an interview, Mr. Dugan said,

"The president has to know what his convictions are — I don't care what his staff counsels."

He said evangelical leaders will have "serious contact" with the White House before Mr. Bush addresses the NAE's annual meeting in Chicago March 3. "I'd love to see him affirm the God-ordained institution of marriage," Mr. Dugan said.

The Southern Baptist and NAE reactions come a few weeks after Sam Skinner, the new White House chief of staff, met with evangelical leaders. Mr. Dugan called the session "positive."

A call-in poll of viewers by Pat Robertson's "700 Club" television show Monday night showed 71 percent back Pat Buchanan and 29 percent back Mr. Bush in the '92 presidential election.

"Mr. Bush is in trouble to the degree that evangelicals who gave him their vote perceive him as failing to deliver on their agenda," said Ralph E. Reed, head of the Christian Coalition, an educational outgrowth of Mr. Robertson's 1988 bid for the presidency.

According to exit polls, Mr. Bush received 79 percent of the "born again" Christian vote in 1988. But analysts note that President Reagan's evangelical support dropped from 80 percent in 1980 to 67 percent

in 1984 because of failures in the conservative social agenda.

Mr. Reed said conservative Christians will not vote against a candidate, they just will not vote.

"Outside the pro-life issue and his judicial appointments, I don't think the president has done an adequate job reaching out to this constituency," Mr. Reed said.

More than 60 million white Americans of voting age identify themselves as evangelicals. They emerged as a key voting bloc with the 1976 election of Jimmy Carter.

But Mr. Reed said that of the 89 million voters who went to the polls in 1988, 20 million to 24 million were the conservative Christian bloc — self-identified evangelicals and pro-life Catholics.

In the next few months, he said, the coalition will call on "pro-family activists" to become delegates to the Republican National Convention in Houston.

Mr. Reed said if Mr. Bush preserves the pro-life plank in the Republican Party, which will come under attack in Houston, religious conservatives have a reason to vote.

Some analysts say that because many evangelicals are blue-collar workers, the recession will force them to vote on economics.

BILL PASCOE

Winning game: Play on right

President... Pat Buchanan? Though it may not yet roll trippingly off the tongue, after New Hampshire, it doesn't sound nearly as far-fetched.

Holding an incumbent president to just 53 percent of the vote is a remarkable achievement, and could well spell the demise of the Bush presidency — incumbent presidents are 0-for-4 in general elections after allowing a challenger more than 35 percent of the New Hampshire primary vote.

So what can Mr. Bush do to preserve his seat in the Oval Office?

To re-establish control of the race, the president must focus on three things: politics, policy and personnel.

• First, politics. The Bush White House must go into a political attack mode — but it is not Mr. Buchanan whom they should attack; it is the liberal Democratic Congress.

To attack Mr. Buchanan on his personality would be seen as desperate and mean-spirited; to attack him on the issues would risk opening up Mr. Bush to a legitimate debate challenge. After all, if he's willing to engage Mr. Buchanan rhetorically through television advertisements, why shouldn't he be willing to debate in person?

Moreover, the only way Mr. Bush could credibly attack Mr. Buchanan would be from the left; and though there were many signals coming out of the New Hampshire results, the need to move left is not one of them. In fact, just the opposite is true.

(The Bushies will be sorely tempted to run against Mr. Buchanan in the South by dredging up Mr. Buchanan's opposition to the Persian Gulf war. At all costs, Mr. Bush should avoid this. Exit polling from New Hampshire showed clearly that the war is no longer a voting issue: Just 7 percent of GOP primary voters considered it important at all.)

What Mr. Bush's advisers should be much more concerned with is how to counter Mr. Buchanan's sure-to-come attacks in the South against Mr. Bush's cave-in on quotas.)

Instead, Mr. Bush should go after the Congress with a vengeance.

He should chuck his March 20 deadline immediately. After New Hampshire, Hill Democrats smell blood in the water anyway, and they won't be in any mood to compromise, if they ever were.

Bill Pascoe is a political consultant and a columnist for The Washington Times.

They, too, will be looking for a fight. So the president should give them one, on his terms.

• Second, policy. A four-point agenda would do a great deal to start a fight, and help block the advancing Buchanan brigades:

Start with indexation of capital gains for inflation. The president does not need congressional approval to do this, and it would have the same stimulative effect as a rate cut.

Then implement the Beck Supreme Court decision, which holds that unions may not force compulsory dues for purposes other than those directly related to union busi-

ness. In one fell swoop, the vast majority of organized labor's political money — the money that funds the Democratic Party — would be taken away.

Third, announce that beginning immediately, the president will start using the line-item veto on congressional pork, and challenge the Congress to take it to the Supreme Court. Another signal out of New Hampshire was the public's disgust with wasteful federal spending; the American electorate would strongly support Mr. Bush on this.

Fourth, make a decision to break the budget deal, and demand a real economic growth package, like last year's DeLay-Wallop Economic Growth and Jobs Creation bill.

• Finally, personnel. After New Hampshire, it is clear someone will have to be offered up as a ritual sacrifice. Since the president cannot offer up himself by resigning (it would make the rest of the re-election campaign intolerably difficult, and besides, Mr. Buchanan didn't actually win the primary), he must do the next best thing and fire those who got him into this mess: Office of Management and Budget Director Richard Darman and Treasury Secretary Nicholas Brady.

Their advice to him to break his "No New Taxes" pledge — which, for some reason, he now claims never to have made, despite videotape to the contrary — and to sign the budget

deal of 1990 was the worst advice he ever took. Firing these two would be just, reasonable and applauded by those who follow these matters.

To turn a double into a home run, Mr. Bush could offer the Treasury post to former Delaware Gov. Pete du Pont, who, rumors say, is mulling a late entry into the GOP field. If Mr. du Pont accepted the offer, the Bush administration would have at least staved off another potential problem by keeping him out of the race, and could actually gain with conservatives who admire Mr. du Pont's economic stances. If he chooses to decline the offer, he then would be hard-pressed to explain a run against Mr. Bush.

As for the OMB position, either Richard Rahn or Paul Craig Roberts would do nicely. Again, the same dynamic is in effect: By merely offering them the position, Mr. Bush could effectively neutralize them for the rest of the campaign.

Each one of these measures — political, policy and personnel — would help shore up Mr. Bush's right flank, and prevent inside-the-Beltway conservatives — who so far have remained neutral in the intra-mural party brawl, but who now may be considering lending organizational support to Mr. Buchanan — from joining the open opposition.

The Bushies have taken a hard shot to the solar plexus, but much can be done to regain their senses and their nomination. There is no longer any doubt they have gotten the message.

The question now is, what do they intend to do about it?

THOMAS

From page F1

better than Mr. Buchanan's, there is every reason to believe he will be thrown out of office in November by people weary of big, unresponsive government.

The presidency is not a reward for good behavior. Mr. Bush doesn't deserve re-election because he has been endorsed by Ronald Reagan, without whom he would not even have been vice president. The presidency is an office through which people with ideas are supposed to lead, securing our present and offering new hope, achievable goals and, yes, a vision for the future.

President Bush needs the political equivalent of a sawdust trail experience. He must become a new person, repenting of his past behavior and attitudes, and adopting a completely different style.

He is up against a prize fighter in Pat Buchanan. If he doesn't fight back, he risks becoming an embarrassment to himself and of no use to his party.

How pitiful that the approval rating for the hero of Desert Storm has plummeted in just a year to a point where Mr. Bush is now fighting for his political survival, and that a Congress that once feared his power now doesn't need to return his phone calls.

Pat Buchanan offered red meat to New Hampshire voters. If George Bush doesn't quickly start doing the same, he'll be dead meat come November.

The Bushies have taken a hard shot to the solar plexus, but much can be done to regain their senses and their nomination. There is no longer any doubt they have gotten the message. The question now is, what do they intend to do about it?



CAL THOMAS

That was no gentle wake-up call that Pat Buchanan gave George Bush's White House. It was a blaring smoke alarm. The Bush administration is on fire, and it had better respond quickly or it risks being gutted even before the general election in November.

Most "experts" say Mr. Buchanan cannot win the Republican nomination. Maybe not, but Mr. Bush can lose the election to the Democrats. If the administration thinks only of winning the nomination and ignores the larger challenge of developing strategies to defeat the Democrats, it is finished — and so is the restructuring of the Supreme Court, perhaps the most important accomplishment of the Reagan-Bush years.

Cal Thomas is a nationally syndicated columnist.

Red meat and a reality check

Mr. Bush needs to take immediate, dramatic steps to persuade the country that he not only has real ideas for fighting the Democrats, but that he also no longer intends to flee from principles, such as his budget compromise that gave us higher taxes and increased spending.

The president should immediately acknowledge that the budget agreement with Congress was a mis-

take. He should fire the twin architects of that disaster, White House Budget Director Richard Darman and Treasury Secretary Nicholas Brady.

It is said the president regards loyalty as a supreme character quality. But he should remember that loyalty to ideas is more becoming than loyalty to people who have ideas that don't work, or have no ideas at all.

If Messrs. Darman and Brady had truly been loyal to the president, they would not have recommended a policy that traded away the president's most important pledge in exchange for nothing. Watching their plan fail, they should have had enough integrity to quit. That they remain in office demonstrates their interest in self-preservation, not preservation of the administration.

Mr. Bush is up against a prize fighter in Pat Buchanan. If he doesn't fight back, he risks becoming an embarrassment to himself and of no use to his party.

The people of New Hampshire, Republicans and Democrats, have shouted their opposition to big government and the higher taxes needed to operate it. They know that limousine liberals like House Speaker Thomas Foley, Ways and Means Committee Chairman Dan Rostenkowski (who has proposed increasing the top tax rate to 35 percent), and Senate Majority Leader George Mitchell care more about their own pay and perks than jobs for average Americans. That's why Paul Tsongas finished first for the Democrats and President Bush was weakened by Mr. Buchanan.

If Mr. Bush thinks he can blun- Mr. Buchanan's challenge by continuing to ridicule him as he did, he is in for even bigger trouble. Like him or not, Mr. Buchanan talks ideas. And if Mr. Bush doesn't respond with specific ideas that are

see THOMAS, page F4

PHYLLIS SCHLAFLY

Course outline for a blackboard empire

Education has emerged as a national issue in a very short historical time frame. That speed in itself is newsworthy; the U.S. Department of Education only dates from the Jimmy Carter administration in the 1970s, and Ronald Reagan was elected in 1980, promising to abolish it.

Yet now, in 1992, George Bush is campaigning to be the "Education President." Big money and policy changes are implicit in that promise.

The centerpiece of the Bush administration's education drive is a concept called "America 2000." Whatever this means, we can be sure it includes spending more federal taxpayer dollars.

America 2000 is the catchword to "restructure" our 110,000 elementary and secondary schools into a national system by means of national goals, national standards, national tests, national teacher certification, national report cards, new model national schools, nearly a billion dollars of additional national funding to conform the schools to the national agenda, national scholarships, and national awards and rewards for those who cooperate. Lip service is paid to local control, but the more we study the America 2000 prospectus, the more we conclude that locally elected school boards will become irrelevant because the

federal money flow will drive the process.

America 2000 also pays lip service to the principle of parental choice in schools, but that is an illusive concept in the official prospectus. Anyway, the U.S. Senate on a party-line vote removed the school choice section from the education bill, leaving it essentially a Kennedy-Metzenbaum big-spending bill.

There is considerable evidence that America 2000 advocates really

America 2000 wants to transform public schools into baby-sitters for pre-kindergarten kids, and into social service centers.

don't want parents to have a private school option at all, but instead want to turn all private schools into public schools. America 2000 seeks conformity to nationally regulated standards and wants to anoint with tax dollars only those schools that are "held accountable by a public authority."

National tests will inevitably prescribe a national curriculum. Who will write the tests? Early indications are that national tests will be

less about academic achievement than about attitudes, feelings and values — an area where social and political biases so easily replace objectivity.

America 2000 has a concept of "school" that not only includes absorbing private schools into its system, but also includes expanding the public schools in order to "parent" children through their preschool years, in their after-school hours, and to provide non-school services. America 2000 wants to transform public schools into baby-sitters for pre-kindergarten kids, and into social service centers to provide meals, health care (probably including the controversial kinds), counseling and guidance.

With the failure of centralized bureaucracies all over the world, it is truly amazing that a Republican administration is trying to drive the education "bus" headlong into a vastly more centralized and federally controlled system than our nation has ever had.

How else can one read America 2000's No. One goal: "All children in America will start school ready to learn." This goal is buttressed by a lot of warm, fuzzy rhetoric about "early intervention strategies" and "early childhood development."

Will government agents go into the homes and dictate how preschool children are raised — and then snitch on parents who reject the government's "suggestions"? This sort of thing is already being experimented with under the name "Par-

ents as Teachers," but which many people call the "Teachers as Parents" program. Americans absolutely don't want that kind of Big Brother society.

What Newsweek calls "The Curse of Self-Esteem" is spreading through the public schools a whole lot faster than America 2000 or academic reform of any kind. The folly of this fad was best illustrated by the comic strip kid who told his stuffed animal pal, "I quit doing homework. Homework is bad for my self-esteem. It sends the message that I don't know enough. Instead of trying to learn, I'm just concentrating on liking myself the way I am."

To the question as to how his self-esteem could be "enhanced by remaining an ignoramus," the child replies, "Just call me informationally impaired." Maybe that's the name of a new "disability" that will entitle the kid to a job under the Americans With Disabilities Act.

America 2000 is fundamentally flawed because (A) it doesn't address the biggest problem in schools, namely, the failure to teach first-grade children to read, (B) it doesn't address the second-biggest problem in education, the substitution of psychological pap for the basics, and (C) it heads the public school system in the direction of tighter monopoly control instead of opening it up to parental choice.

It's time for American parents to rebel and demand some glasnost and perestroika in our taxpayer-financed schools.

Phyllis Schlafly is a nationally syndicated columnist.

House panel OKs six-month halt to return of Haitians

THE ASSOCIATED PRESS

The House Judiciary Committee, ignoring a veto threat from the Bush administration, voted 21-12 yesterday to impose a six-month moratorium on returning Haitian boat people to their homeland.

The measure would bar further repatriations of more than 10,000 Haitians being detained at the U.S. naval base at Guantanamo Bay, Cuba. It would apply to those detained before Feb. 5.

The vote to send the bill to the full House was generally along party lines.

Meanwhile, U.S. officials are puzzled about how to deal with at least 230 Haitian refugees who may be eligible for political asylum in the United States. They have tested positive for the human immunodeficiency virus, which causes AIDS.

Many of the refugees in this category have been flown to the United States, but those who tested positive for HIV during medical tests at Guantanamo were left behind.

U.S. officials, speaking on the condition that they not be identified, said the administration was trying to decide whether to allow the infected Haitians to pursue their asylum claims in the United States or at Guantanamo.

"There's been a tremendous

debate," one official said.

Normally, aliens who test positive for HIV are not permitted to emigrate to the United States. But officials said the administration has the option of granting waivers.

The officials said the 230 or so HIV-positive cases were found among the first 3,440 Haitians who were tested at Guantanamo.

Democrats on the Judiciary Committee argued that the State Department doesn't have enough information to justify its assertion that Haitians forced to return have not been persecuted by the military regime that toppled President Jean-Bertrand Aristide's elected government in September.

"If the State Department is wrong, people are going to die," said Rep. Mike Kopetski, Oregon Democrat.

But Republicans argued that the bill would only encourage more Haitians to flee their homeland on rickety boats that are intercepted by Coast Guard cutters between Haiti and Cuba.

Rep. Lamar Smith, Texas Republican, voicing the Bush administration's position, said the bill "will send false hope to Haitians who will quickly jump on unsafe boats and make the treacherous journey to U.S. shores."

INSIDE THE BELTWAY

Close to home

It's not particularly surprising that Senate Majority Leader George Mitchell blasted a Congressional Budget Office report on job losses that will result from defense cuts. The report, commissioned by Senate Minority Leader Bob Dole, shows that closing the Bath Iron Works in Mr. Mitchell's home state of Maine would put 11,000 people out of work and raise the state's unemployment by 1.7 percent. The bulk of support for the cuts comes from Mr. Mitchell's side of the aisle.

Blasting the CBO report in public was Mr. Mitchell's second choice. His first choice, according to sources on Capitol Hill, was to kill the report before it reached the public. The sources said Mr. Mitchell approached the CBO through an intermediary after learning that the report targeted cuts in his area as well as cuts in areas represented by House Majority Leader Richard Gephardt and House Budget Committee Chairman Leon Panetta.

But the report couldn't be killed because it had been commissioned by Mr. Dole. Had it been some nosey Democrat who wanted to know the cost in jobs of the defense cuts, Mr. Mitchell undoubtedly could have twisted arms.

"The report is an obvious political effort against three Democratic leaders in Congress," Mr. Mitchell said. He described the report as an "unfortunate effort and a waste of taxpayers' money."

Mr. Dole feels the report shows that "the anti-defense forces on Capitol Hill can talk all they want about scrapping weapons systems, but when you're talking about defense cuts you're really talking about cutting jobs and crippling communities."

But now that the Cold War is over, why waste money on needless military matters? "The world is still a dangerous place," Mr. Dole said.

Some surprise

The ranks supporting the October Surprise theory are thinning dramatically. Initially it was the more conservative critics who were calling it a lot of hogwash to suggest that Ronald Reagan's minions set up a deal with Iran to hold off release of American hostages until after the 1980 presidential elections. Then questions began to arise on the left. Now the whole



"October Surprise" maven Gary Sick was blindsided by Village Voice.

house of cards has tumbled into a heap with an exhaustive expose in the Village Voice bearing out much of what right-wing critics have been saying.

The Voice article is particularly noteworthy because it is by Frank Senn, a rogue CIA agent. Basically, Mr. Senn documents a conspiracy to mislead former Carter aide Gary Sick. "Several members of this group got caught in a U.S. Customs sting in 1986, which left them with an incentive to pay back the Republicans and George Bush," Mr. Senn says.

One of the kingpins in the charade was Richard Brenneke. Thanks to a disgruntled girlfriend, the Voice was able to examine about 8,000 pages of Mr. Brenneke's notes, diaries and phone records, not to mention extensive tape recordings of conversations with other "earnest souls and pretenders" caught up in the myth-making.

Curiously, all the material had previously been offered to Rep. Lee Hamilton, leader of the House effort to unearth a "surprise." The material was brushed off with a form letter.

The article refutes Mr. Sick's claim that he confirmed his story through independent sources. Mr. Senn demonstrates that the sources were linked, or manipulated into an unwitting linkage by those who fed them information.

"Clearly," Mr. Senn concludes of Mr. Sick's claim, "he had it wrong."

Loaded for bear

The Bush-Quayle '92 Committee has filed its latest report with the Federal Elections Commission showing cash on hand of over \$8.8 million. The campaign took in more than \$4 million in January, about half of it in matching funds.

On the administration side, the rumor mill reported yesterday that Bobbie Kilberg, presidential assistant for public liaison, had been given walking papers after too many disagreements with Chief of Staff Sam Skinner. The White House had no comment, but one source familiar with the situation said it's more likely that "Mrs. Kilberg's portfolio has been narrowed." The White House also had no comment on a report that a moderate pro-lifer, Mimi Weyforth Dawson, had been hired to build coalitions.

Housing crisis

The Houstonian Hotel and Conference Center, where President Bush maintains a suite as his official residence for tax and voting purposes, has filed for Chapter 11 bankruptcy protection. Texas Democrats, who have long criticized Mr. Bush's use of the state as a tax haven when he hardly ever comes to visit, declared that the bankruptcy may help Mr. Bush finally understand the economic troubles affecting millions of other Americans.

Actually, the filing doesn't shut down the hotel but merely calls for a reorganization of the way it pays its debts.

Public ceremonies

The week beginning on Valentine's Day would henceforth be known as "National Condom Awareness Week" under terms of a bill introduced by Rep. Ted Weiss, New York Democrat, who wants the event observed with "appropriate ceremonies, educational activities and programs designed to increase public awareness regarding the availability and proper use of condoms" in the prevention of disease.

Addressing the problem of sexually transmitted diseases among young people, Mr. Weiss said that "luckily, one simple, painless, inexpensive device can protect our youth and our future."

Right, Ted. It's called a zipper.
— John Elvin

Sullivan defends boss' health care plan

By Carleton R. Bryant
THE WASHINGTON TIMES

Health Secretary Louis Sullivan yesterday defended President Bush's health care budget proposal from a Democratic onslaught in the House Ways and Means Committee.

"We maintain that the president's proposal is the only one that won't raise taxes.... We don't propose to cut Medicare," Dr. Sullivan told the lawmakers.

But House Democrats blasted Mr. Bush's plan, saying it is inadequately funded, contains no cost-saving measures, and will undoubtedly cut into Medicare and Medicaid. They endorsed

plans that would establish the government as the nation's health insurance payer.

"Any way you look at it, nationalized, government-run health care is not the American way," Dr. Sullivan said, outlining the key elements of Mr. Bush's proposal:

- Expansion of health care access to include uninsured lower- and middle-income Americans by providing tax credits for health insurance.

- Encouragement of health care customers to shop around for inexpensive coverage — such as health maintenance organizations, or HMOs — to reduce costs.

- Reduction of administrative waste and malpractice suits.

- Containment of Medicaid and Medicare cost growth, which would be capped at the rate of inflation plus 2 to 4 percent annually.

"I can't help but disagree totally that you have anything in this bill that cuts cost....," said Rep. Marty Russo, Illinois Democrat. "There's nothing in your bill; you've thrown away all the major ways we can deal with cost containment...."

"This idea of managed care, coordinating care; why don't we tell it what it is. It's managed care. It limits choice," Mr. Russo said. "You say you give greater

choice; you limit choice. And managed care has not worked. Premiums for HMOs have gone up at the same rate as premiums for other health insurance premiums."

In his questioning period, Rep. Pete Stark, California Democrat, frequently interrupted Dr. Sullivan as he tried to answer, forcing the committee chairman to call the hearing to order several times.

Mr. Stark charged that neither Mr. Bush nor Dr. Sullivan, head of the Department of Health and Human Services, had presented a properly worded bill for Congress to consider. "Where is your bill?" he asked.

Major tests loom for Democratic 5

ORLANDO, Fla. (AP) — The Democratic presidential race is entering a critical and crowded three-week stretch that will test the organizational muscle of Bill Clinton and the growth potential of Paul Tsongas.

As Mr. Clinton and Mr. Tsongas plotted strategy, Sens. Bob Kerrey of Nebraska and Tom Harkin of Iowa had no such luxury: South Dakota's primary on Tuesday likely will be a make-or-break election for both.

Former California Gov. Jerry Brown is promising to keep his low-budget campaign alive through the Democratic national convention in July but has yet to prove his candidacy will garner significant support.

The candidates barely had left New Hampshire when it became clear the first casualty of the field's new ranking might be the friendship Arkansas Gov. Clinton and former Massachusetts Sen. Tsongas developed over the past five months.

"I hope the debate can be kept on a high plane," said Mr. Clinton, who pointed to his 11 years as a chief executive and programs aimed at helping the middle class as his strengths against Mr. Tsongas.

Mr. Clinton criticized the former Massachusetts senator for adopting "a sort of air of moral superiority" in insisting only his proposals made any sense.

"There's a lot of difference between putting a plan out to the American people and having a proven ability to galvanize people and change people's lives and energize and challenge people to do things,"



Democratic presidential hopeful Paul Tsongas, a former Massachusetts senator, shows off his conservative tie during a campaign stop Wednesday in Baltimore.

Mr. Clinton said.

"As you know, we've been good friends," Mr. Tsongas said of Mr. Clinton. "That will now be tested."

It's time to "go head to head on economics," Mr. Tsongas said Wednesday.

On that terrain, their biggest difference is over the middle-class tax cut Mr.

Clinton favors on grounds of fairness and Mr. Tsongas opposes as the wrong prescription for the economy.

The pivotal question to be answered by the Super Tuesday block of Southern primaries March 10 will be whether Mr. Tsongas can turn momentum from his New Hampshire victory into a national

campaign to match Mr. Clinton's fundraising and organizational strengths.

Mr. Clinton, for example, has strong organizations in Georgia and South Carolina, where Mr. Tsongas had but one staffer each before New Hampshire. And Mr. Clinton is well organized across the South.

"If anyone wants to play here, they better bring a big checkbook," Clinton Florida director Jeff Eller said as Mr. Clinton spoke at an Orlando rally Wednesday.

Mr. Tsongas has little organization to speak of in Florida, Texas and other Super Tuesday states.

But he hopes to bring those states into play by wounding Mr. Clinton a week earlier on March 3, when primaries and caucuses are held in Maryland, Minnesota, Washington, Idaho, Utah, Colorado and Georgia. Only Georgia among them is considered a near-certain Clinton state.

Mr. Tsongas is targeting Maryland, his first post-New Hampshire stop, Washington and perhaps Colorado, in addition to South Dakota next week.

Mr. Clinton suggested in an interview Wednesday that he viewed Colorado as a battleground and appeared intent on lowering his expectations in Maryland, where he led in pre-New Hampshire polls.

Tweaking Mr. Tsongas, Mr. Clinton said Maryland should be friendly to Mr. Tsongas because of "the upper-middle-class people who support his argument that the only way you can restore economic vitality in this country is to weigh down on the middle class a little harder."

Candidates beating bushes for funding

THE ASSOCIATED PRESS

Cash-hungry candidates are being forced to devote extra attention to the presidential money chase as they enter a critical three-week stretch that will settle delegate contests in more than half the states.

President Bush and Democrat Bill Clinton lead the pack in fund-raising as the candidates move beyond New Hampshire, while Patrick Buchanan and Paul Tsongas are cashing in on their strong showings in the first primary.

But none of the campaigns is flush with money. They've generally been pinched by the recession, the campaign's slow start and donor confusion over a muddled field.

"You saw past campaigns come out of New Hampshire with several million dollars still in hand, but there isn't a candidate like that this year," said Steve Jarding, a spokesman for Nebraska Sen. Bob Kerrey.

"This year, everyone is coming out with a few hundred thousand dollars and you have to

Mr. Buchanan and Mr. Tsongas face a golden opportunity in the next two weeks to exploit their anti-establishment images.

raise a few hundred thousand dollars to get ahead."

Getting ahead will be a top priority for the campaigns as they enter one of the most expensive stretches of the primary season — 27 caucuses and primaries are on tap through March 10.

Roger Craver, a veteran Democratic fundraiser, said Mr. Buchanan and Mr. Tsongas face a golden opportunity in the next two weeks to exploit their "maverick anti-establishment" images and boost their coffers with contributions from "thinking persons who are tired of business as usual."

Mr. Tsongas' fund-raising was so slow late last year that he was forced to borrow money to make television ads, but his fortunes have taken a quick turn for the better with his New Hampshire victory.

On Wednesday, the former Massachusetts senator received nearly \$100,000 in mailed

donations and raised another \$200,000 to \$300,000 at three fund-raisers Wednesday night in New York Greek-American communities, aides said.

The one-day haul was more than the \$250,000 Mr. Tsongas netted in the entire third quarter of last year, when he lagged at the bottom of most polls. And it complements another \$250,000 the campaign reported raising in the last 10 days of January when his popularity began rising.

Mr. Tsongas is also seeing increased support from Greek-Americans, who gave heavily to Michael Dukakis' unsuccessful bid in 1988 but were reluctant to get behind Mr. Tsongas until he began rising in the polls, spokeswoman Peggy Connolly said.

"It's finally nice to go to the mailbox," she said. "Five thousand dollars would have been a nice month during the summer. Well now that's just the first half-hour of the day."

But Mr. Tsongas still lags behind most of the other Democrats, having raised just \$1.06 million all of last year.

Mr. Buchanan raised about \$2.5 million since he entered the GOP race in December, and his campaign reports that donations have accelerated after his strong second-place showing in New Hampshire.

"The day of the primary was our biggest mail day ever. We pulled in about \$140,000," said Steve Glynn, Mr. Buchanan's deputy campaign treasurer.

Mr. Bush entered the year having raised about \$10 million and added another \$1.6 million in January but he's still substantially below the \$18.7 million he started with four years ago.

"Given the fact of the late start and a tough recession, we're pretty pleased with the results," said Bush campaign spokeswoman Torie Clark.

Mr. Clinton's campaign says it hopes to reach the \$7 million mark by the end of February, but that still trails the \$10.6 million Mr. Dukakis started with in 1988.

Mr. Clinton, the Arkansas governor, has maintained the Democratic fund-raising lead despite questions of character that dominated his campaign in the last month, said his finance director, Rahm Emanuel.

Mr. Clinton has raised nearly \$2.7 million since January, and his campaign expects to raise another \$1 million by the end of this month with a fund-raising tour that includes stops in Florida, Georgia and California.

February 21 1972







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Charleston
South Carolina