

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: 90656
Folder ID Number: 90656-003

Folder Title:
Monday, February 24, 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
01. Letter	From George Bush to Jimmy Carter (1 pp.)	02/24/92	(b)(1)	
02. Memo	From Richard N. Haass to Mary C. Emery Re: Indian marriage [redaction of personal information] (1 pp.)	02/25/92	(b)(6)	
03. Letter	From Tom Watson, Jr. to Lou Walker Re: Suggestions for the campaign [redaction] (1 pp.)	02/07/92	C	
04a. Note	From George Bush to Joe Zappala Re: resignation [redaction] (1 pp.)	02/24/92	(b)(6)	
04b. Note	From George Bush to Joe Zappala Re: resignation [redaction] (1 pp.)	02/24/92	(b)(6)	
04c. Report	Department of State Inspector's Evaluation (2 pp.)	11/06/91	(b)(6)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records

Office: Office of the President

Series: Daily Files

Subseries:

WHORM Cat.:

File Location: Monday, February 24, 1992 [3]

Pinksheet Number: dw2507

OA/ID Number: 90656-003

Date Closed: 10/24/2014

FOIA/Sys Case #: 2009-0166-S

Re-review Case #:

P-2/P-5 Review Case #:

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Emile J. Roy
7 Ridgeway Avenue
Sanford, Maine 04073



THE PRESIDENT

2-24-92

Dear Emile,
After I wrote you, your
letter with the pictures arrived.
Here's one back - signed.
Thanks for being my chairman.
I was pleased by yes-
terday's results - All Best - GFB

CC:
Marlin Fitzwater

JAN'S

THE WHITE HOUSE
WASHINGTON

February 24, 1992

Dear Tom:

While in Knoxville I saw Jerry Cunningham. What an attractive guy he is. I am so glad the U.S. Attorney was satisfactorily resolved and I know we have a good man there in Jerry.

Soon the snows will have fallen. I can already feel that smooth putting stroke of mine coming back. Let's tee it up.

Warm regards,

Sincerely,



The Honorable Thomas S. Kleppe
Number 1000
7100 Darby Road
Bethesda, Maryland 20817

CC: Zamaria
1 copy
(in iot)

JAN

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	From George Bush to Jimmy Carter (1 pp.)	02/24/92	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, February 24, 1992 [3]

Date Closed: 10/24/2014	OA/ID Number: 90656-003
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

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

The Honorable Sonia Landau
167 East 61st Street
New York, New York 10021



THE PRESIDENT

February 24, 1992

Dear Sonia,

Your Valentine card just reached me and brightened my day.

I really appreciate your thoughtfulness.

Sincerely,

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

OH to California tomorrow

Jan Burmeister

THE WHITE HOUSE
WASHINGTON

February 24, 1992

Dear Craig:

I thought the attached suggestion from Barbara Hayward about Clif White, who is suffering from cancer, makes so much sense.

I don't know how these testimonials are worked out through the convention, but surely Clif's long service to the Party could well be memorialized by a resolution of sorts, if that is in order.

On a totally different and happier subject, thanks for a wonderful evening last Thursday. I am little overweight in the tonnage department, but my that food was good. And the company, superb.

Warmest regards.

Sincerely,



The Honorable Craig Fuller
Philip Morris Companies, Inc.
Washington, D.C. 20005



THE PRESIDENT

February 24, 1992

Dear Ernie,

Just a quick note of thanks for your recent letter. I really appreciate your post-State of the Union support. Now if we can get something positive done with the Congress.

Barbara and I are both doing fine and feeling great. We are grateful for your steadfast support.

Take care, and warmest regards from all the Bushes.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Ernest S. Petinaud
4923 New Hampshire Avenue, N.W.
Washington, D.C. 20011



THE PRESIDENT

February 24, 1992

Dear Michael,

Just a note to let you know that I saw your recent letter, and I appreciate your kind words about the State of the Union speech. Your expression of support meant a lot, too.

Barbara and I are extremely grateful for your steadfast friendship and support. Thank you again.

Sincerely,

*Thanks so much
Mike!*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Michael E. DeBakey, M.D.
Baylor College of Medicine
Houston, Texas 77030



THE PRESIDENT

February 24, 1992

Dear George,

It was good to meet you at the Alfalfa dinner.
What a great night it was.

I appreciated your sending the Baltusrol material
as well as your supportive words.

Best wishes and straight fairways to you!

Sincerely,

*I've never
played Baltusrol - G. B.
I'd love to some day*

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. George S. Ross
55 Madison Avenue
Morristown, New Jersey 07960

OB

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Della,

Thanks for your February 10 note. I was surprised by your comments on Ed Perkins. I have such a high regard for him. Everyone around here thinks he is a thoroughgoing professional, but I gather from your note that there are those who don't agree with him.

Keep up the good work down there, old friend. I keep trying to put our primary opposition to sleep back here. It's no fun these days. There is an ugliness generated from a sluggish economy that makes campaigning less than the fun it has been in the past.

All best to you and Wales.

Sincerely, *Con Afecto*

CB

The Honorable Della Newman
American Ambassador
New Zealand

Mr. Wells McCurdy

THE WHITE HOUSE

WASHINGTON

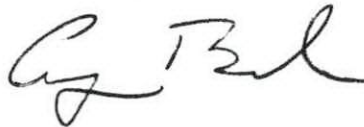
February 24, 1992

Dear Mr. Dormann:

Thank you for your letters and for the Raffles golf balls! I hope to use them someday soon. I appreciate your kind words of support and your efforts on behalf of the campaign. Thanks also for the insight from the Asian leaders you met. It's a dynamic part of the world and I aim to keep us involved.

Concerning your idea of the Award for Service Excellence, I find it most interesting; but it's hard for me to foresee what the future will bring -- other than a victory in November. Let's discuss it further after we're up and running in '93.

Sincerely,



*I feel badly I didn't get
to say "Hi" at Singapore -*

Mr. Henry O. Dormann
Chairman and Editor-in-Chief
LEADERS
59 East 54 Street
New York, New York 10022



THE WHITE HOUSE

WASHINGTON

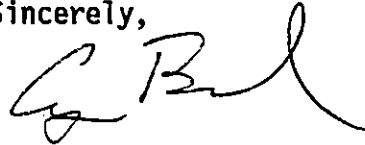
February 24, 1992

Dear Paul:

February 14 was a day of rejoicing for your family, and Mrs. Bush and I are delighted to send you a warm welcome on your arrival.

You are a very special blessing to your loved ones, and we join them in wishing you a long life of health and happiness.

Sincerely,



Mr. John Paul Boldrick
420 Grandview
San Antonio, Texas 78209

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

Liz Grundy Boldrick and hubby John had
their second son on Valentine's Day, 1992 --
John Paul (they will call him Paul) weighed
in at 6 lbs. 13 oz. Liz went into labor
at about 6:30 and the baby was born at
8:30.

Address is 420 Grandview
San Antonio, TX 78209

JOHN PAUL BOLDRICK

he will be called PAUL

born February 14, 1992

to Liz Grundy Boldrick
husband: John

10 MAR 90 P10887-07 DV

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. John Paul Boldrick
420 Grandview
San Antonio, Texas 78209



To Paul -
Good Luck in Your Exciting Life
Ahead with you Great Mom & Dad
Love Paul

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Johannes Per Burlin and
Ms. Dorothy D. Danforth
c/o Senator and Mrs. Danforth
5101 Van Ness Street, NW
Washington, DC 20016



THE PRESIDENT

February 24, 1992

Dear Dorothy and Johannes,

Barbara and I are delighted to join with your family and friends in extending our warmest wishes on your wedding day. We hope that your years together will be filled with joy and many blessings.

Congratulations on this special day!

Sincerely,

A handwritten signature in black ink, appearing to read "G. H. W. Bush".

*cc: Barbara
(in out)
(file)*

H B

Mrs. Bush has included a gift of a plate to Dorothy and Johannes along with a letter to Senator & Mrs. Danforth, see copy

2
C. Danforth
DOROTHY DUNCAN DANFORTH



Dear President & Mrs Bush,

91 JAN '29 PM 4:12

Thank you so much for the lovely
bowl. Johannes & I really appreciate your
thoughtfulness and, though we are sorry
you can't come, thank you for the kind
wishes you sent us in your note. Hope all
goes well with the State of the Union Address!
With esteem & best wishes, D.D. & Johannes

Danforth
3640 Reservoir Rd.
Washington, DC 20007

Senator and Mrs. John Claggett Danforth
request the honour of your presence

at the marriage of their daughter

Dorothy Duncan

to

Mr. Johannes Per Berlin

on Saturday, the twenty-ninth of February
Nineteen hundred and ninety-two

at half after four o'clock

Saint Allan's Episcopal Church

Massachusetts and Wisconsin Avenues, Northwest
in the City of Washington

Reception

following the ceremony

Julienne Club

The favour of a reply is requested
5101 Van Ness Street, Northwest
Washington, D. C. 20016

Bored

THE WHITE HOUSE

January 16, 1992

Dear Jack and Sally,

George and I so appreciate receiving the lovely wedding invitation. Although we are unable to join you for this wonderful occasion, we send our congratulations and our warmest wishes.

Warmly,

Barbara

The Honorable and Mrs. John Claggett Danforth
5101 Van Ness Street, N.W.
Washington, D.C. 20016

Love to the bride and groom!

THE WHITE HOUSE
WASHINGTON

February 24, 1992

Dear Tom:

While in Knoxville I saw Jerry Cunningham. What an attractive guy he is. I am so glad the U.S. Attorney was satisfactorily resolved and I know we have a good man there in Jerry.

Soon the snows will have fallen. I can already feel that smooth putting stroke of mine coming back. Let's tee it up.

Warm regards,

Sincerely,



The Honorable Thomas S. Kleppe
Number 1000
7100 Darby Road
Bethesda, Maryland 20817

cc: Zamaria
1 copy
(in & out)



ERNEST W. WILLIAMS
UNITED STATES ATTORNEY
MIDDLE DISTRICT OF TENNESSEE

Ofc. 615-736-5151
FTS 852-5151

February 3, 1992

The President
The White House
Washington, DC 20500

Dear Mr. President:

I want to thank you for the appointment and confidence bestowed on me as the new United States Attorney for the Middle District of Tennessee. It is a great honor to have the opportunity to serve in your administration.

Several weeks ago, I had the pleasure of spending a weekend with Jerry and Janis Cunningham of Maryville, Tennessee (Mr. Cunningham being your appointee as the United States Attorney for the Eastern District of Tennessee) and her parents, Mr. & Mrs. Thomas Kleppe. Conversation with Mr. Kleppe gave me insight into your philosophy and administration. You are a great leader for this country and an inspiration to fellow Americans.

✓ When the opportunity presents itself, I would welcome meeting you personally. Again, thank you for the appointment. With kindest personal regards, I am,

Yours very truly,

ERNEST W. WILLIAMS

92 FEB 10 AM 9:39



THE PRESIDENT

February 24, 1992

Dear Carol and Suhail,

Word reached me about your recent marriage and Barbara and I want to join with your family and friends in extending our warmest wishes.

We hope that your years together will be filled with joy and many blessings.

Sincerely,

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. & Mrs. Suhail Hussain
2700 Macomb Street, NW
Washington, DC 20008

*Its not sent per
recommendation of NSC
see attached!*

Monday
February 24, 1992 (1530)

PHONE CALL FOR THE PRESIDENT

FROM: Mr. Muth

??

He just called to leave a message that the son of the Indian Ambassador to the U.S. got married on 30 December to an American. (They eloped since mutual dates, etc., could not be agreed upon.) The couple (Suhail and Carol Hussain) will reside at the Indian Ambassador's residence.

(He thought you and the Indian Ambassador discussed the upcoming wedding while you were at the UN last month.)

v/r
Robin

No we did not
But send it
you think appropriate

Bush Presidential Library Photocopy

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memo	From Richard N. Haass to Mary C. Emery Re: Indian marriage [redaction of personal information] (1 pp.)	02/25/92	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, February 24, 1992 [3]

Date Closed: 10/24/2014	OA/ID Number: 90656-003
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

NATIONAL SECURITY COUNCIL

25-Feb-1992 12:41 EDT

UNCLASSIFIED

MEMORANDUM FOR:

Mary C. Emery

(EMERY)

FROM:

Richard N. Haass
(HAASS)

SUBJECT:

indian marriage

mary: here's the scoop:

The Indian amb. here (Amb. Abid Hussain) does have a son who did in fact get married in early January. I am not quite sure the word "elope" applies; in any event, the amb threw a reception for the boy and his new wife (b)(6)

(b)(6) soon after.

Anyhow, the young man (Suhail Hussain) and his bride are here in town as Suhail works at the World Bank.

I'm not sure any congrat note from the Pres is necessary given the time that has passed (b)(6)

CC: Bruce O. Riedel

(RIEDEL)

Bush Presidential Library Photocopy

bcc in - out
to Feb

Bush Presidential Library Photocopy

Bush Library Photocopy
George Bush Handwriting

Document Originally
Attached to
Following Page



2/24
see sent to get

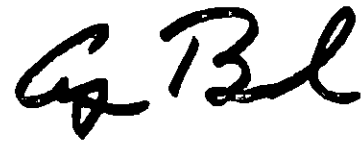
THE WHITE HOUSE
WASHINGTON

Dear Nick and Ady:

A notice arrived from the Chief Rabbi's office in Israel that you had requested prayers in my behalf. I'm grateful for the prayers and for your friendship.

Thanks and best wishes, from Barbara, too.

Sincerely,



Mr. and Mrs. Nicholas H. Morley
Post Office Box 450249
Miami, Florida 33145

Nick, I hope all
goes well for you!



5717 תשרי 27

OFFICE OF THE CHIEF RABBI OF ISRAEL

5717 תשרי 27

5717, 5752
JANUARY 22, 1957

DEAR MS. PAISOCK,

MS. PETTY PAISOCK
THE WHITE HOUSE
WASHINGTON, D.C.

WE HAVE THE HONOR OF INFORMING YOU THAT, UPON THE REQUEST OF MR. NICHOLAS H. & MRS. ELY MORLEY OF MIAMI, THE CHIEF RABBI OF ISRAEL HIMSELF, RABBI AVRAHAM SHAPIRO KUSH, GUESSED AND REQUESTED THE SYNAGOGUE LAYLEADERS TO RECITE A PRAYER FOR THE GOOD HEALTH AND WELL-BEING OF THE HON. PRESIDENT GEORGE HERBERT WALKER BUSH, SON OF DOROTHY (WALKER) AND PASCOTT SHELTON, SO THAT HE WILL BE ABLE TO ACT ON BEHALF OF A JUST AND PEACEFUL WORLD AND FOR THE SAKE OF ISRAEL, THE PEOPLE OF G-D, IN ACCORDANCE WITH THE PROPHECY MENTIONED IN THE HOLY SCRIPTURES.

I AM SURE THAT MANY MANY GOOD PEOPLE, THROUGHOUT THE WORLD, JOIN THIS PRAYER.

Sincerely yours,

YALMAN QUITTER
PRIVATE ASSISTANT

How Walker



February 24, 1992

Dear Lou,

The golf pictures are here. You're in some darn fine company rthere.

Thanks for all you've done in fundraising, and I am glad you'll be up here in March.

It might be good to touch base with Bobby Holt then.

Many many thanks.

A handwritten signature, likely of George H.W. Bush, is written in the center of the page. It is a stylized, cursive signature.

FROM THE PRESIDENT

16 Feb 92

LOUIS WALKER

P.O. BOX 1255

HOBE SOUND, FL 33475

Dear George -

I'm sorry not to be
in New Hampshire doing what ever I could
to be a help. But I do think the fund
raising is in a way equally important. I have
sent out several hundred of the enclosed, and
when I found out you were not legally permitted
to acknowledge contributions I have written
long hand notes of appreciation on your behalf. As of
to-day I have sent checks totalling \$143,200.

I am hoping to come to Washington to work
in the Bush-Quayle Campaign headquarters the third
week in March. I would ~~like~~ like to be

responsible for having raised \$50,000 before
I am through.

I am enclosing two letters - the first my
solicitation letter and the second expressing
Tom Watson's concern. Now I request that
you do NOT acknowledge this letter with
a thousand and one things on your mind.

all best

Lou

responsible for having raised \$50,000 before
I see through.

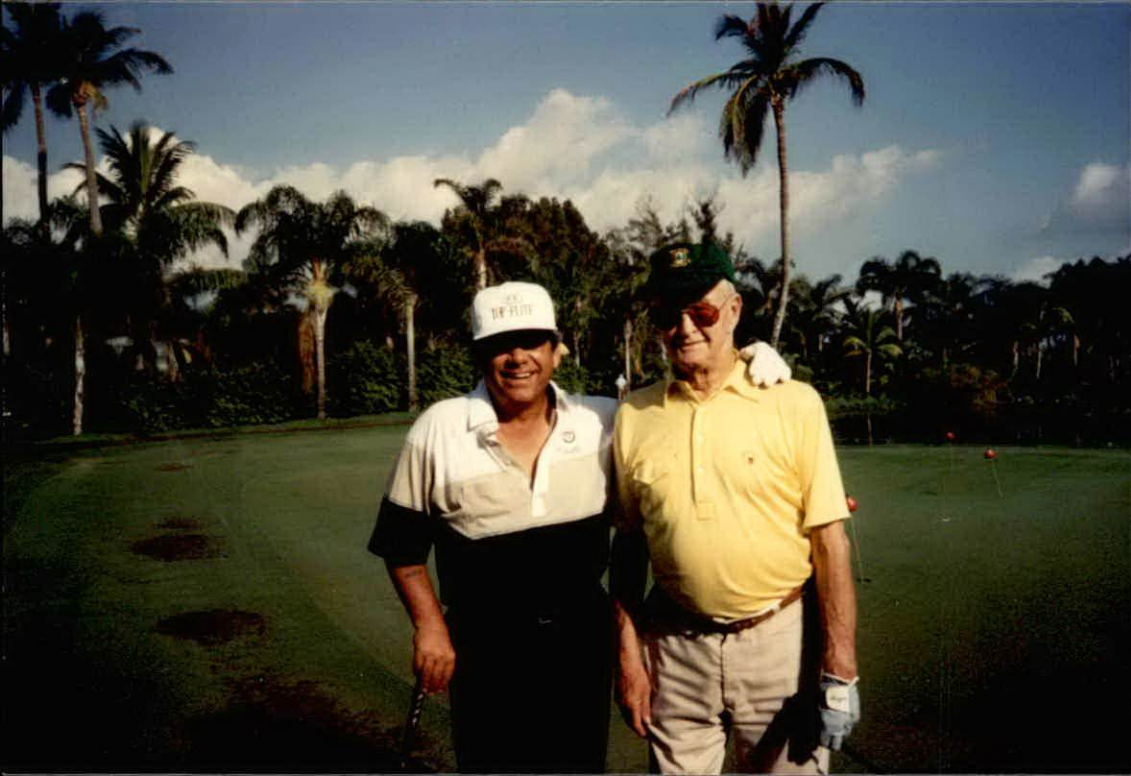
I am enclosing two letters - the first my
solicitation letter and the second expressing
Tom Watson's concern. Now I request that
you do NOT acknowledge this letter with
a check and no thing in your mind.

all best

Lou



56 MIN. 1101:57 0321 8-1 8-1 2



BUSH 92 QUAYLE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Dear

I told the President that I would gladly help him raise funds for his re-election campaign. In this regard, if you would like to contribute, please make a personal check payable to Bush-Quayle '92 and send it to me. The maximum contribution allowable is \$1000. I know that he would be tremendously appreciative of your support. Thank you.

Sincerely,

with an truly getting understanding"

Fact and Comment

By Malcolm S. Forbes Jr., *Editor-in-Chief*

10 December '91



REPUBLICANS CAN THANK THEIR LUCKY STARS

that George Bush is a clutch hitter who does best when his back is against the wall. Otherwise, growing GOP gloom about next year's election would be more than justified.

By letting Democrats dominate the domestic debate, and by not getting a capital gains tax cut to revive the wounded economy, the President has dangerously lengthened his reelection odds.

What can we anticipate in '92? A combination of Harry Truman (against Congress) and visionary about being prepared for the year 2000. Whatever, don't expect a passive President. The Sununu ouster is one symptom of this.

In 1988 Bush not only saved his badly wounded candidacy but clinched the nomination by battering Dole on taxes in the New Hampshire primary. His brilliant convention acceptance speech shattered Dukakis' then-invincible campaign. Stunned by Saddam's invasion of Kuwait, the President pulled himself, the country and our allies together into a force that won the most lopsided military victory in over 500 years.

A onetime baseball player, George Bush doesn't like to be left looking at a third-strike pitch. He will swing for the fences.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Letter	From Tom Watson, Jr. to Lou Walker Re: Suggestions for the campaign [redaction] (1 pp.)	02/07/92	C	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, February 24, 1992 [3]

Date Closed:	10/24/2014	OA/ID Number:	90656-003
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

Thomas J. Watson, Jr.

C

February 7, 1992

Dear Lou,

C

Some day soon I'd really like to talk to you about George Bush. I think that he somehow has to endear himself to the disadvantaged and I don't see anything that would suggest to me that he is receiving advice on this subject. I believe that 25% of the country are at or below the poverty level. I hope that statistic is off, but there are a lot of votes among those people who are benefitting so little from being American.

Olive and I are going back to Florida in a week and I'll be calling you from Hobe Sound some night for dinner.

Sincerely,

Mr. Louis Walker
P.O. Box 1255
Hobe Sound, FL 33475

please destroy

Bush Presidential Library Photocopy

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Marianne:

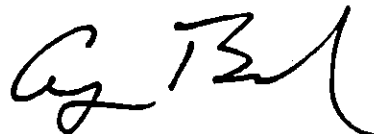
It is with regret that I accept your resignation as Special Assistant to the President for Policy Development. Parting with a valued associate is never easy, but I am pleased to have this opportunity to offer my sincere appreciation for your contributions as a key member of my staff.

From your first day at the White House nearly three years ago, you were deeply involved in the detailed and successful negotiations leading to the Americans with Disabilities Act. The disability community has appropriately recognized you as one of the important architects of this landmark piece of legislation.

You have demonstrated a continuing commitment to civil rights, from your critical work on age discrimination in employment to the Civil Rights Act of 1991. You also helped craft our proposals on medical malpractice, food safety, and national service. Throughout your career you have demonstrated a great commitment to public service at the State and Federal level.

Barbara joins me in sending best wishes to you for continuing happiness and success as you leave to begin your new assignment in Maine. God bless you.

Sincerely,

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

The Honorable Marianne McGettigan
Special Assistant to the President
for Policy Development
The White House
Washington, D.C. 20500

THE WHITE HOUSE

WASHINGTON

February 17, 1992

Dear Mr. President:

After being privileged to serve you for almost three years, it is with regret that I offer my resignation as Special Assistant to the President for Policy Development to enter the private practice of law in Maine.

It has been a high honor to work for a President who led the country and the world through a period of great transition, peril, and yet unprecedented promise. Your leadership has changed the world and helped a generation of Americans put the events of Vietnam to rest.

Your foreign policy achievements are widely recognized. Less appreciated are your domestic policy initiatives and accomplishments over the past three years. I was honored to work directly on many of these from medical malpractice to national service, from food safety to the Americans with Disabilities Act.

Your early and unwavering support for the Americans with Disabilities Act was crucial to enactment of the most important civil rights act since 1964. I will never forget the faces of those present on the South Lawn for the bill's signing and their reaction to your inspiring words. The entire Nation will soon understand how your effort has enhanced the quality of life both for those with disabilities and for those of us blessed with good health.

You have a strong domestic team that, with you, has developed principled policies and initiatives. I have spent twelve years in Washington, working for two outstanding United States Senators and for the last three years in the Office of Policy Development. I have never worked for a finer, harder working, more collegial group of individuals than Roger Porter's team. It has truly been the best three years of my life.

The hours have often been long and the challenges considerable, but it has always been a joy to work with individuals whom one respects personally and professionally. You are fortunate to have serving you a team that is not only talented and able, but unwaveringly loyal to you. You deserve no less.

My only regret about the last three years is that you have not had the benefit of a majority in at least one House of Congress. Having worked in the Senate during the first six years of the Reagan-Bush Administration, I understand the tremendous advantage of having Republican control of at least one House of Congress. Had you been able to work with a Republican majority, as did your predecessor, it could easily have transformed the nature of your relations with Congress, and even more of your domestic initiatives would be law.

Having been privileged to work with two of the brightest members of the Senate, Slade Gorton and Warren Rudman, and a remarkable President, I have observed national policies developed through statesmanship, skill, and commitment to good government. Unfortunately, I have seen others engage in posturing, demagoguery and self-interested promotion. You have always served as an example of the finest in public service. I will always be proud to be associated with you and your Administration.

Your thoughtful and principled policies and commitment to good government are an inspiration to all those who share your commitment to public service. I hope in your second term more in Congress will join you in your effort to lead this Nation into the next century with prosperity and peace in the new world you have been so instrumental in creating.

Thank you again for the honor you bestowed on me.

Gratefully,


Marianne McGettigan

The President
The White House
Washington, D.C.



THE PRESIDENT

daily

2-24-92

Dear Emile,

After I wrote you, your
letter with the pictures arrived.
Here's one back - signed.

Thanks for being my chairman
today. I was pleased by yes-
results - All But - GB

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

Mr. Emile J. Roy
7 Ridgeway Avenue
Sanford, Maine 04073





n

Marlin:

Could you please sign this for Emile roy... barber, grassroots
pol., friend.
This was at NH rally I believe.

Thanks-- when signed I'll send to him.



Bush Library Photocopy
George Bush Handwriting

FROM THE PRESIDENT

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Nancy,

Barbara and I so enjoyed Thursday night's dinner. I fired off the attached letters to the Thompsons and Marion Chambers.

The Thompsons lived in Texas for many years, but they have a lovely place just on the outskirts of Santa Fe. Marion Chambers is our dear friend from Midland and Houston. Her husband, C. Fred, for whom we named our dog -- an honor he never fully appreciated -- was one of my closest friends. I know that you would find both the Thompsons and Marion Chambers delightful.

Again, my sincere thanks for the other evening.

Sincerely,

A handwritten signature in dark ink, appearing to be "G. H. W. Bush", followed by a long diagonal slash.

Ms. Nancy Clark Reynolds
824 Camino de las Trampas
Santa Fe, New Mexico 87501

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Marion:

I'm writing to you on behalf of a good friend of ours who is moving to Santa Fe. Her name is Nancy Reynolds (824 Camino de las Trampas, Santa Fe, New Mexico 87501), and she is a close friend of the Reagans. She is a very successful businesswoman here, but she has now decided to enjoy semi-retirement in Santa Fe -- the place she loves dearly.

Marion, if you ever need an extra at a dinner party, one who is extraordinarily knowledgeable about Washington, and business in general, try and remember Nancy Reynolds. I know you will like her.

Bar joins me in sending love to all Chambers.

Sincerely, *Love*



Mrs. C. Fred Chambers
7 West Oak Drive
Houston, Texas 77056

Blind cc:
Nancy Reynolds

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Leland and Evaline:

I'm writing to you on behalf of a good friend of ours who is moving to Santa Fe. Her name is Nancy Reynolds (824 Camino de las Trampas, Santa Fe, New Mexico 87501), and she is a close friend of the Reagans. She is a very successful businesswoman here, but she has now decided to enjoy semi-retirement in Santa Fe -- the place she loves so much.

If you ever would like to have an extra woman to your house for dinner, one who is extraordinarily knowledgeable about Washington and business in general, try to remember Nancy Reynolds. I know you will like her.

Warm best wishes.

Sincerely,

Love
EJ

Mr. and Mrs. Leland Thompson, Jr.
Post Office Box 1345
Santa Fe, New Mexico 87504

Blind cc:
Nancy Reynolds



Luncheon

*Honoring His Excellency
The Prime Minister of Sweden*

*Cream of Asparagus Soup
Sesame Galettes*

*Grilled Tuna Mignon, Choron Sauce
Potato Gaufrettes
Zucchini and Carrots*

Mixed Green Salad

*Lemon Crème Brûlée
with Caramelized Apples
Shortbread*

*TALBOTT
Chardonnay 1988*

*THE WHITE HOUSE
Thursday, February 20, 1992*

Nancy Reynolds
824 Camino de
las Trampas

87501

Wnto Leland

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Ed:

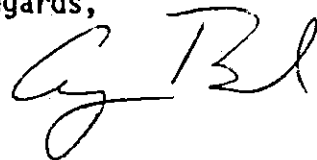
The dust has now settled, and in spite of the news coverage we came out of New Hampshire in first place -- doing better than those silly exit polls stated.

I just wanted to thank you for your steadfast support. The climate was very tough up there, but I believe things will be in better shape as we move ahead.

Yesterday we got 90 percent to 3 percent against Buchanan in Maine, but I had trouble finding this news in the papers.

In any event, I am very grateful for all you did for me.

Warm regards,

A handwritten signature in dark ink, appearing to be "Bill Clinton", written in a cursive style.

The Honorable Edward DuPont
New Hampshire State Senate President
Post Office Box 1440
Rochester, New Hampshire 03867

THE WHITE HOUSE
WASHINGTON

February 24, 1992

Dear Bill,

The dust has now settled, and in spite of the news coverage we came out of New Hampshire in first place -- doing much better than those silly exit polls stated.

I just wanted to thank you for your steadfast support.

All the best to you, Bill, and again my sincere thanks.

Warm regards,

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

The Honorable Bill Bartlett
Post Office Box 727
Kingston, New Hampshire 03848

THE WHITE HOUSE
WASHINGTON

February 24, 1992

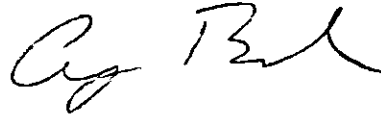
Dear Dick:

It seems like ages ago, but it was less than a week that New Hampshire went to the polls. I just want to thank you once again for all your terrific support.

I still look on that visit with you and all those law enforcement people as the best day I have had campaigning up there -- ever.

All the best to you, Dick, and again my sincere thanks.

Warm regards,

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

The Honorable Richard M. Flynn
Commissioner
New Hampshire Department of Safety
10 Hazen Drive
Concord, New Hampshire 03305

The —
Pres. said
got addresses
from Ron
Kaufman



Letters to N>H>

Ed DuPont, president of NH Senate

Dear Ed,

The dust has now settled, and in spite of the news coverage we came out of there in first place, doing better than those silly exit polls stated.

I just want to thank you for your steadfast support. The climate was very tough up there, but I believe things will be in better shape as we move ahead.

Yesterday we got 90% to 3% against Buchanan in Maine, but I had trouble finding this news in the papers.

In any event I am very grateful for all you did for me.

(send similar letter to bill Bartlett - not as long just thanks)

Dick Flynn (supt of police etc. - not proper title)

Dear Dick,

It seems like ages ago, but it was less than a week ago that NH went to the polls. I just want to thank you once again for all your terrific support.

I still look on that visit with you and all those law enforcement people as the best day I HAVE HAD CAMPING UP THERE-EVER.

ALL BEST TO YOU, DICK, AND AGAIN MY SINCERE THANKS.

FROM THE PRESIDENT

THE WHITE HOUSE
WASHINGTON

February 24, 1992

MEMORANDUM FOR BRIDGET MONTAGNE

FROM: LYNN LAWSON *u*
SUBJECT: NEW HAMPSHIRE ADDRESSES

The Honorable Edward DuPont
New Hampshire State Senate President
Post Office Box 1440
Rochester, New Hampshire 03867

The Honorable Bill Bartlett
Post Office Box 727
Kingston, New Hampshire 03848
(Former State Senator/Bush-Quayle '92 Rockingham County Chairman)

The Honorable Richard M. Flynn
Commissioner
New Hampshire Department of Safety
10 Hazen Drive
Concord, New Hampshire 03305

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04a. Note	From George Bush to Joe Zappala Re: resignation [redaction] (1 pp.)	02/24/92	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, February 24, 1992 [3]

Date Closed: 10/24/2014 **OA/ID Number:** 90656-003

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)]

Freedom of Information Act - [5 U.S.C. 552(b)]

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.

(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 WHITE HOUSE

WASHINGTON

February 24, 1992

PERSONAL

Dear Joe:

The system will kick out a formal letter accepting your resignation -- one that I will sign with mixed emotions; but I just wanted to tell you that I received your letter, and I understand.

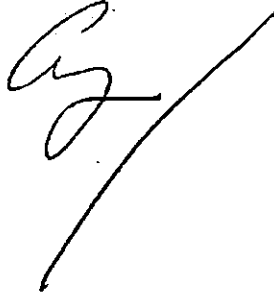
You have done a superb job, and everyone knows it. I was thrilled to see that evaluation -- not surprised, simply delighted. Thanks for your terrific service to country.

On the political scene, New Hampshire was better than the media allowed. We are in a posture of getting hammered from all quarters, but I believe we will do fine in your state and in the other Super Tuesday states. (b)(6)

(b)(6)

More from me soon on the resignation. Warm regards.

Your friend,



The Honorable Joseph Zappala
American Ambassador
Madrid

From the desk of

George Bush

Phil

Have this
letter formally
replied to.

cc Conner, Brunt, TAB

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04b. Note	From George Bush to Joe Zappala Re: resignation [redaction] (1 pp.)	02/24/92	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, February 24, 1992 [3]

Date Closed: 10/24/2014	OA/ID Number: 90656-003
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



*Hand typed
no copies of
this*

Dear Joe,

The system will kick out a formal letter accepting your resignation- one that I will sign with mixed emotions; but I just wanted to tell you that I received your letter and I understand.

You have done a superb job over there and everyone knows it. I was thrilled to see that evaluation report- not surprised, simply delighted.

Thank for your terrific service to country.

On the political scene, NH was better than the media allowed. We are in a posture of getting hammered from all quarters, but I believe we will do fine in your State and in the other Super Tuesday states.

(b)(6)

Warm Regards. More from me soon on the resignation.

Your friend,

*Return to
Bridget*

*Just send
incoming to
Phil B with
my notes*

FROM THE PRESIDENT

SELF-TYPED



EMBASSY OF THE
UNITED STATES OF AMERICA
MADRID

THE AMBASSADOR

February 18, 1992

The President
The White House
Washington, D.C. 20500

Dear Mr. President,

Beginning this letter gives me a great sense of mixed emotions, however great pleasure for I can report these past two and a half years in Spain have seen dramatic positive change. Our relations in all aspects could not be better. On the important issue of trade, our trade balance favoring the U.S. has increased by fifty (50) percent in the past two years to five (5) billion dollars. Expo-bashing by the press is unwarranted, our country will be well represented and we can be proud of both our look and content. Our shared cooperation with Spain on differing aspects of the Olympics are in excellent shape. We are in the midst of reducing our military presence by fifty (50) percent and closing two major bases by year's end, all going extremely smooth. Spain, now the eighth largest free market economy, a close friend and ally, has thru its cooperation in the events of the past two years clearly demonstrated its import and influence. I sense its continued desire to expand that cooperation in the future with the U.S. and in world organizations.

In a private lunch last week with our friend Paco Ordonez, the Foreign Minister, he as well concluded things have never been better. This is further evidenced by our Inspector General's recently completed report giving Embassy Madrid and me personally very high marks. I take the liberty of enclosing it.

I have informed Jim Baker and Constance Horner of our discussion of December and my plans to return earlier. I have given a date of May 30 - to afford me some time to deal with business and personal matters and then take an active role in your re-election campaign.

-2-

You have afforded me the highest honor of serving our great country and you. I am grateful for this privilege. I feel I have done it well.

I send to you and Barbara my affection and respect, and as you know you always have my loyalty and admiration.

Warmest of regards,

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

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04c. Report	Department of State Inspector's Evaluation (2 pp.)	11/06/91	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Office of the President
Series: Daily Files
Subseries:
WHORM Cat.:
File Location: Monday, February 24, 1992 [3]

Date Closed: 10/24/2014	OA/ID Number: 90656-003
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

*xmas cards in Personal
file*

CAMP DAVID

February 24, 1992

Dear Wan Li,

I just received your New Year's Greeting card, and I want to thank you for it. I would also ask that you thank Deng Xiaoping for his New year's card.

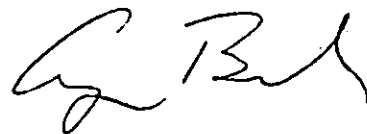
I hope this letter finds you in good health and still beating up on all opponents on the tennis court. I am still playing, but my hips and knees bother me a little bit if I play more than 3 sets at a time.

For old times sake, I thought you might like to have the attached picture.

We Bushes are all fine. I am trying very hard to keep the important U.S.-China relationship moving forward. I am sure you are keeping up with all of that. Our election year will make this more difficult I fear.

In any event, I hope our paths will cross sometime in the not too distant future.

Sincere best wishes,



His Excellency Wan Li
Chairman of the Standing Committee of the
National People's Congress of the
People's Republic of China
Beijing



on Camp David paper attached

RZ please have note to Wan Li typed, save all cards in personal files...especially Deng's card

Dear Wan Li,

I just received your New Year's Greeting card; and I want to thank you for that. I would also ask that you thank Deng Xiaoping for his New Year's card.

I hope this letter finds you in good health and still beating up on all opponents on the tennis court. I am still playing, but my hips and knees bother me a little bit if I play more than 3 sets at a time.

For old times sake I thought you might like to have the attached picture.

We bushes are all fine. I am trying very hard to keep the important US China relationship moving forward. I am sure you are keeping up with all of that. Our election year will make this more difficult I fear.

In any event, I hope that our paths will cross sometime in the not too distant future.

Sincere best wishes,

FROM THE PRESIDENT

To Wan Li,
From a fellow tennis lover,
Cy Burt



daily

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Barbara:

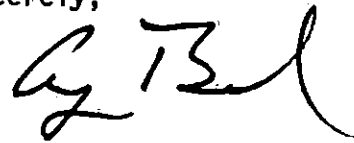
Thanks so much for your letter of February 12.

First on Clif White. I am distressed to hear that he is in bad shape. He is special, and as you say, he has been there slugging it out from the very beginning. I am asking Craig Fuller to take a look at the convention schedule to see if we can, in some way, give Clif the recognition that you so properly point out he deserves.

I am telling Rich Bond about your interest regarding Republicans Abroad, and I am also passing along to the campaign your possible interests in working with the women's groups.

Again, thanks for that wonderful letter.

Sincerely,



The Honorable Barbara Hayward
Hayward International
Suite 601
1155 Connecticut Avenue, NW
Washington, D.C. 20036

HAYWARD INTERNATIONAL

February 12, 1992

The Hon. George H.W. Bush
President of the United States
White House
Washington, D.C. 20500

Dear Mr. President:

I am writing with some sad news. I learned a couple of weeks ago that our good friend, Clif White, has been told by his doctors that he has only six months to one year to live. Clif -- being Clif -- does not believe this but he told me he thinks this is "the Lord's way of pushing me into getting some of my projects finished this year". He also told me that he feels terrific!

I have been trying to think of something I could do for him, and have come up with an idea which may appeal to you. Clif, as I am sure you know, has not missed a Republican Convention in 48 years and he does not intend to miss this one. I thought, with your approval, it would be wonderful if the Convention made some special honor or award to Clif this year to recognize his years of service to the country and to the Republican party. Too often those who make great contributions are not recognized by their peers until after they have passed on. It would be rather nice if this did not happen to Clif.

Looking at it from a different angle, the Conservative wing of the party would be pleased to see one of their own recognized in this way. Clif does not know I have written this letter, so if you think it is a terrible idea, please feel free to say so.

My second reason for writing is that I would very much like the opportunity to help you on your re-election campaign. You know me well enough to know that I am not one to blow my own horn, but if a candidate has not been named, I would be interested in heading your voter outreach program.

You probably don't recall but you asked me in 1982 what position I would really like in the White House, and I said head of Public Liaison. Although I was singularly unqualified for the job at that time, having spent my "boot camp" political training in the grass roots and voter registration areas in Manhattan and Queens, New York, I have always been aware of the importance of these outreach activities.

There are several areas in which I can be particularly helpful. The first, of course, is with the overseas vote. As you know, I have been involved with Republicans Abroad for 10 years, and have

been their Vice Chairman for four of those years. In that time, we have built up the organization from 25 countries to 70 countries. There are over three million Americans living and working overseas, and these people are your natural constituency, Mr. President. They have different concerns from the people living in America. They need a President with a strong international presence. They spent four long years during the Carter administration, sneaking around corners and apologizing for their country's terrible foreign policy. The last thing they want is a Democrat in the White House who will lead them down the same path. An added benefit is that this vote can tip the scales in our favor in close congressional and Senate races -- Connie Mack is proof of that.

Secondly, over the past four years, I have done a great deal of networking and advising to womens groups. I believe there is going to be more to getting their vote than coming out in favor of abortion. Women make up over 52% of the population, and they are concerned about pocket book issues, values, personal safety and the future of America.

Women also own and operate over 35% of the businesses in this country, but the fact is that they get less than 1% of all government contracts -- this from the Congress that supposedly has their best interests at heart. The political wisdom from the Hill being that they don't want women and minorities to compete against each other for federal dollars so women fall by the wayside. What with the old boys network that operates so strongly in Washington and the minority set aside programs, women are caught in between the rock and the hardplace (I speak from personal experience). It wouldn't take much to make a difference, and think what a hero you would be to those women business owners!

I'm afraid I have jumped on my soapbox again, and I apologize if this seems at all presumptuous of me. I just feel so strongly as an American, a businesswoman and a friend (I hope), that we must have George Bush as President for four more years. Please know that, either as a member of your team, or merely working with Republicans Abroad and as a businesswoman, I will do anything I can to help make this happen.

My warm best wishes to you and Mrs. Bush and good luck in New Hampshire.

Sincerely,

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

Barbara Hayward

THE WHITE HOUSE
WASHINGTON

DATE: February 24, 1992

FROM THE PRESIDENT *CS*

TO: Rich Bond

You probably remember Barbara Hayward who worked for me here in the White House.

Her letter is self-explanatory, but I call to your attention her possible interest in Republicans Abroad and/or with women's groups.

Barbara is a dedicated person. I doubt you have any openings now, but please keep her in mind.

Thanks.

THE WHITE HOUSE
WASHINGTON

DATE: February 24, 1992

FROM THE PRESIDENT *VB*

To: Ron Kaufman

If you have any thoughts on this, please
contact Barbara Hayward directly.

Thanks.

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Craig:

I thought the attached suggestion from Barbara Hayward about Clif White, who is suffering from cancer, makes so much sense.

I don't know how these testimonials are worked out through the convention, but surely Clif's long service to the Party could well be memorialized by a resolution of sorts, if that is in order.

On a totally different and happier subject, thanks for a wonderful evening last Thursday. I am little overweight in the tonnage department, but my that food was good. And the company, superb.

Warmest regards.

Sincerely,

A handwritten signature in black ink, appearing to be 'C. Fuller', written over a horizontal line.

The Honorable Craig Fuller
Philip Morris Companies, Inc.
Washington, D.C. 20005

THE WHITE HOUSE

WASHINGTON

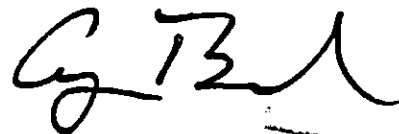
February 24, 1992

Dear Peter:

I know Kathy Super, my able scheduler, wrote to tell you that I could not attend your convention in Dallas. But I just wanted you to know I appreciated the invitation, and I look forward to checking out a minor league ball game or two. That was sheer heaven last year.

I hope you all have a great year. "Go Suns!" and "Go Keys!"

Sincerely,



Mr. Peter M. Kirk
Maryland Baseball Limited Partnership
14504 Greenview Drive
Suite 207
Laurel, Maryland 20708-3202

Cc: Zamaria
1 copy
(in & out)

January 27, 1992

Dear Mr. Kirk:

Thank you for your letter in which you invite the President to attend your convention in Dallas on February 13-16, 1992.

We are most appreciative of your thoughtful invitation for the President to be a part of this occasion. I regret that the President's schedule is such that his attendance cannot be arranged. Unfortunately, with so many demands on his time, he must often miss special opportunities as is the case this time.

I know that the President in regretting would want me to convey to you his very best wishes for a successful event.

Sincerely,

KATHERINE L. SUPER
Deputy Assistant to the President
for Appointments and Scheduling

Mr. Peter M. Kirk
Maryland Baseball Limited Partnership
14504 Greenview Drive
Suite 207
Laurel, Maryland 20708-3202

KLS/lme
cc:with copy of inc. to Jan Burmeister FYI



Maryland Baseball Limited Partnership

14504 Greenview Drive Suite 207 Laurel, MD 20708-3202
Phone: (301) 317-1652 • Fax: (301) 317-1654

301088

January 20, 1992

*Scheduling
2/13-2/16/92
C.C. for Burnmaster*

The President
The White House
Washington, D.C. 20500

Mr. President:

Presuming upon the innings that I have had the pleasure to spend with you at the ballpark in Frederick and Hagerstown, I wanted to drop you this note.

First, I wish to thank you for your kind words of sympathy after the untimely death of sportscaster Glenn Brenner last week. Glenn was my neighbor and friend, also a former minor league pitcher, and your thoughtfulness is much appreciated - especially by Glenn's family.

Second, you may be interested to know, based on our conversations about minor league baseball, that a "constitutional convention" has been scheduled for February 13-16, 1992, in Dallas. Representatives of the more than 200 minor league clubs in the United States, Canada and Mexico will be meeting to examine the structure of our National Association Agreement which dates back to 1901. After 90 years, we feel that it needs some updating.

On behalf of the Executive Committee of the National Association of Professional Baseball Leagues, of which I am a member, I would like to invite you to our convention at the Loews Anatole Hotel in Dallas (February 13-16, 1992). If your schedule permits, you will find a group of grassroots, baseball and community loving people with whom you would have much in common - regardless of political persuasion.

Minor League Baseball provides communities with affordable, wholesome, family entertainment while also providing a path for young men to develop their talents on the way to the "Big Leagues." Our clubs employ tens of thousands of summer workers each year and help raise much needed funds for local charities. They are also a focus of community spirit and civic pride.



P.O. Box 230
Hagerstown, MD 21741
phone: (301) 791-6266
fax: (301) 791-6066

Minor League Affiliates of the Baltimore Orioles

P.O. Box 3169
Frederick, MD 21701
phone: (301) 662-0013
fax: (301) 662-0018



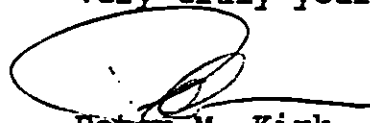
The President
January 20, 1992
Page 2

Our first ever "constitutional convention" is principally in response to pressures that seek to erode our ability to continue to perform these functions. Professional sport, and baseball in particular, seems to have taken a path away from the "sport" end and more toward the "business" end of the spectrum.

We in the Minor Leagues would like to restructure ourselves to try to avoid making the mistakes of others. In many respects we find ourselves the "keepers of the flame" of the best aspects of our national pastime, at least until Major League Baseball makes its own adjustments.

My personal best wishes to you and your family. We look forward to seeing you at the ballpark again this season anytime that you would like to put your feet up and relax for an evening.

Very truly yours,



Peter M. Kirk

PMK/jev
CONVENTN.NA

cc: Mr. Mike Moore, President, NAPBL
NA Executive Committee:
Mr. Randy Mobley, President, International League (AAA)
Mr. David Rosenfield, Tidewater Tides, VA (Mets)
Mr. Jimmie Bragan, President, Southern League (AA)
Mr. John Hopkins, President, Carolina League (A)
Mr. Robert Beban, Eugene Emeralds, OR (Royals)
Mr. Peter Kirk, Hagerstown Suns/Frederick Keys (Orioles)

THE WHITE HOUSE

WASHINGTON

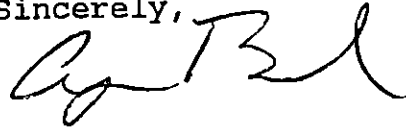
February 24, 1992

Dear Mr. Prime Minister:

A special note of thanks to you and Mrs. Goh for your kind gift of the framed watercolor. Mrs. Bush and I are delighted to have this reminder of our visit to Singapore -- and of your generous hospitality and goodwill.

Our best wishes.

Sincerely,



His Excellency
Goh Chok Tong
Prime Minister of the
Republic of Singapore
Singapore

cc:
Rose Zamaria



THE PRESIDENT

2-24-92

Ashie -

Got your note
on the DTC. Our
scheduler, Kathy Super, has
the request. It would be
great to get back to Houston
for that. Well see. All Best
Cj

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

CC:

Rose Zamaria
(1 copy)

Mr. John B. Ashmun
Chairman of the Board and
Chief Executive Officer
Wainoco Oil Corporation
Suite 1500
1200 Smith Street, South
Houston, Texas 77002

THE WHITE HOUSE

WASHINGTON

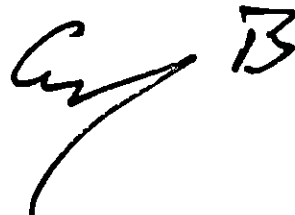
February 24, 1992

Dear Bill,

Ron Kaufman showed me your good letter of January 22. Maybe we should have taken your advice because our rather substantial win was turned into a defeat by the media and, of course, by the opponents. But I feel pretty good about the lay of the land. I'm confident that the economy will turn. I am confident that I will win the Republican nomination, and I am confident (not over-confident) of victory in the Fall.

Thanks, my friend, for checking in.

Sincerely,

 B

Mr. William B. Chamberlain
9104 Wilcrest Drive
Houston, Texas 770991

cc: Zamaria
(2 copies)
(in & out)

THE WHITE HOUSE
WASHINGTON

Date: 2/11

TO: *Courtney Palm / #1*

FROM: RONALD C. KAUFMAN
Deputy Assistant to the President
for Political Affairs
Room 132, OEOB, x2135

THE WHITE HOUSE

WASHINGTON

February 10, 1992

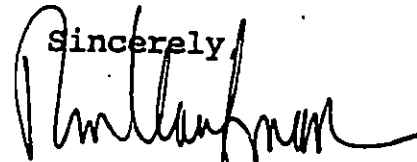
Dear Mr. Chamberlain:

The President has asked me to respond to your most interesting letter.

You have certainly presented a challenging idea, but I think events have pretty well overtaken us. In addition, the President has a soft spot for New Hampshire for a number of neighborly reasons and, while much of what you point out may have merit, I fear the President would not find it appealing.

We certainly appreciate your taking the time to share your ideas with us, and I hope you will continue to do so.

Sincerely,



Ronald C. Kaufman
Deputy Assistant to the President
for Political Affairs

William B. Chamberlain
9104 Wilcrest Drive
Houston, Texas 77099

RCK/bbs

THE WHITE HOUSE
WASHINGTON

FEB 4 1992

Date: 2/3

TO:

Meghan

FROM: PRESIDENT'S PERSONAL CORRESPONDENCE
Room 19, OEOB, x2708

- ☐ For your information
- ☒ Please respond directly and copy me
- ☐ Guidance, please
- ☐ Per our conversation
- ☐ Routine handling
- ☐ Other

Comments:

Routine Handling.

*The President has
met this man, but he is
not a close personal friend*

Thanks, Courtney

W. B. Chamberlain
9104 Wilcrest Drive
Houston, Texas 77099
(713) 568-6721

January 22, 1992

Hon. George Bush
President of the United States

Dear Mr. President:

To curry favor in New Hampshire in 1992 is a no-win exercise. A legitimate candidate for national office need not ingratiate himself with egregious freeloaders. Only, in advance, to repudiate them.

Particularly, if by so doing the candidate can legitimately champion 49 other states. At stake is an elusive quality, political honesty.

The Freeloader State not only levies no sales or income taxes. It was the first to authorize and operate a state lottery. A substantial portion of its slim population are people who work in next-door Massachusetts, dodging taxes by continuing to live in New Hampshire.

Columnist Donald Kaul labels that state as "conservative, mean-spirited, cheap." The President of the United States has everything to gain, nothing to lose, were he to bypass that primary before its participants treat him less than enthusiastically.

Particularly in view of Iowa's virtual absence from this year's first-primary list, the free-loader state's primary will receive excessive attention unless the incumbent President, in advance, labels it the charade which it really will be.

The alternative would at best earn the incumbent a Pyrrhic primary win New Hampshire plus the inevitable "So what?" elsewhere. Rejecting that state in advance avoids that possibility and vitiates the Buchanan factor at the same time.

more

W. B. Chamberlain
9104 Wilcrest Drive
Houston, Texas 77099
(713) 568-6721

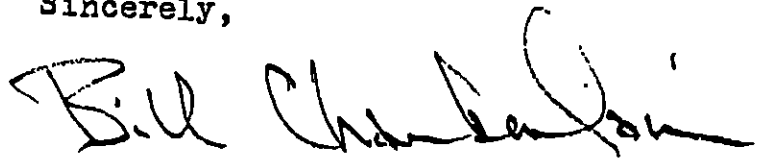
President Bush (2)

While this course of action loses New Hampshire, it gains the President independent credibility, minimally if not substantially, in 49 other states. The net effect could well be the denigration of partisanship and elevated awareness of the nation's ultimate best interests.

That the net public effect would demonstrate Presidential independence and refusal to be dragged down by the politics-as-usual syndrome would be a nearly foregone consequence of the intrepidity suggested in the foregoing paragraphs.

With continuing utmost respect,

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Chamberlain". The signature is written in dark ink and is positioned above the printed name.

W. B. Chamberlain

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 24, 1992

REMARKS BY THE PRESIDENT
TO THE U.S. CHAMBER OF COMMERCE NATIONAL ACTION RALLY

(Constitution Hall)
(Washington, D.C.)

10:55 A.M. EST

THE PRESIDENT: May I, at the outset of these remarks, thank the Colonel and this wonderful Marine Band. They are sensational. And I think I speak for all when we say we've enjoyed the music. Thank you. (Applause.)

And I want to salute your incoming Chairman Bill Lurton, and your President Dick Leshner, so well-known to everyone and doing a superb job for the Chamber. And of course, your outgoing Chairman, my friend, Pete Silas.

Let me tell you something -- just a little word about Pete. Last week there was a newspaper report that more and more American business leaders are hailing this recent and somewhat controversial mission I took to Asia -- they're hailing it as a success for opening markets, for creating more American jobs. But let me say this to all of you in the Chamber, no one did more to make that mission a success than Pete Silas. He gave the trip the same leadership he's given this organization -- a forceful and effective presentation, taking our case for open markets to Japan and Korea. And I am very, very grateful to him. And I can see why you entrusted your leadership to him.

Pete, thank you very, very much -- (applause) -- for that leadership that makes us so proud.

Well, today we're noting an anniversary of sorts. One year ago almost to the hour our troops began punching through Iraqi lines to liberate Kuwait. We mobilized our strength and won that war with an all-volunteer force including tens of thousands of reservists. Many of you had to do without key personnel during the reserve call-up. Some of you answered the call yourselves. And as your Commander-in-Chief, I want to express deep thanks to our businessmen and women for playing a proud role in America's world leadership. I think it is fitting a year later to take note of those historic events. (Applause.)

But I came here now to ask support on another matter. I need your help to meet yet another challenge -- renewing the freedom and strength of our economy.

Four weeks ago, I spoke to the Congress and the American people. In my State of the Union address, I announced a set of urgent measures that I would take to unshackle our economy. And I asked Congress of the United States to do its part -- and to meet a deadline. Most important, I asked Congress to cut the high taxes on job creation and investment -- and to do this by March 20th. Well, my plan will get our economy moving again. And we need to liberate private enterprise from a government that's grown too big and spends too much. (Applause.) And we need to do this without raising taxes. (Applause.)

MORE

In my State of the Union address, I instituted a 90-day freeze on federal regulations that affect economic growth -- and I asked major departments and agencies to carry out an unprecedented top-to-bottom review of all existing and proposed regulations. Within those 90 days, we will accelerate new rules that promote business growth and, whenever possible, halt those that would impede growth. Already, we've seen results.

Today, for example, I am announcing major new ground rules for regulation of biotechnology. Bill Reilly, the EPA Administrator, I understand is with you all today. He'll have a major responsibility for making our new rules work to foster economic growth. This is a \$4-billion industry. And it should grow to \$50 billion by the end of the decade if we let it. The rewards we will reap include new medicines and safer ways to clean up hazardous waste and a revolution in agriculture. The United States leads the world in biotechnology, and I intend, through sensible regulation and, in some instances, deregulation, to keep it just exactly that way. (Applause.)

We've taken new actions to ease the credit crunch. For example, for healthy banks, we've changed overly strict definitions of bank capital -- creating more access to capital. We're cutting red tape for healthy banks and thrifts. In these tough real estate markets, we've issued common-sense, realistic valuation guidelines.

We're making it easier for small businesses to get capital from securities markets. We're increasing the maximum for small public offerings that get simplified handling by the S.E.C. from \$1.5 million, raising that to \$5 million. We're cutting paperwork and we're simplifying securities registration for small businesses.

We've also cut the cost of compliance with the payroll tax system. We've cut paperwork and increased access for small business to electronic payment systems. Instead of heavy-handed enforcement, we're helping small firms meet their obligations.

The few steps that I've just outlined -- I know they're technical, but these few steps will provide billions of dollars in additional capital to the nation's economy. But we won't stop after 90 days. We'll turn up the heat against over-regulation -- rule by rule and industry by industry.

We'll take the case to Capitol Hill: For every unreasonable regulation we can't change through executive action, we'll introduce reform legislation -- and we will push the Congress to do its job and put an end to over-regulation. (Applause.) I want the regulators and the Congress to remember one thing: If it doesn't make sense, if it hurts the economy, don't do it. (Applause.)

One of my prime responsibilities as President is to open up world markets -- that's what this trip was about -- open up world markets, unlocking new opportunities for American workers and businesses. Free trade has come under attack these days -- and that makes no sense whatsoever. Our exports are at record levels -- guaranteeing millions of American jobs. With your help, we're going to open up the tremendous market opportunities of Mexico sooner, not later. (Applause.) With your help, we'll win global trade reforms for agriculture, services and intellectual property.

By protecting our freedoms, by opening markets here and abroad, and by pushing the envelope of excellence, I want to improve the quality of life for every man, woman and child in this country. And I mean everyone. Some politicians want to divide us -- divide us into economic classes. They're keen on defining people as "poor" or "rich" or "middle-class." They don't bother to ask you how you see

yourselves or what your aspirations are. The Capitol Hill liberals have already made up their minds where everyone fits in some politically-correct caste system:

Well, that's not the way I see America. I don't apply a means test to the American Dream. I want to increase opportunity for everyone. That's what fairness means. (Applause.)

And once again, I could not have had better allies in my fight than the U.S. Chamber of Commerce. Chamber members share a sense of responsibility -- to your families and your firms and your communities and your nation. You take your responsibilities personally -- in your homes, among your families. You know, it's not so important what happens in the White House, it's what happens in your house. My administration's strategies for fighting drugs and improving our schools are sound because they join government's efforts to the responsibilities of parents and families. We know we'll win the battle against drugs through the moral grounding that begins and ends in the family.

We'll renew education by giving parents more freedom and responsibility to choose their children's schools -- (applause) -- to get involved in their kids' education. You carry these values into managing your business. The kind of values that say when the company's losing money, the boss doesn't take home a seven-figure bonus.

Your companies get involved in the community because you're good neighbors. Big government didn't make this country great. You did it. Our nation's strength and generosity flow from private enterprise and voluntary initiative. It comes from seeing a problem, taking charge, getting involved, and not taking no for an answer. The Partnership for a Drug-Free America is a brilliant example of this. This business group -- many of you may participate in it -- voluntarily produces a million dollars a day in pro bono advertising to warn our kids about drugs. And we're making progress in that front. I am very pleased that the drug use for these teenagers is substantially down.

Freely undertaken, corporate responsibility is one of the strongest fibers in our social fabric. So it's only natural that you should expect government to serve the people responsibly -- not to behave as an arrogant ruler. On this I faced a big fight. Time and again I fought to get members of Congress to apply to themselves the same laws they impose on everyone else. (Applause.) Laws on ethics, on equal pay, on civil rights for women and minorities. Each time Congress drags its feet. They're slow learners up there on Capitol Hill -- but you and I can make them learn. And that's just what we must do.

As you know -- and here's where I need you -- I've sent the Congress a short-term plan to get our economy moving -- as well as a longer-term program for economic growth. I've given Congress a deadline of March 20th to act on our most urgent needs, to pass this short-term plan. We need to lower those sky-high taxes on new jobs and investment, and that means that we must cut the tax on capital gains. And we ought to do it now. (Applause.)

We need changes in the alternative minimum tax and a 15-percent investment tax allowance to encourage businesses to buy equipment, upgrade their plants, and start hiring again. We need new incentives to build and buy real estate -- through changes in the passive loss rules for real estate developers -- (applause) -- and we need a \$5,000 tax credit for first-time homebuyers and penalty-free IRA withdrawals for first-time homebuyers. (Applause.) This is not all that controversial. I want to sign these reforms on March 20th. And I do need your help working with the United States Congress.

We all know that this is a political year. We know Congress hates to make real decisions in election years. But that's why I see this March 20th deadline as fair and realistic. It gives us a window in which to get this plan passed and put it into action -- and most economists will tell you it will stimulate immediately. And it still leaves everyone then more than seven months for this traditional partisan politicking before election time.

Today is the 27th day, the halfway mark of my 52-day deadline for action on that economic growth plan. So it is time for a midterm report card. The stark and sorry fact is Congress so far deserves an F; they deserve a failing grade. (Applause.)

The Ways and Means Democrats considered my plan for two hours, a hefty two hours. And then, on a straight party-line vote, they said no to these seven progrowth proposals. And they said no to first-time homebuyers. And they said no to letting people keep more of their capital gains earnings. And they said no to helping new businesses write off their investment. And they said no to each of these vital proposals to create jobs now and get this economy moving.

They said yes, though, to politics as usual. They went behind closed doors -- you ask your people here in Washington -- they went behind closed doors to design what they think is clever politics. Now the door is opening. And they have proposed a bill that raises taxes and, just as incredibly, breaks the budget agreement of a year ago.

They not only want to take away your income, they want to dream up new ways to spend it -- to take the restraints off government spending. Take off those caps. Take off the brakes. Take off the spending controls that are so essential.

They want to saddle America with permanent tax hikes -- all to pay for a temporary tax cut of 25 cents per person per day. What's worse, some of them have a bidding war in mind. To pay for that, they'd have to raise tax rates on people making more than \$35,000 a year. Any economist will tell you that the last thing this economy needs is a tax increase. (Applause.)

The contrast between my economic growth plan and the Democrats' new tax-increase scheme could not be more plain. Our plan will cut taxes on investment and job creation -- for all investors, for all homeowners, for all entrepreneurs. And it will do it without increasing the deficit.

So to the Congress at this halfway point before the deadline, I'll say it again: Pass my plan. Let's get America moving again.

Come March 20th, if the Democrats send me the message they're talking about now, I will send it right back. I will veto it and send it back. And I don't want to veto a bad bill, I want to sign a good bill. (Applause.) And Congress has a responsibility to give the American people a growth bill right now. (Applause.)

As Pete Silas knows and a handful of you others old enough to remember, my path to office as a chief executive of the United States began in the world of small business. Fresh out of college, I joined a couple of partners and started a little business out in Midland out in west Texas. It was there that I saw firsthand what the Chamber does to translate business efforts into community achievements. As businessmen we knew freedom's benefits would be stronger if we joined hands to meet our responsibilities as citizens.

Those days, government wasn't quite as big or rapacious. But even back then, we learned that we had to work together to keep government growth and interference with free enterprise in check.

That's what I'm asking that we do today -- to do it -- urgently. I have a solid plan to get America moving again -- and keep it strong for the long haul.

So when you go up to Capitol Hill, give your congressmen and senators a message from me: Get moving or get out of the way. (Applause.) Let me tell you something, and I say this not out of flattery, but you, you men and women in this room really can make a difference. There's never been a more urgent moment to win a victory for jobs for all Americans. We've won battles before, and we'll win this one, too. Together we can get our country moving swiftly and surely to a better future.

Thank you all for what you are doing. And may God bless the United States of America. Thank you. (Applause.)

END

11:29 A.M. EST

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 24, 1992

The President today announced the appointment of John A. Gaughan of Maryland to be Deputy Assistant to the President and Director of the White House Military Office. He will succeed LTC Richard G. Trefry, USA (Ret.).

Since 1989, Mr. Gaughan has served as Chief of Staff to the Secretary of Transportation. Prior to this he served as the Administrator of the Maritime Administration from 1985 to 1989; as Deputy Assistant Secretary of Governmental Affairs, Department of Transportation, in 1985; as Director of the Office of External Affairs in the Maritime Administration in 1984; and as a Congressional Liaison Officer for the Department of Transportation from 1981 to 1984. From 1970 to 1980, Mr. Gaughan served on active duty in the United States Coast Guard and held various positions including command of the Coast Guard Cutter POINT MARTIN.

Mr. Gaughan was graduated from the United States Coast Guard Academy with a Bachelor of Science in 1970 and from the University of Maryland School of Law in 1977. He was born on March 29, 1947, in Washington, D.C. He and his wife, Janelle, reside in Bethesda, Maryland.

#

Bush Library Photocopy
George Bush Handwriting

Bush Presidential Library Photocopy

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 24, 1992

PRESS BRIEFING BY
ROBERT MARTINEZ, DIRECTOR OF
THE OFFICE OF NATIONAL DRUG CONTROL POLICY
AND
BERNARD ARONSON, ASSISTANT SECRETARY OF STATE
FOR INTER-AMERICAN AFFAIRS

The Briefing Room

10:40 A.M. EST

MS. SMITH: We'll have an on the record briefing by Governor Martinez, who is Director of the Office of the National Drug Control Policy, and also Bernard Aronson, who is Assistant Secretary of State for Inter-American Affairs.

GOVERNOR MARTINEZ: As I'm sure all of you are aware, later on this week there will be Drug Summit II in San Antonio. And unlike the first summit, where we arrived together to make decisions on how we can best control supply and how we can reduce demand in the United States, which is a major responsibility here, a lot of bilateral agreements were reached in terms of how we would function and in terms of seizure, interdiction, demand reduction, I think at this particular drug summit that you'll see a broader level of cooperation; that the cooperation will be much more specific in terms of where we're going in the future; that the cooperation will be more structured in terms of how we can judge how well we're doing; and, of course, cooperation will be comprehensive and multilateral, more so than in the previous drug summit.

So that we believe that as a result of the several years' work between the United States and our Andean partners, and now with the expansion of the summit, that we will be casting a much broader net and be able to measure our successes much more so than we were as a result of Drug Summit I. This is not to say that we will not spend some time talking about what has been achieved. There's no doubt that demand reduction in the United States has worked, that there are fewer people using drugs.

At the same time, we will acknowledge that among hard-core users, that 900,000 or so that are frequent users in the United States, that we still have got a problem there that we've got to deal with. There's no doubt that we can talk about the successes of interdiction and seizure and that those numbers have dramatically gone up, but at the same time we have to recognize that there are still an awful lot of coke that gets into the United States. And therefore, I think we can talk about successes in clearly saying that we've got a lot more to do.

With that we'll be delighted to answer questions you might have.

Q What do you hope to accomplish, Governor, during the two days?

GOVERNOR MARTINEZ: I think there's an opportunity here to be specific in terms of what each of us can do -- in our case, since we're the major users of cocaine, specifically what we can go

MORE

on record, like we already have and demand reduction in the United States, what we can do in the future.

I believe that it's entirely possible for something specific to be stated on what we are to achieve in reducing the supply of cocaine. I believe that we can be more specific on economic alternative programs that can be made available in these countries working together.

And I think that we can review the progress on an annual basis rather than waiting for each summit to come along -- high-level people to sit down and discuss what things are going right, what's not, what else needs to be done. Obviously, the Presidents will make their announcements on these areas of specificity at the summit.

Q Do you expect more aid from the United States to these other countries, Governor?

GOVERNOR MARTINEZ: Well, as you know, President Bush some years ago announced a \$2.2 billion initiative over a five-year period, and that does represent an awful lot of money. And the President continues to be committed to support the transfer of these funds for not only supply control but to develop alternative economic programs in these countries. And I'm sure that we can talk about the specifics of it -- how these dollars can best be used and, if there's any slow-up in the transferring of dollars, how we can perhaps expedite them. But it is still an awful lot of money, and I think that the money may not be the critical issue here -- the amount.

Q They're not talking about additional money this time, then, in the next couple of days? They're not going to be announcing addition funds? That's not what --

GOVERNOR MARTINEZ: No. As you know, we do have a budget proposal now pending before Congress, and we think it's a very healthy one.

Q What happened to the \$2.2 billion proposal?

GOVERNOR MARTINEZ: We're in our third appropriations year on that -- isn't that correct, Ted? We're about halfway now in terms of that money being made available to the Andean countries.

Q Could you be a little specific about what you mean about an annual review of progress? What kind of a mechanism do you envision creating?

GOVERNOR MARTINEZ: Well, as you know, we have an ongoing -- I personally have been down there twice and ministers from those countries come up here periodically. But we're looking at a more structured way on a multilateral basis to come together to review what it is we're all doing collectively, where perhaps we need to make changes in the strategy, where perhaps we can strengthen it. And instead of continuing to do it on a bilateral basis and maybe having a summit on a periodic basis, we think we can make the strategy work more successfully, the agreements that will come out of Drug Summit II implemented with greater expertise and greater effectiveness by having high-level people come together on a recurring basis.

Q -- goals and timetables, sort of --

GOVERNOR MARTINEZ: All those are being worked on now, but I think that that's something -- at the summit the announcements would be made in terms of what specific goals may be set.

Q There are reports on the wire that the five Aerostats in the Florida straits have been docked in Key West and that the army does not intend to put them back out there and that the area is being left wide open to smugglers. What's the background on that, and what are you going to do about it?

GOVERNOR MARTINEZ: Well, of course, there's different ways to also obtain data in terms of any illegal flights coming to the United States. And I believe it was the intent of the Department of Defense to have a more flexible viewpoint, flexible approach in what kind of assets would be used to monitor any inbound flights coming to the United States carrying drugs.

Clearly, the Aerostats not being in place, which had a, it's my understanding, multipurpose for the Coast Guard as well, is something that we're looking at. On the other hand, our main concern is we've got coverage. And if the DOD's got means by which it provides coverage which denies entry to the United States, that's the ultimate goal.

Q Secretary Aronson, on subjects other than the drug problem, in the bilaterals the President will be holding, are those going to be merely photo ops, or will they be discussing things like instability in Haiti and in Cuba and so on?

ASSISTANT SECRETARY ARONSON: They will obviously be substantive bilaterals. The focus of the meetings will be on counternarcotics. But I'm sure that the President will talk about other issues with President Salinas. I'm sure the North American Free Trade Agreement will come up with other regional leaders. They'll talk about issues like Haiti as necessary. But the focus of this summit is counternarcotics.

I'd just like to add something to what Governor Martinez said on the question of whether there will be additional assistance. When the President was in Cartagena the first time, the plea he heard from his fellow heads of state was trade, not aid, primarily. And out of that the Enterprise for the Americas Initiative was launched and the President has offered a free trade regime.

In addition to that, the Congress passed in December the President's Andean Trade Preference Initiative, which provides duty-free benefits to Colombia, Bolivia, Peru and Ecuador, which was a major commitment of Cartagena. We've already forgiven Bolivia's bilateral debt with the United States under the Enterprise for the Americas Initiative by \$370 million. If Congress will fully fund the President's request for the Enterprise for the Americas Initiative Debt Relief, we will be able to reduce Colombia's bilateral debt.

Peru and Bolivia are both eligible, and Colombia as well, for investment sector loans from the Inter-American Development Bank under the EAI. So more is being done to assist the Andean countries in the economic area. But what they want is much more in the way of trade opportunities, which we've offered through the Andean Trade Preference Initiative and debt relief, which we're offering through the Enterprise for the Americas Initiative.

Q There was a protocol signed yesterday, Mr. Aronson, by President Aristide and he's hoping it is acceptable for the U.S. -- president will be -- and do you have any reason to believe that the military in Haiti will accept that?

ASSISTANT SECRETARY ARONSON: We fully support the agreement that was negotiated last night under OAS auspices. It was signed by President Aristide and the leaders of the Haitian Senate and Chamber of Deputies. We think it's a very important step forward in resolution of the crisis. We think all individuals and institutions in Haiti, particularly the military, have a profound

obligation to support this agreement and not to obstruct it. And any force or individual that does obstruct it will certainly be responsible in the eyes of the international community.

Q Does that mean that you think they're going to accept that or not?

ASSISTANT SECRETARY ARONSON: I'm not going to predict what will happen. I think any individual or institution in Haiti that cares about the future of the country, that wants to restore stability and peace and economic recovery will support this agreement.

Q Mr. Martinez, could you respond to charges that your office has become ineffective and that shows that the Bush administration no longer places a high priority on the drug war?

GOVERNOR MARTINEZ: I think the best way to answer that is by looking at the President's proposal, where again he's asking for a \$700 million increase, dealing with supply reduction, demand reduction, international interdiction. The very fact that we continue to show success in each of the areas of major endeavor; the very fact that the President -- and most important of all, the subject of we being here today -- bringing to the front burner worldwide a drug summit that deal in three different areas, which I believe are important not only to the United States, but, frankly, to the world, which is supply reduction, demand reduction and economic alternative programs.

I think it's clear that if the President or I didn't have interest in this subject that there wouldn't be an involvement to the depth that we are involved in, not only with the summit but pursuing the necessary resources to make certain that the drug war continues in the United States. And therefore, there is no difficulty with our initiatives. There certainly is no difficulty with me speaking to the President as needed and meeting with the top staff as needed, including my colleagues on the Cabinet. And I think, unfortunately, there's been a spin out there by someone that implies otherwise. And I can assure you that is not the case.

Q To follow that, Governor Martinez, is it true, though, that you were displaced from an office over in the EO by Governor Sununu to a, shall we say, less large office?

GOVERNOR MARTINEZ: Let me say that ONDCP has never been homeless and it is not homeless now. It has had permanent quarters across the street where I spent the bulk of my time. We did have an office here, which was used to meet with ambassadors and Cabinet members and other items, and I think it was important that the presence was here. But, again here, I think there was an overstatement about where it was that we were functioning from. And we're just across the street where we've been now for a long time. And it's permanent housing and do not feel that we're homeless at any time.

Q Sununu is off the payroll on March 1st. Will you be reacquiring that office to meet ambassadors and so on?

GOVERNOR MARTINEZ: I have not spent any time on that. We've got a summit meeting, which is what I think the American people are interested in. The American people are interested in not necessarily how many windows I've got, but what direction drug us is going -- and it's going down. And they want to know if, in fact, we can reduce supply, and that's why the summit meeting is being held as well. And I think this is what this drug war is all about. It's not about office space, it's about getting bad people off the streets and stopping the kids in America from using drugs.

Q The question seems to go more towards one of perception. Your office is obviously never going to be homeless. They're going to put you somewhere. However --

GOVERNOR MARTINEZ: Let me correct that. We were already there. So it's not a question of someplace -- the office was already there.

Q I understand that. It's not real estate that we're talking about here. I think what the question is going to is a question of priority within this administration and the appearance of -- and a question of what your importance is when a lame duck guy pushes you out of a fairly important site where you're meeting ambassadors and things of that sort, as well as the other questions that were raised in The Post story this morning, regarding your initiative that you proposed that got stomped on, it says, by the Justice Department; your offer to brief the President and the snub -- told you to file a memo instead. The question is about priority and access here. Do you have less access than a previous occupant of your position? And is there any lower priority being given to your initiatives and ideas now than the previous occupant?

GOVERNOR MARTINEZ: I can't speak to access prior to my getting here. I can tell you I have no problem with access. I can tell you I've done three presidential missions as requested by the President -- two down to Latin America and one to Europe. I can tell you that I personally briefed on two of them -- the long one to Latin American and one, I believe, to Guatemala. We have no problem transmitting our information not only to the President but to other key staff. And I believe that's the way it ought to be done. So there's no information gap between the President's office and our office.

And it's clear, going back to how you judge priorities as well, it's a fact that the budget has again increased on the drug issue as a --- not only, I think, the effectiveness of our office, but the absolute commitment by President Bush to continue the onslaught on the use of drugs and on the sale of drugs. And I think that's what you've got to measure. You've got to measure what it is that's out there on the record in terms of where we're going. And I believe that that's clear and there's no curve ball here; it's a straight, fast pitch. That, in essence, the President's totally committed not only to more funds, but committed to the office that coordinates the drug strategy for the President's office.

Q Governor, you made reference to agreements to be signed in San Antonio. Exactly what agreements are you looking for down there?

GOVERNOR MARTINEZ: Well, there will be three areas which will have specificity. One, again, has to do with goals and objectives dealing with supply reduction, demand reduction, and at the same time talking about economic alternative opportunities for these countries that need to provide employment for those who are either growing the coca plant, or in transshipment or whatever else. And we believe that this, unlike the first summit, will be much more directed, be more specific, giving, I think, then high-level people from these countries the opportunity to meet periodically to assess how well we're doing with these specified goals.

Q I don't understand. What agreements are you looking to sign?

GOVERNOR MARTINEZ: These are the ones that we'll be working on, and of course, they'll be released there. There is an agreement, but are three different processes or three different areas that will be more specific than we've had in the past dealing with the three broad areas of activity which the countries are involved

with, which is supply control, demand reduction and economic alternative programs.

Q Governor, on that last point --

Q These are multilateral agreements?

GOVERNOR MARTINEZ: Yes.

Q -- on the last point you mentioned, alternative economic programs, at Cartagena, the Latin American leaders, aside from asking for better trade opportunities, also wanted a better deal on coffee prices. And there was no immediate action by the administration on that. And they also wanted some direct aid for infrastructure improvements to help them switch to other economic endeavors. And, again, too many dollars weren't forthcoming as far as they were concerned. They were complaining in Cartagena that the United States was not providing enough money. How are those two things shaping up for San Antonio -- the coffee situation and direct economic aid?

GOVERNOR MARTINEZ: I'll have Bernie come up here in a minute, but let me say that some \$250 million in round figures that deal with economic assistance is one heck of a lot of money. It is a lot of money. But it's difficult. There's not any question -- it's not just what crops grow well, how do you market them, how do you get it to market, the infrastructure to get it to market. These are not easy tasks to engage in, but an awful lot of money, in our view, is also being put forth on a multiyear basis to deal with that subject.

Now, in terms of the specific items and for purposes of trade, I'll have Bernie come up here.

ASSISTANT SECRETARY ARONSON: On the question of coffee, as you know or you should know, the issue there is the international coffee agreement. The United States is simply one signatory to that agreement. What the President said was that if the other members of the international coffee agreement could come together on the key issues involving quotas and sales outside the agreement, the United States would be prepared to enter into a new agreement. We still are so prepared. But the obstacle to that is not the United States, as you may know.

Secondly, on the levels of assistance, I think it is woefully incorrect to suggest that nothing has been done on infrastructure. Let me just give you one example, which is Bolivia, which has the largest aid mission in South America -- actually, I think, in Latin America. The United States has provided training and technical assistance to more than 40,000 farmers. Over a thousand farmers have received loans averaging \$5,000 per loan. Our project has upgraded 540 kilometers of roads, constructed four major bridges. It's completed more than 80 community projects, including schools, health posts, water systems, nurseries, packing sheds. And as a result of this activity and the great gains of the Bolivian government in taking down traffickers and, thereby, reducing the price of coca leaf, agricultural production in the key areas, which is the Chapare primarily in the Beni, has risen from no tonnage to 327 tons of bananas, 42 tons of pineapples, 23 tons of tumeric in 1991. A hundred thousand jobs have been created as a result of those efforts.

And in addition, our balance of payment support support the macroeconomic reforms that have allowed the Bolivian economy to grow 4.1 percent this past year. And I mentioned the debt reduction. So I think, in fact, we've done a lot in promoting alternative economic development. And I think nobody expected that the Congress would act as quickly to pass the Andean Trade Preference Initiative. That's a piece of legislation that both President Bush and Secretary

Baker personally lobbied for in the last Congress. And I think it was their personal lobbying that was responsible for its passage by the Senate.

Q But my question went to the perception on the Andean side in terms of U.S. economic aid. Are you saying --

ASSISTANT SECRETARY ARONSON: The President of Colombia just wrote President Bush thanking him for the Andean Trade Preference Initiative passage. If you're saying to me, does any recipient of U.S. aid in the world ever say, gee, I got enough or too much; let me give you some back, the answer is, no. So the fact that you find countries in this region who say we would like some more economic assistance from the United States is not exactly a big headline as far as I'm concerned. There's no country in the world that's a recipient of U.S. aid that would not like more.

But if you look at every other country in Latin America, the levels are declining on economic assistance except in the Andean countries where they're either remaining the same level or, in most cases, increasing. So if you add that, the direct assistance, with the debt reduction with the trade initiatives, that is a very muscular package of economic alternatives. And in the case of Bolivia, it is succeeding extremely well.

Q There was a GAO report last week criticizing what some of the Andean countries are doing, Peru in particular, talking about pervasive corruption down there. What is our view on that? And I have a follow-up, too.

ASSISTANT SECRETARY ARONSON: I think you have to recognize two fundamental facts about the war on drugs. The first is that the democratic community, producer countries and consuming countries, all waited for decades before confronting this threat. This started 20 years ago and everybody waited too long. And as a result, all of us face a monster and it is going to take days, months and years of sustained struggle to confront and defeat this monster. This war is not going to be like Desert Storm. It is not going to be won in 100 hours. It's going to take sustained struggle.

Secondly, I think it is very important that those of you who write about it do not continue to change the goalposts when you're measuring progress. If you go back and read your own publications, less than two years ago where you were writing about Colombia you talked about the Medellin Cartel as the kings of cocaine -- they were untouchable, they had terrorized the state, they were unbeatable, they were more powerful than the state. And the only question that you were debating is whether the Colombian government would just sue for peace. Today every one of the leaders of the Medellin Cartel is either dead or in jail.

Then the next goalpost that got moved was the Cali Cartel and it was said, yes, they went after the Medellin Cartel because they were violent, but they are going to appease the Cali Cartel. They just, in cooperation with DEA and others, took down a major financial branch of the Cali Cartel; we're pursuing cases in five countries as a result of the seizure of those records.

Colombia seized twice as much cocaine last year as the year before and it seized twice as much the year before as the previous year. So you have to understand that this war is not going to be won overnight, and that you have to measure it by realistic standards.

Now, that comes to your question. There is corruption associated with drug trafficking and it exists in every country where the narco traffickers operate. That is one of the dangers. This is not just a fight against drug traffickers, it's a fight to defend

democratic institutions. And they are so powerful and well-financed that they do bring corruption. And it exists in Peru and it's a problem. Having said that, this President and this government in Peru is universally acknowledged to be honest. They're fighting corruption. They're cashiering out corrupt police. But that's going to be a slow steady battle as well.

So the fact that the GAO found corruption in Peru is a little bit like the scene in Casablanca where Claude Raines walks in and says he's shocked to find that there's gambling going on.

Q With all the attention two years ago to personal security of the President going to Cartagena, have there been any threats raised against this summit? Are there any particularly extraordinary security measures being taken?

Q Buchanan.

Q Is Buchanan going to show up? (Laughter.)

GOVERNOR MARTINEZ: Clearly, with seven Presidents there, you take all precautions necessary, but I don't know of any special precaution being taken care of because of any extraneous threat or anything of that sort. We're looking forward to a very nice summit there in San Antonio, one of America's great cities. And I think that all will be taken care of in the manner that each President will have all the necessary freedom to carry out their responsibility.

Q To what extent is the U.S. military now involved and to what extent are you seeking to increase the U.S. military involvement? And what reaction do you get from the Latin American nations about that?

GOVERNOR MARTINEZ: Well, as you know, the budget is well in excess of a billion dollars in terms of the Department of Defense and there's no secret that they're a key component on any detection and monitoring activity that occurs. And one reason why seizures are way up in terms of their role, other than perhaps on infrequent occasions when a country has asked for special training of their own personnel, there is no ground role in other countries around the hemisphere.

International waters, international airspace is where the DOD functions best. And they have been invaluable in terms of being able to present information that's part of a targeting program to take down narco traffickers.

Q If I may, Governor, there is a ground role because there are countries that have had U.S. military in there training. Are you seeking to expand that, and to what degree?

GOVERNOR MARTINEZ: No. We'd certainly like to see an expansions ability for the Department of Defense providing --

MS. SMITH: The President's remarks are about to begin.

Q Have you been able to talk to the President --

GOVERNOR MARTINEZ: We're not strangers, we've known each for some time. When he was the Chairman of the Southeastern Task Force for the Republican Party and I was Governor and before that we worked -- already on this issue. So there's no communications problem whatsoever. Now, whether I'm as boisterous or need to tell the world each time I meet with someone, I'm not that way. So therefore, I don't go around putting a knotch in my appointment book each time I meet with someone. I just take that for

granted that that's my ability to access, my ability to communicate and I don't take it as a big deal when I do it.

Q How well is the interdiction process going? The Army people are saying it's just a wide-open area down there temporarily and they don't claim to be blocking. What are you talking about as far as your coverage on the Florida straits?

GOVERNOR MARTINEZ: Are you talking about overall DOD or --

Q They said they've pulled these all out as part of a change program to put in new equipment but right now there's nothing there at all apparently.

GOVERNOR MARTINEZ: You're talking about the site where the Aerostats were?

Q I'm talking about the area that the Aerostats were monitoring air traffic and some sea traffic.

GOVERNOR MARTINEZ: They, of course, have been using other assets to try to make up for that gap at this time.

Q Such as?

GOVERNOR MARTINEZ: Well, that's something --

MR. WALTERS: They're using a combination of the Army SASS boats, which are the Army version of a Sea-based Aerostat, and some capital ships. They're still looking at ways of consolidating the resources. You're talking about the transfer of five Coast Guard run Sea-based Aerostats to the military. They've decided to take --

Q Which was considered a keystone of our defense down in that area.

MR. WALTERS: They're going to keep two up and they're going to take three down because they have overlapping resources to some extent with the Army's version of the Sea-based Aerostat. And also they're allowing the movement of capital ships with the necessary radar platforms in the area to help substitute. It's not all done yet, but it's not a matter of just kind of leaving holes in the detection and monitoring down there.

Q The coverage is continuous and adequate?

MR. WALTERS: Well, the coverage will be continuous. We're still modifying it because we're not convinced that any of the current levels are adequate; we want to increase them. They have been steadily increasing, as have seizures.

THE PRESS: Thank you.

END

11:15 P.M. EST

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 24, 1992

REMARKS BY THE PRESIDENT
TO THE U.S. CHAMBER OF COMMERCE NATIONAL ACTION RALLY

Constitution Hall
Washington, D.C.

10:55 A.M. EST

THE PRESIDENT: May I, at the outset of these remarks, thank the Colonel and this wonderful Marine Band. They are sensational. And I think I speak for all when we say we've enjoyed the music. Thank you. (Applause.)

And I want to salute your incoming Chairman Bill Lurton, and your President Dick Leshner, so well-known to everyone and doing a superb job for the Chamber. And of course, your outgoing Chairman, my friend, Pete Silas.

Let me tell you something -- just a little word about Pete. Last week there was a newspaper report that more and more American business leaders are hailing this recent and somewhat controversial mission I took to Asia -- they're hailing it as a success for opening markets, for creating more American jobs. But let me say this to all of you in the Chamber, no one did more to make that mission a success than Pete Silas. He gave the trip the same leadership he's given this organization -- a forceful and effective presentation, taking our case for open markets to Japan and Korea. And I am very, very grateful to him. And I can see why you entrusted your leadership to him.

Pete, thank you very, very much -- (applause) -- for that leadership that makes us so proud.

Well, today we're noting an anniversary of sorts. One year ago almost to the hour our troops began punching through Iraqi lines to liberate Kuwait. We mobilized our strength and won that war with an all-volunteer force including tens of thousands of reservists. Many of you had to do without key personnel during the reserve call-up. Some of you answered the call yourselves. And as your Commander-in-Chief, I want to express deep thanks to our businessmen and women for playing a proud role in America's world leadership. I think it is fitting a year later to take note of those historic events. (Applause.)

But I came here now to ask support on another matter. I need your help to meet yet another challenge -- renewing the freedom and strength of our economy.

Four weeks ago, I spoke to the Congress and the American people. In my State of the Union address, I announced a set of urgent measures that I would take to unshackle our economy. And I asked Congress of the United States to do its part -- and to meet a deadline. Most important, I asked Congress to cut the high taxes on job creation and investment -- and to do this by March 20th. Well, my plan will get our economy moving again. And we need to liberate private enterprise from a government that's grown too big and spends too much. (Applause.) And we need to do this without raising taxes. (Applause.)

MORE

In my State of the Union address, I instituted a 90-day freeze on federal regulations that affect economic growth -- and I asked major departments and agencies to carry out an unprecedented top-to-bottom review of all existing and proposed regulations. Within those 90 days, we will accelerate new rules that promote business growth and, whenever possible, halt those that would impede growth. Already, we've seen results.

Today, for example, I am announcing major new ground rules for regulation of biotechnology. Bill Reilly, the EPA Administrator, I understand is with you all today. He'll have a major responsibility for making our new rules work to foster economic growth. This is a \$4-billion industry. And it should grow to \$50 billion by the end of the decade if we let it. The rewards we will reap include new medicines and safer ways to clean up hazardous waste and a revolution in agriculture. The United States leads the world in biotechnology, and I intend, through sensible regulation and, in some instances, deregulation, to keep it just exactly that way. (Applause.)

We've taken new actions to ease the credit crunch. For example, for healthy banks, we've changed overly strict definitions of bank capital -- creating more access to capital. We're cutting red tape for healthy banks and thrifts. In these tough real estate markets, we've issued common-sense, realistic valuation guidelines.

We're making it easier for small businesses to get capital from securities markets. We're increasing the maximum for small public offerings that get simplified handling by the S.E.C. from \$1.5 million, raising that to \$5 million. We're cutting paperwork and we're simplifying securities registration for small businesses.

We've also cut the cost of compliance with the payroll tax system. We've cut paperwork and increased access for small business to electronic payment systems. Instead of heavy-handed enforcement, we're helping small firms meet their obligations.

The few steps that I've just outlined -- I know they're technical, but these few steps will provide billions of dollars in additional capital to the nation's economy. But we won't stop after 90 days. We'll turn up the heat against over-regulation -- rule by rule and industry by industry.

We'll take the case to Capitol Hill: For every unreasonable regulation we can't change through executive action, we'll introduce reform legislation -- and we will push the Congress to do its job and put an end to over-regulation. (Applause.) I want the regulators and the Congress to remember one thing: If it doesn't make sense, if it hurts the economy, don't do it. (Applause.)

One of my prime responsibilities as President is to open up world markets -- that's what this trip was about -- open up world markets, unlocking new opportunities for American workers and businesses. Free trade has come under attack these days -- and that makes no sense whatsoever. Our exports are at record levels -- guaranteeing millions of American jobs. With your help, we're going to open up the tremendous market opportunities of Mexico sooner, not later. (Applause.) With your help, we'll win global trade reforms for agriculture, services and intellectual property.

By protecting our freedoms, by opening markets here and abroad, and by pushing the envelope of excellence, I want to improve the quality of life for every man, woman and child in this country. And I mean everyone. Some politicians want to divide us -- divide us into economic classes. They're keen on defining people as "poor" or "rich" or "middle-class." They don't bother to ask you how you see

yourselves or what your aspirations are. The Capitol Hill liberals have already made up their minds where everyone fits in some politically-correct caste system.

Well, that's not the way I see America. I don't apply a means test to the American Dream. I want to increase opportunity for everyone. That's what fairness means. (Applause.)

And once again, I could not have had better allies in my fight than the U.S. Chamber of Commerce. Chamber members share a sense of responsibility -- to your families and your firms and your communities and your nation. You take your responsibilities personally -- in your homes, among your families. You know, it's not so important what happens in the White House, it's what happens in your house. My administration's strategies for fighting drugs and improving our schools are sound because they join government's efforts to the responsibilities of parents and families. We know we'll win the battle against drugs through the moral grounding that begins and ends in the family.

We'll renew education by giving parents more freedom and responsibility to choose their children's schools -- (applause) -- to get involved in their kids' education. You carry these values into managing your business. The kind of values that say when the company's losing money, the boss doesn't take home a seven-figure bonus.

Your companies get involved in the community because you're good neighbors. Big government didn't make this country great. You did it. Our nation's strength and generosity flow from private enterprise and voluntary initiative. It comes from seeing a problem, taking charge, getting involved, and not taking no for an answer. The Partnership for a Drug-Free America is a brilliant example of this. This business group -- many of you may participate in it -- voluntarily produces a million dollars a day in pro bono advertising to warn our kids about drugs. And we're making progress in that front. I am very pleased that the drug use for these teenagers is substantially down.

Freely undertaken, corporate responsibility is one of the strongest fibers in our social fabric. So it's only natural that you should expect government to serve the people responsibly -- not to behave as an arrogant ruler. On this I faced a big fight. Time and again I fought to get members of Congress to apply to themselves the same laws they impose on everyone else. (Applause.) Laws on ethics, on equal pay, on civil rights for women and minorities. Each time Congress drags its feet. They're slow learners up there on Capitol Hill -- but you and I can make them learn. And that's just what we must do.

As you know -- and here's where I need you -- I've sent the Congress a short-term plan to get our economy moving -- as well as a longer-term program for economic growth. I've given Congress a deadline of March 20th to act on our most urgent needs, to pass this short-term plan. We need to lower those sky-high taxes on new jobs and investment, and that means that we must cut the tax on capital gains. And we ought to do it now. (Applause.)

We need changes in the alternative minimum tax and a 15-percent investment tax allowance to encourage businesses to buy equipment, upgrade their plants, and start hiring again. We need new incentives to build and buy real estate -- through changes in the passive loss rules for real estate developers -- (applause) -- and we need a \$5,000 tax credit for first-time homebuyers and penalty-free IRA withdrawals for first-time homebuyers. (Applause.) This is not all that controversial. I want to sign these reforms on March 20th. And I do need your help working with the United States Congress.

We all know that this is a political year. We know Congress hates to make real decisions in election years. But that's why I see this March 20th deadline as fair and realistic. It gives us a window in which to get this plan passed and put it into action -- and most economists will tell you it will stimulate immediately. And it still leaves everyone then more than seven months for this traditional partisan politicking before election time.

Today is the 27th day, the halfway mark of my 52-day deadline for action on that economic growth plan. So it is time for a midterm report card. The stark and sorry fact is Congress so far deserves an F; they deserve a failing grade. (Applause.)

The Ways and Means Democrats considered my plan for two hours, a hefty two hours. And then, on a straight party-line vote, they said no to these seven progrowth proposals. And they said no to first-time homebuyers. And they said no to letting people keep more of their capital gains earnings. And they said no to helping new businesses write off their investment. And they said no to each of these vital proposals to create jobs now and get this economy moving.

They said yes, though, to politics as usual. They went behind closed doors -- you ask your people here in Washington -- they went behind closed doors to design what they think is clever politics. Now the door is opening. And they have proposed a bill that raises taxes and, just as incredibly, breaks the budget agreement of a year ago.

They not only want to take away your income, they want to dream up new ways to spend it -- to take the restraints off government spending. Take off those caps. Take off the brakes. Take off the spending controls that are so essential.

They want to saddle America with permanent tax hikes -- all to pay for a temporary tax cut of 25 cents per person per day. What's worse, some of them have a bidding war in mind. To pay for that, they'd have to raise tax rates on people making more than \$35,000 a year. Any economist will tell you that the last thing this economy needs is a tax increase. (Applause.)

The contrast between my economic growth plan and the Democrats' new tax-increase scheme could not be more plain. Our plan will cut taxes on investment and job creation -- for all investors, for all homeowners, for all entrepreneurs. And it will do it without increasing the deficit.

So to the Congress at this halfway point before the deadline, I'll say it again: Pass my plan. Let's get America moving again.

Come March 20th, if the Democrats send me the message they're talking about now, I will send it right back. I will veto it and send it back. And I don't want to veto a bad bill, I want to sign a good bill. (Applause.) And Congress has a responsibility to give the American people a growth bill right now. (Applause.)

As Pete Silas knows and a handful of you others old enough to remember, my path to office as a chief executive of the United States began in the world of small business. Fresh out of college, I joined a couple of partners and started a little business out in Midland out in west Texas. It was there that I saw firsthand what the Chamber does to translate business efforts into community achievements. As businessmen we knew freedom's benefits would be stronger if we joined hands to meet our responsibilities as citizens.

Those days, government wasn't quite as big or rapacious. But even back then, we learned that we had to work together to keep government growth and interference with free enterprise in check.

That's what I'm asking that we do today -- to do it -- urgently. I have a solid plan to get America moving again -- and keep it strong for the long haul.

So when you go up to Capitol Hill, give your congressmen and senators a message from me: Get moving or get out of the way. (Applause.) Let me tell you something, and I say this not out of flattery, but you, you men and women in this room really can make a difference. There's never been a more urgent moment to win a victory for jobs for all Americans. We've won battles before, and we'll win this one, too. Together we can get our country moving swiftly and surely to a better future.

Thank you all for what you are doing. And may God bless the United States of America. Thank you. (Applause.)

END

11:29 A.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 24, 1992

STATEMENT BY THE PRESIDENT

It is with great pleasure that I sign into law H.R. 2927, the "Omnibus Insular Areas Act of 1992." This Act creates a new unit of the National Park System known as the Salt River Bay National Historical Park and Ecological Preserve.

By signing this bill into law today, we make a significant contribution to the commemoration of the 500th anniversary of Christopher Columbus' voyages to the New World. We also protect an environment that is important to all citizens of the United States.

Located on the island of St. Croix, U.S. Virgin Islands, this new park is important for several reasons:

- It is the only known site where, 500 years ago, members of a Columbus party set foot on what is now territory of the United States.
- It presents an outstanding opportunity to preserve and interpret Caribbean history and culture, including the impact of European exploration and settlement.
- It contains a wealth of natural features ranging from wooded hillsides and mangrove forests to tropical reefs and a biologically rich submarine canyon.
- It is a refuge for migratory birds and a vital nursery for many of the marine animals that inhabit the beautiful waters of St. Croix.
- It will be planned and managed in full partnership with the Government of the U.S. Virgin Islands.

It is indeed exciting to take this major step toward preserving the natural and cultural heritage of the Virgin Islands, a heritage that has meaning for all Americans. I want to thank all of those who played a part in fashioning this innovative partnership between the Federal Government and the Virgin Islands Government.

My action here today is but one example of my Administration's commitment to protect the environment and America's heritage. This is the sixth time I have signed legislation creating a new unit of the National Park System. In the past 3 years, we have acquired 57,000 acres of environmentally sensitive and historically significant lands for the National Park System.

Finally, I note that H.R. 2927 authorizes new technical assistance for insular areas after major storms. To ensure that hazard mitigation measures truly reduce future loss of life and property, all projects must be cost-effective, cooperative ventures between the Federal Government and the insular areas. The Act will not change this policy, diminish any existing matching share requirements, or change procedures for Presidential disaster declarations.

GEORGE BUSH

THE WHITE HOUSE,
February 24, 1992.

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 24, 1992

REMARKS BY THE PRESIDENT
AT MARYLAND BUSH-QUAYLE CAMPAIGN KICKOFF

Bethesda-Chevy Chase High School
Bethesda, Maryland

6:18 P.M. EST

THE PRESIDENT: Thank you, Connie Morella. What a great Congressman you have in Connie Morella. She's doing a superb job, and thank you very much. (Applause.) Let me salute our State Chairman -- two words come to mind, strong and decent -- Helen Bentley, Representative Helen Bentley, who's leading our campaign in this state. (Applause.) And another of our great delegation from Maryland who is not here, Wayne Gilchrest. He was unable to join us, but doing a great job for us in Congress. And greetings to your State Republican Chairman Joyce Terhes, and to Republican National Committeeman Dick Taylor.

My thanks to the Maryland Bush-Quayle leadership who are here, and to Howie Dennis for performing the master of ceremonies duties tonight. First-class job. (Applause.) I don't know where the Barons Band is, but they are doing a great job. (Applause.) And thank you, Barons. Right there. (Applause.) I'm very happy to see three who served us so well in Congress -- Charles "Mac" Mathias, Larry Hogan; my classmate, Gilbert Gude. And I notice several fine Republicans here seeking your votes for delegates to the national convention. Well, I'm pleased to have their support, and I'm sure they'll have yours come March 3rd. We need to elect them as delegates to our convention. (Applause.)

I'm delighted to be back with Connie here in Montgomery County, and especially on the home court of the victorious Battling Barons. (Applause.)

A week from Tuesday -- hard to believe, but that's the day -- Marylanders are going to make a big decision. And I know what the outcome will be: Together on March 3rd we're going to take a giant step closer to a great victory on November 3rd. (Applause.) This vote carries a special meaning for Maryland and America. We've come to an exciting moment in our country's history -- a crossroads, a place where one era ends and another begins.

From the fall of the Berlin Wall to the last gasp of imperial communism, from the four decades of the Cold War to the 40 days of Desert Storm, America has led the way. (Applause.) We won the Cold War -- history will show this -- we won the Cold War because we Americans never shirked responsibility. We had a job to do, and we did it. That's why today, as the Cold War ends, America stands alone, the undisputed leader of the world. (Applause.)

And now the challenge has come home, as it has before. Time after time, we lifted ourselves up, we asked more of ourselves -- more of each other. And each time, America met the challenge. And this time, America will do it again. (Applause.)

MORE

Our first order of business is to get this economy moving. I know how to do it -- and so do you. It's just plain common sense.

A month ago, I sent the Congress an action plan to jump-start the economy. We start by encouraging investment, to create jobs. We cut taxes that punish success, discourage saving and stunt the growth of business. We boost real-estate values, by making it easier for young families to buy their first home.

The bottom line is this: My plan will work because it puts Americans to work. And I ask for your support. (Applause.) According to housing experts, my incentives for the housing industry alone will create 415,000 jobs this year.

That's what this plan will do. But just as important is what it doesn't do. It doesn't increase the deficit. It doesn't cloud the real issues with feel-good political gimmicks. And it doesn't raise tax rates on the American people. (Applause.)

Maybe that's why the opposition in Congress are digging in against the plan. When I presented this plan, I gave Congress a deadline to pass it: March 20 -- 25 days from now. But instead of putting this plan to a quick clean vote, the Democrats in Congress went behind locked doors with the special interests and patched together a deal of their own. It's a bad deal for the American people.

True to form for the Democrats in Congress, their scheme will raise tax rates on the American people -- permanently. In fact, Senate Democrats want to jack up the rates of people making \$35,000 a year. That's right, \$35,000. I've said it before, when they say they're aiming at the big guy, they end up hitting everybody else. And we can't let them do that. (Applause.)

In return for this massive tax increase, the Democrats offer a temporary tax cut, amounting to about a quarter a day. Twenty five cents a day -- even a tooth fairy can do a little better than that one. (Laughter.) Then, after two years the 25-cent tax cut vanishes. But the tax increase stays forever.

Well, you don't have to be an economist to figure it out. The last thing the American people need right now is a tax increase. And to pay for their plan, the Democrats want to borrow \$26 billion from our children -- pass on an IOU in the form of an enormous increase in the deficit. Raising taxes and deepening the deficit -- that's their idea of speeding up the economy.

If the Democrats really want to send me this kind of nonsense -- I will veto it. (Applause.) The American people have had enough of the old game of tax and spend. To the Democrats on Capitol Hill, I'll say it again and again and again: Meet this deadline. Pass this plan and get this economy moving. Do something good for the American people. (Applause.)

That's an example of what this election is going to be about -- a clash between two views of America. The differences couldn't be clearer. Our view -- the Republican view -- is based on a fundamental principle: Government is too big and it spends too much. (Applause.)

Believe it or not, some people still don't understand that. You'll see some of them over the next week, asking for your vote. When they do, ask them a few questions. Their answers will tell you all you need to know about how they see America's future.

Ask them: Who should choose a family's medical care -- parents or the government? I say the parents. (Applause.) The last

thing we need is government -- may I -- I think this young lady has a question. It's about AIDS. Let me say this, because it's a matter of real concern. Under our administration spending for AIDS, to fight AIDS is way, way up. And it's going to continue to stay up until we beat that disease. (Applause.) It is way up. And it's going to stay up until we whip that disease. And right here in this area, in the National Institute of Health, they're doing a superb job fighting to find an answer to that dreaded disease. And we're going to keep on doing it. (Applause.)

The last thing we need is the government standing between you and your doctor. I have a sound health plan that makes insurance available to all. And we need to pass it as soon as we possibly can. (Applause.)

Connie and Helen have championed child care. And ask them -- but better still, let's ask the Democrats who should control a child's day care -- parents or the government? I say the parents, not some bureaucrat down there in Washington. (Applause.)

And ask the Democrats who should choose a child's school -- the parents or the government? And I say the parents must have the right to choose their children's school. (Applause.)

We Republicans have always understood the way to keep America first is to put America's families first. And those are just some of the issues we face. In 1992, the first election of the post-Cold War era, you'll decide what kind of medical care your family receives, what kind of schools your children will go to, what kind of jobs you'll have.

And it will be a tough fight. And I know that. And I don't go seeking unnecessary conflict. But when principle is at stake, I fight to win. And make no mistake about it: We are going to win the primary and we are going to win the general election. (Applause.) And we win by setting the pace. We win by leading.

This American century has taught us many lessons. Above them all is this: When it comes to jobs and economic growth, if America is to succeed at home, it must lead abroad. This year, America is exporting more than ever before. And over the past five years, nearly half of America's real income growth has been in exports. And that means jobs for American workers, markets for American goods.

No one said it was easy. Leadership demands character and experience. But right now we hear that America has no business leading the world -- that we should just lock the doors and pull down the blinds and hope the world goes away. Well, America is not that kind of country. Never before in this nation's proud history have we turned our back on a challenge. And we are not going to start now by becoming an isolationistic country. (Applause.)

Americans don't cut and run -- we compete. You see, I believe in the American worker. And let's not build walls. Let's open markets -- let our workers go head-to-head. When they do, the world will see Americans can outthink, outproduce and outperform anyone in the world -- anywhere, anytime. (Applause.)

And so, in summary, let me just put it this way: I want you on March 3rd to send a message to those doomsayers and the pessimists. They say our economy has fallen into an abyss. They say America is a weakened giant. I say: Bunk -- we are the United States of America, and we can compete with anybody. (Applause.)

I've heard these doomsayers all my life. So have you. Think back a year ago -- one year to this very day. While American men and women risked their lives halfway around the world, what did

we hear from those professional pessimists? They spoke of defeat and humiliation. They spoke of a long and bloody war, another Vietnam, a quagmire. Well, they were wrong then, and they are wrong now.
(Applause.)

Here in this county, here in your home county and all across the country, Americans are ready to move, ready to face the challenge and meet a new American destiny. So I ask you, on March 3rd to cast your ballots for George Bush. The fight for our future has just begun, and it will continue for four more years.
(Applause.)

Thank you for your trust.

END

6:30 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 24, 1992

The President today announced his intention to nominate Thomas R. Pickering, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to India. He would succeed William Clark, Jr.

Currently, Ambassador Pickering serves as the United States Representative to the United Nations and the Representative of the United States of America to the Security Council of the United Nations. Prior to this, Ambassador Pickering served as United States Ambassador to several countries including: Israel, 1985-1988; El Salvador, 1983-1985; the Federal Republic of Nigeria, 1981-1983; and to the Hashemite Kingdom of Jordan, 1974-1978. In addition, he served at the United States Department of State as: Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, 1978-1981; Special Assistant to the Secretary of State and Executive Secretary, 1973-1974; and Deputy Director of the Bureau of Political-Military Affairs, 1969-1973.

Ambassador Pickering was graduated from Bowdoin College (A.B., 1953); Fletcher School of Law and Diplomacy (M.A., 1954); and the University of Melbourne (Australia) (M.A., 1956). He was born November 5, 1931 in Orange, New Jersey. Ambassador Pickering served in the United States Navy, 1956-1959. He is married, has two children and resides in New York, New York.

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 24, 1992

The President today announced his intention to nominate Edward Joseph Perkins, of the District of Columbia, to be the Representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary, and the Representative of the United States of America in the Security Council of the United Nations. He would succeed Thomas R. Pickering.

Since 1989, Mr. Perkins has served as Director General of the Foreign Service and Director of Personnel at the United States Department of State in Washington, D.C. Prior to this, Mr. Perkins served as United States Ambassador to the Republic of South Africa, 1986-1989; United States Ambassador to the Republic of Liberia, 1985-1986; and Director of the Office of West African Affairs in the Bureau of African Affairs at the United States Department of State, 1983-1985. From 1981-1983, Mr. Perkins served as Deputy Chief of Mission at the United States Embassy in Monrovia, Liberia. In addition, he served as Counselor for Political Affairs at the United States Embassy in Accra, Ghana, 1978-1981.

Mr. Perkins was graduated from the University of Maryland (B.A., 1967) and the University of Southern California (M.P.A., 1972; D.P.A., 1978). He was born June 8, 1928 in Sterlington, Louisiana. Mr. Perkins served in the United States Army and the United States Marine Corps. He is married, has two children and resides in Washington, D.C.

#

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 24, 1992

The President today announced his intention to appoint Gail R. Wilensky of the District of Columbia as Deputy Assistant to the President for Policy Development.

Since 1990, Ms. Wilensky has served as Administrator of the Health Care Financing Administration, the agency that administers the Medicare and Medicaid programs. Prior to this, she was the Vice President of Health Affairs at Project HOPE, an international health foundation. She has taught economics and public policy at the University of Michigan and George Washington University, and has held several appointments in the Public Health Service and at the Urban Institute.

Ms. Wilensky received an A.B. in Psychology (1964), an M.A. in Economics (1965), and a Ph.D. in Economics (1968) -- all from the University of Michigan. She was born in Detroit, Michigan. She is married to Robert J. Wilensky, has two children, Peter and Sara, and currently resides in Washington, D.C.

#

THE WHITE HOUSE

Office of the Press Secretary

FOR IMMEDIATE RELEASE

February 24, 1992

The President today recognized the Volunteer Services Program of the International Institute of Boston as the 702nd Daily Point of Light for the Nation. Program participants help newly-arrived refugees and immigrants from Southeast Asia, Africa, Eastern Europe, and Central America adjust more easily to life in the United States.

Through the International Institute, some 150 volunteers befriend and assist immigrants and refugees. The volunteers, some of whom are bilingual and former immigrants, must commit themselves to at least six months of service, usually for three to six hours a week. After an orientation session on cultural differences, expectations, and methods of teaching English as a Second Language, each is matched with a refugee or immigrant.

Serving as ESL and Citizenship Education tutors, the volunteers work one-on-one with newcomers to America, often tutoring those who cannot attend regularly scheduled classes. By taking the program directly into immigrant homes and communities, they have expanded the Institute's services to house-bound mothers and students with special learning needs. By forming lasting friendships with immigrants and training them in language and job skills, participants in the Volunteer Services Program have helped improve understanding and relations between newcomers and the host community.

The President salutes the Volunteer Services Program of the International Institute of Boston 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 24, 1992

STATEMENT BY THE PRESS SECRETARY

President Bush held a half hour private meeting today with President Alfredo Christiani of El Salvador. President Bush congratulated President Christiani for his great personal leadership and courage in bringing peace to his country. He also praised the progress President Christiani has made toward implementing the peace agreements signed earlier this month in Mexico City and achieving true national reconciliation. The President gave his assurance that the United States would do everything possible to support full implementation of the peace accord and to help El Salvador consolidate democracy and peace and expand economic opportunity. In this regard, the President mentioned that the United States Government was working with other governments to assure international support for the national reconstruction of El Salvador. The President also promised to work with Congress on a bipartisan basis for continued United States assistance to El Salvador in the future, through both direct aid programs and debt reduction under the Enterprise for the Americas Initiative (EAI). United States assistance and international support will be vital to the continued success of the peace process and national reconciliation in El Salvador.

#

a0546-----

u p PM-Republican Race 1st Ld-Writethru a0451 02-24 0609

^PM-Republican Race, 1st Ld-Writethru, a0451,800<

^Buchanan Targeting Georgia Next in GOP Challenge to Bush<

^Eds: Subs graf 3, 'Meanwhile, Vice, with 2 grafs to UPDATE with White House comments today on Buchanan, picks up graf 4 pvs,

Quayle, on; Deletes grafs 21-23 to tighten<

With PM-Political Roundup<

^By TOM RAUM=

^Associated Press Writers=

TALLAHASSEE, Fla. (AP) - Conservative Patrick J. Buchanan is focusing his upstart challenge to President Bush on the March 3 Georgia primary and predicts he'll produce "as big a surprise" for Bush there as he did in New Hampshire.

Buchanan was stumping the South in an effort to translate momentum from his strong second-place finish in last week's New Hampshire primary into suport in upcoming primaries below the Mason-Dixon Line.

White House spokesman Merlin Fitzwater today said Bush would use surrogates and ads to counter Buchanan in every state where he mounts a challenge. "We'll take pains to point out differences" between the president and Buchanan, said Fitzwater. He said Buchanan has "some pretty strange beliefs," but declined to elaborate.

It fell to Vice President Dan Quayle on Sunday to take swipes at both Buchanan and the Democratic contenders.

Quayle, on NBC's "Meet the Press" on Sunday, called Buchanan an isolationist and accused him of hostility toward Israel.

"We will continue to defend and work with Israel, and Pat Buchanan's viewpoint on that (is) troubling to me," he said.

The vice president said it looked like former Massachusetts Sen. Paul Tsongas or Arkansas Gov. Bill Clinton will be the Democratic presidential nominee.

Quayle had previously predicted that New York Gov. Mario Cuomo would wind up as the Democratic nominee, even though he was not a declared candidate. A write-in campaign for Cuomo fizzled in New Hampshire.

Buchanan was headed to Georgia today after a weekend of campaigning and fund-raising in Florida.

At a rally on the steps of Florida's state capitol this morning, Buchanan accused the Republican establishment of seeking to prevent him from speaking out at party events and withholding its support and help from his candidacy.

"What are they afraid of? Do they think I'll walk in like the pied piper and lead all those hairy-chested southern Republicans off to my camp?" Buchanan asked.

The conservative commentator is expected to spend much of his time in the coming week in Georgia, which represents his first face-to-face confrontation with Bush since New Hampshire, where Buchanan won an impressive 37 percent of the vote against Bush's 53 percent.

Georgia is "a crucial primary. It is the New Hampshire of the South," Buchanan told an airport rally in Jacksonville, Fla., on Sunday night.

"I think we've got as big a surprise waiting for them (Bush) in Georgia as we gave them in New Hampshire," Buchanan said.

House Republican Whip Newt Gingrich, R-Ga., has said that Buchanan is likely to win between 25 and 35 percent of the vote in Georgia.

Buchanan aides are hopeful about Georgia, because it is an "open" primary, meaning that Democrats unhappy with the current crop of Democratic contenders can vote in the Republican primary.

Buchanan's domestic policy adviser, Paul Erickson, said Sunday that Georgia was "a bellwether for Super Tuesday."

The Buchanan campaign hopes that a good showing in Georgia will help propel the candidate into the Super Tuesday contests and keep his challenge alive.

Buchanan on Sunday told audiences in Florida that he believed he had a fighting chance of unseating Bush.

Still, he said he would have to reassess his candidacy if his support fell to 15 to 20 percent of future primaries.

Campaigning Sunday in Naples, Fla., Buchanan repudiated the partial endorsement he received in some primary states from former Ku Klux Klan leader David Duke, and he said he plans to ignore Duke.

"I haven't bought that gentleman's endorsement nor worked for it in any way," Buchanan told reporters.

Duke, kept off the GOP ballot in Georgia and Florida, has suggested his supporters there cast their votes for the conservative commentator.

Buchanan, in a Sunday interview on ABC and in a separate interview with CNN, defended his views on race, immigration and world affairs - including a remark that it would be easier to settle a million Englishmen in Virginia than a million Zulus.

He also defended his 1972 advice - as a Nixon White House aide - to William F. Buckley Jr. to stop supporting conservative John Ashbrook's challenge to Nixon's re-election.

Buckley wrote in a column Sunday that Buchanan warned him that the challenge would only help the Democrats in the fall.

"I was a Nixon aide then and John Ashbrook got 9 percent, not 37 percent as I did" in New Hampshire, Buchanan said on ABC.

"I was doing my job then," Buchanan told CNN. "I am doing my job (now) as a leader of the conservative movement and someone who has held to its principles."

Buchanan aides said Sunday that the candidate had spent \$400,000 on TV and radio ads in an effort to woo Georgia voters.

AP-TV-02-24-92 1025EST(+)

a0550-----

r p PM-MaineCaucuses 1stLd-Writethru a0446 02-24 0617

^PM-MaineCaucuses, 1st Ld-Writethru, a0446,670(

^Maine Contest Ends in Tsongas-Brown Draw

^Eds: INSERT9 1 graf after 24th graf ovs, Citing unofficial, to UPDATE with Fitzwater comment on Bush showing

^With PM-Political Rdp, Bjt

^By PETER JACKSON=

^Associated Press Writer=

PORTLAND, Maine (AP) - The results showed them in a dead heat, but Democratic presidential candidate Jerry Brown chalked up a surprising gain and rival Paul Tsongas a stunning setback in Maine's Democratic presidential caucuses.

By the time party officials stopped counting the results Sunday night, the former Massachusetts senator and the former California governor were locked in a virtual tie. Tsongas had 29.5 percent support to Brown's 29.3 percent.

Yet the outcome was an unquestionable victory for Brown, who left New Hampshire fifth in a five-man field. He headed straight for Maine and campaigned tirelessly for five days, reaching out to disaffected voters and opponents of nuclear power.

It also was a clear setback for Tsongas as the focus moved out of his native New England and showed him not easily winning a state where he was favored.

It was the first time in 20 years that the winner of the New Hampshire Democratic primary didn't follow up with a clear-cut victory in Maine.

The Maine results were embarrassing for Arkansas Gov. Bill Clinton. He competed for third place with a block of uncommitted delegates despite a solid organization and a second-place finish in New Hampshire.

The other two major candidates, Sens. Bob Kerrey of Nebraska and Tom Harkin of Iowa, did not campaign vigorously in Maine and trailed far behind. They left New Hampshire for the more familiar Midwestern states whose primaries are in the next two weeks.

It was unclear when, if at all, results would be available from the last 20 precincts. But any victory will be by only a handful, and neither Brown nor Tsongas could claim even one-third of the delegates - or a clear-cut victory.

Brown and Tsongas, who left Maine hours before the results were tallied to take part in a debate in South Dakota, both claimed victory.

Brown, who refuses contributions larger than \$100, claimed his showing was "certainly an upset" and proof that "grassroots citizens can take back this country."

"It has to be a shock to the pundits in Washington, who early on believed that only \$1,000 checks and obscene campaign war chests could propel a candidacy," he said.

Tsongas brushed aside a suggestion that the Maine results were a sign of a fragile candidacy, saying, "My fight is with Bill Clinton at this point."

Democratic state Chairwoman Jo Karr chalked up the unexpectedly large unpledged vote to the deliberate nature of politics in Maine.

"Mainers are slow to make decisions," she said. "They want to look at the candidates and the issues."

With 97 percent, or 645 of the state's 665 precincts reporting, these were the returns:

Tsongas: 29.5 percent, or 994 state convention delegates.

Brown: 29.3 percent, or 987 state convention delegates.

Uncommitted: 16 percent, or 532.

Clinton: 15 percent, or 515.

Harkin: 5 percent, or 174.

Kerrey: 3 percent, or 105.

In the race for 23 national convention delegates, Tsongas led for 8, Brown for 7, uncommitted for 4, Clinton for 3 and Harkin for 1.

Republicans have until April 1 to hold their caucuses, although several precincts were doing so on Sunday. The delegates selected in these meetings were unpledged, but GOP challenger Patrick Buchanan made little effort to contest President Bush in the state.

Citing unofficial tallies from 200 communities that have voted in recent weeks, the state Republican Party gave Bush 875 of the first 990 delegates chosen.

White House spokesman Martin Fitzwater today called it an "impressive win" for Bush.

South Dakota's primary on Tuesday is shaping up as a struggle for survival for Kerrey and Harkin. After that, the race explodes with 24 primaries and caucuses over two weeks that will award 1,287 delegates of the total 4,287 delegates at the Democratic National Convention.

Tsongas' victory in New Hampshire had been unthinkable until less than a month before the voting, when Clinton was hit with allegations of womanizing and Vietnam-era draft dodging that he strenuously denied.

Tsongas' campaign worked to the end in search of an elusive victory, as his wife Niki attended a caucus in Gornam, a town of 12,000 outside Portland. "Every vote counts," she said after her husband topped Brown in Gornam.

AP-TV-02-24-92-1040EST(+)

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 24, 1992

The President today announced the appointment of John A. Gaughan of Maryland to be Deputy Assistant to the President and Director of the White House Military Office. He will succeed LTG Richard G. Trefry, USA (Ret.).

Since 1989, Mr. Gaughan has served as Chief of Staff to the Secretary of Transportation. Prior to this he served as the Administrator of the Maritime Administration from 1985 to 1989; as Deputy Assistant Secretary of Governmental Affairs, Department of Transportation, in 1985; as Director of the Office of External Affairs in the Maritime Administration in 1984; and as a Congressional Liaison Officer for the Department of Transportation from 1981 to 1984. From 1970 to 1980, Mr. Gaughan served on active duty in the United States Coast Guard and held various positions including command of the Coast Guard Cutter POINT MARTIN.

Mr. Gaughan was graduated from the United States Coast Guard Academy with a Bachelor of Science in 1970 and from the University of Maryland School of Law in 1977. He was born on March 29, 1947, in Washington, D.C. He and his wife, Janelle, reside in Bethesda, Maryland.

#

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 24, 1992

The President today announced the appointment of John A. Gaughan of Maryland to be Deputy Assistant to the President and Director of the White House Military Office. He will succeed LTG Richard G. Trefry, USA (Ret.).

Since 1989, Mr. Gaughan has served as Chief of Staff to the Secretary of Transportation. Prior to this he served as the Administrator of the Maritime Administration from 1985 to 1989; as Deputy Assistant Secretary of Governmental Affairs, Department of Transportation, in 1985; as Director of the Office of External Affairs in the Maritime Administration in 1984; and as a Congressional Liaison Officer for the Department of Transportation from 1981 to 1984. From 1970 to 1980, Mr. Gaughan served on active duty in the United States Coast Guard and held various positions including command of the Coast Guard Cutter POINT MARTIN.

Mr. Gaughan was graduated from the United States Coast Guard Academy with a Bachelor of Science in 1970 and from the University of Maryland School of Law in 1977. He was born on March 29, 1947, in Washington, D.C. He and his wife, Janelle, reside in Bethesda, Maryland.

#

DATE

February 24, 1999

DAILY NEWS CLIPS

The Washinton Post

The Washington Times

The Wall Street Journal

USA Today

The New York Times

Office of Media Affairs

By John Carmody
Washington Post Staff Writer

The Washington Post

FEBRUARY 24, 1992

The news that "hotshot TV sportscaster" Warner Wolf was leaving WCBS to return to Channel 9 here in June was big news in New York Saturday morning...

"HE'S OUTTA HERE!"—in 2-inch-tall letters—was the front-page headline in the New York Post; "Wolf Swaps N.Y. for D.C." made Page 2 in the Daily News...

Wolf has spent 16 years in the Big Apple and, with his trademark "Gimme a break!" "Let's go to the videotape" and other catch phrases, was the biggest sportscaster in town...

In case you missed the Saturday announcement, Nine has signed him to a five-year contract to replace the late Glenn Brenner. He'll start June 10...

It will be a high-price homecoming for Wolf, who dominated the Washington market at Channel 9 for several years, until he defected to ABC Sports in 1976. He failed to click at the network but started to make his mark at WABC, the ABC-owned flagship station in New York. In 1980, WCBS grabbed him by doubling his salary to a then-record \$400,000 a year, and he went on to repeat his Washington success...

One agent familiar with the Washington scene cautioned Friday that Nine is taking something of a gamble by bringing back the 54-year-old Wolf. "He's been gone 16 years, a lot of young people here have no idea who he is. And Nine's audience already skews old"...

The agent, who asked not to be identified, suggested reports that Wolf will command more than \$1 million annually under his new contract may not reflect reality. "He was probably doing \$800,000 to \$1 million at WCBS, but the station was going to ask him to take a cut in June, as CBS is doing everywhere these days. He's done so well over the years, he might have been willing to come back to the area for less. He and his wife, Sue, are looking forward to the lifestyle down there"...

Whatever the price tag, the choice of Wolf is a masterstroke for Nine. He could have invented brash; he did invent most of the fun techniques that Brenner would later put his signature on. There's a treat in store for those who haven't seen him. And at WRC and WJLA the temperatures in the newsroom must have dropped a couple of degrees Friday when word of his impending arrival circulated...

On the other hand, Wolf signed with super agent Richard Leibner recently, which suggests he got every nickel Nine had lying around loose...

Friday, Warner told The Washington Post's Leonard Shapiro: "It's the first time I've ever had an agent in 30 years on the air. That's basically how [his rejoining Nine] happened. The agent worked it out. That's all I really ought to say about it"...

WUSA president Hank Yaggi said Friday that he and Wolf had gotten together on Feb. 12 for the first time...

Continued Wolf: "When I first heard [of Nine's interest], I was absolutely interested in pursuing it. The big thing is coming back home. I've been here in New York for 16 years, since March 1976. My wife, Sue, and I are very excited about coming back to the area. Yes, WCBS wanted me to stay. It's just a great thing to be able to go back home"...

"In reality, the thought of coming back had not been on my mind. But if I ever had the chance, they would be the place"...

Wolf had high praise for Nine's 20-year anchor Gordon Peterson. "To work with Gordon again," said Wolf, "is a major, major consideration. He is the best anchorman as far as relating to the sportscaster, one of the best in the country at relating with all the talent. He actually listens to what you have to say. You'd be surprised how many of them don't. That's why he's so good. He doesn't have a massive ego. Some of them want them all; he relates to the sports guy"...

"I haven't spoken to [Gordon]. I also have to say that I'm sorry it has to be under these circumstances [the Jan. 14 death of Glenn Brenner]. He was a very talented guy and I admired his work"...

One friend of Glenn's recalled on Friday that the late sportscaster had considered Wolf to be "the George Washington of sportscasters" because his innovative style had "set a tone" and "created the sportscasting venue as a vehicle for entertainment"...

Friday, Yaggi said the future of James Brown at the station was "uncertain." The CBS sportscaster had been in the running as a replacement for Brenner but apparently wanted to keep his hand in with the network, regardless. "We'll talk when he gets back from Albertville," the station executive said...

Yaggi said that at the Feb. 12 meeting, Wolf had admitted he felt a tug when he watched the Redskins come onto the field at the Super Bowl in Minneapolis last month. Which would seem to

suggest that Warner—who worked on Nine's early version of "Redskins Sidelines"—still remembers the way to a Channel 9 president's heart...

Now This

Adrienne Williams, a senior at Eleanor Roosevelt High in Lanham, will go for the \$25,000 grand prize tonight in the sixth annual "Jeopardy!" teen tournament (Channel 7, 7:30)...

WTTG's Lark McCarthy and Jack Cafferty of WNYW in New York will anchor the Fox News political team in this election year...

They'll be joined by political satirist P.J. O'Rourke and columnist Chris Matthews. They'll work the conventions as well as on election night...

The shameless "A Current Affair" tomorrow (WTTG at 7:30 p.m.) will air an interview with one Madeleine Brown of Dallas, who claims to have been Lyndon Johnson's mistress from 1948 until 1969 and that on Nov. 22, 1963, just hours before the assassination of President John F. Kennedy, the then-vice president told her "that John Kennedy would never embarrass him again and that wasn't a threat—that was a promise"...

She says that a month later he told her "it was ... the CIA that caused the assassination"...

Brown says she still loves LBJ and thinks of him "all the time"...

Brace Yourself

Friday was quite a night on television. CBS's Winter Olympics coverage climaxed with the women's figure skating finale, Mike Tyson's rape victim testified on ABC's "20/20," and Liz Taylor showed up on "The Tonight Show," talked for 20 minutes with Johnny and charmed everybody right out of their socks...

According to CBS, early national Friday figures indicate its Olympics coverage averaged a very large 25.0 Nielsen rating and a 40 percent audience share...

On the other hand, the 25 big-city Nielsen overnights for Friday (penny-pinching CBS doesn't pay to get an early reading of the national ratings of its rivals) show ABC's primetime schedule did a 13.4/20, NBC an 8.8/13. CBS had no figures for FOX...

But no matter how Nielsen (or CBS) counts it, network TV on Friday certainly had viewers crowding to get back into the free-TV tent...

(ABC says that during the first half-hour of Desiree Washington's appearance on "20/20," its big-city audience share rose to 26)...

In Washington Friday night, the skaters iced the competition as CBS affiliate WUSA averaged a 32.6/49 for the evening—a super-event total that climbed to a 38.5/57 in the half-hour when Kristi Yamaguchi wrapped up her gold medal. Only Minneapolis and Denver, two skating hotbeds, showed higher averages for CBS on Friday night, according to the network...

ABC affiliate WJLA averaged an 11.4/17 that night, NBC-owned WRC a 9.0/14...

In Saturday overnights from the 25 Nielsen cities, CBS's Olympics coverage did a 19.3/32, without the prospect of a U.S. gold medal, compared with a 10.4/17 for the NBC lineup, an 8.5/14 for ABC and a 6.0/10 for FOX...

Locally, WUSA averaged a 20.7/34, compared with an 8.9/14 for WJLA, an 8.5/14 for WRC and a 6.0/10 for WTTG...

We've saved the Thursday night nationals until last, to save CBS some slight discomfort; after all, its Games coverage fell to a 15.4/24, the lowest since opening night. NBC was close with a 14.3/22 for the evening. Jimmy Smits's long-awaited but ultimately disappointing appearance on "L.A. Law" resulted in a 15.0...

"The Cosby Show" averaged a 13.2/20, one of its lowest numbers ever, but a "Simpsons" original on FOX did a 14.9/23 in that same half-hour, even outscoring the Games...

ABC averaged a 12.0/19 for the night; FOX, a 12.0/18 for two hours...

Locally, Nine did a 17.5/26 for the night, WRC a 15.3/23, WTTG (FOX) a 12.2/19 (Bart did a 19.4/28!) and WJLA a 10.0/15...

And while we have you totally numb, TV Column fans should note that "Good Morning America" was back in first place in the morning network race last week. But just barely. GMA did a 4.4/19 for the week the show spent in Hollywood. "Today," which claimed a solo first place the previous week for the first time in more than two years, did a 4.3/19 after spending two days in Cuba and a day in Miami, which can seem like two days in Cuba. The two hours usually devoted to "CBS This Morning" were instead spent every day at the Winter Games and gave CBS a 3.8/17, about a point above where Paula and Harry would usually be...

On Thursday, Friday and Saturday, even a week ago, a national ratings point represented 921,000 TV homes; an overnight point, 431,028; and a Washington point, 18,199...

WASHINGTON AT WORK

White House drug officials say they don't investigate leaks. But some staff members at the drug office are a bit skeptical:

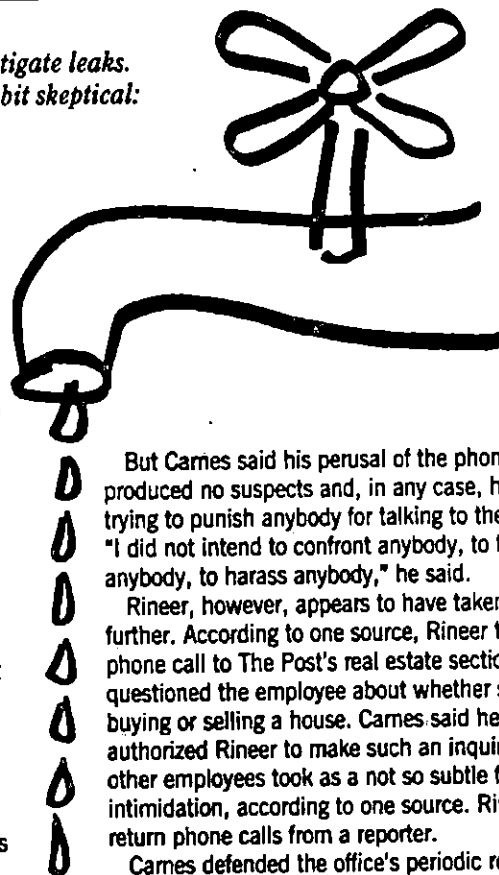
Earlier this month, they discovered, senior officials had reviewed computer printouts of staff telephone calls in an effort to discover who, if anyone, had talked to The Washington Post.

News of the inquiry alarmed some employees in the \$19 million-a-year, 130-member Office of National Drug Control Policy, particularly when one staff member was questioned about a call she made to a number starting with 334, the first three digits of the newspaper's exchange. The questioning, alas, failed to identify a leaker: The drug office employee was calling a friend from her church group who worked part time in The Post's classified section.

"I couldn't believe it," said national drug control policy director Bob Martinez, when he learned about the inquiries into the calls. "I had absolutely no knowledge of this . . . This was not ordered by anybody."

The concern over leaks arose recently after The Post published a number of stories, including one on Jan. 26 that quoted from a new administration drug strategy that was scheduled for release by President Bush and Martinez the following day. After the story appeared, Bruce M. Carnes, director of planning, budget and administration at the drug office, asked his staff to provide him with a printout of all telephone calls made from the drug office in the previous few days "in order to see if there was unusual traffic [in phone calls] to The Post."

Carnes said drug office computers automatically record the phone numbers of all telephone calls from the office—local and long-distance—and that "every phone system [in the federal government] has that capability." About once a month, he added, he directs the drug office's telecommunications manager, Rick Rineer, to "spit out a day or two's worth of phone calls" to see if employees are abusing office telephones.



But Carnes said his perusal of the phone logs produced no suspects and, in any case, he was not trying to punish anybody for talking to the newspaper. "I did not intend to confront anybody, to talk to anybody, to harass anybody," he said.

Rineer, however, appears to have taken matters a bit further. According to one source, Rineer traced one phone call to The Post's real estate section and then questioned the employee about whether she was buying or selling a house. Carnes said he never authorized Rineer to make such an inquiry—which other employees took as a not so subtle form of intimidation, according to one source. Rineer did not return phone calls from a reporter.

Carnes defended the office's periodic review of employee telephone calls and noted that Rineer also questioned staff members about other local phone calls to non-governmental offices having nothing to do with The Post. "The rule for using federal telephones is you can only use them for federal business—you're not supposed to use them for personal business," he said.

But Carnes said Rineer's "judgment" may have been suspect in questioning a staff member about a phone call to the newspaper. Acknowledging the historic futility of investigating leaks, Carnes said, "[The Post] is the one place" he would never tell staff members not to call.

—Michael Isikoff

THE WASHINGTON POST

TALKING POINTS

Senate Confirms Andrew Card As Transportation Secretary

The Senate on Friday confirmed President Bush's choice of White House deputy chief of staff Andrew H. Card Jr. to become secretary of transportation.

On a voice vote without dissent, Card was approved to succeed Samuel K. Skinner, who resigned in December to become Bush's chief of staff.

Card, 44, sailed through a confirmation hearing two weeks ago when he pledged to start spending quickly the money from a six-year transportation bill passed last fall "to jump-start the economy." A former Massachusetts state legislator, Card managed Bush's 1988 New Hampshire primary campaign and was his deputy staff chief for the last three years.

Wilensky in Line for White House Job

■ Sources say Gail Wilensky, administrator of the giant Medicare and Medicaid programs, will move to the White House to become deputy assistant to the president for health and welfare issues.

Wilensky, an economist who has worked extensively on health policy issues for many years at the Health and Human Services Department and at Project Hope, where she created a health policy center, has been administrator of HHS's Health Care Financing Administration for the past two years. As deputy assistant, she would report to domestic policy adviser Clayton Yeutter, one source said.

Wilensky could not be reached for comment and the White House press office had no comment.

From staff reports and news services

Boisfeuillet Jones Jr.

The Great Mind Not Appointed

Paul A. Freund, constitutional authority and consummate teacher, died earlier this month at age 83. Along with accolades for his accomplishments, came despair about the selecting of Supreme Court justices.

Here was a brilliant protege of Louis Brandeis and Felix Frankfurter. In the Solicitor General's Office, he ably represented the government before a hostile Supreme Court during the New Deal and, in a second stint, during World War II. He joined the Harvard Law faculty in 1939 and became a preeminent figure.



ASSOCIATED PRESS

President Kennedy twice almost appointed him to the court before settling on more political choices. Hence Freund was often cited as the great mind not appointed.

But his life was hardly incomplete. He relished his work as a teacher and as editor-in-chief of a multi-volume history of the Supreme Court. His gentle, witty, generous nature kept him from being a daunting figure to students and the many who consulted him. He especially valued teaching undergraduates—as many as 800 a year—about legal methods and the process of resolving constitutional dilemmas. A student once told me how Freund remembered him seven years later, when as a Law

Review editor he dropped by the professor's fire-trap of an office for advice. Freund turned to a dusty heap in the corner, ran his finger down the pile to a precise point and pulled out the student's college term paper.

Freund was admired for wise, learned insights and open-minded examination of legal premises. Uncertainties in the Constitution, he taught, enabled the court to interpret it flexibly enough to accommodate changing needs without overreaching and upsetting the balance of government powers.

He had not a trace of harshness or dogma. He espoused judicial restraint through deciding controversies narrowly, not trying to settle great issues for all time. "An absolute principle is as absurd as absolute power," he wrote, "and when you perceive a truth, look for the balancing truth."

He revered the Supreme Court as an institution. The only time I saw him really exercised was after publication of "The Brethren" a book on the court by two Post reporters. He was dismayed that insiders would breach confidences. Normally, he was the soul of moderation, responding to nonsense simply by raising his impressive eyebrows.

He unsuccessfully advocated measures to reduce the court's caseload out of concern for its quality of work. The court having to decide which petitions (a number growing by the thousands) to accept for review each year had resulted in a proliferation of law clerks, more of an administrative function for the justices, a decline in collegiality and the compression of time to deliberate. These developments were not in keeping with his notion of judicial review.

When Frankfurter retired from the court almost 30 years ago, Freund paid tribute to him as a justice who rejected the broad brush and the primary colors, who "affirmed that the tones must be mixed (in art, with taste, said Velazquez) in law with wisdom."

Paul Freund, too, attended to ambiguity and fine distinctions. He brought to constitutional analysis a richness of learning and elegance of expression that few could equal. And he mixed the tones with wisdom.

The writer is vice president and counsel of The Post.

Meg Greenfield

Bam. Crash. Kersplat.

On the far-out assumption that what people say actually has something to do with what they mean, I think it is time to consider the language of the campaign. One aspect of it fascinates me: the endless metaphors of one-on-one punching, kicking, brawling, slamming (I haven't found biting yet), and such gunplay as opening fire and blowing away. Guy stuff? Well, I suppose so; but men and women of the press and the campaigns sometimes lapse into the carnage-loving idiom too, and some of the candidates are much more given to stranglespeak than others. Forget all those complaints about how the country views elections as horse races. The trend is to viewing them as mortal combat.

Of course elections are in one sense merely fights, and of course we talk a lot about fighting hard, usually with admiration. "Give 'em hell, Harry!" people used to holler at President Truman, who was actually beloved (by those who didn't hate him) for his pugnacity. So all the contending, the pushing and shoving back has its own indisputable metaphorical validity, and a willingness to fight and fight hard is a virtue in a candidate. But there is fight and there is fight, and I think we are rapidly going from the noble kind to the kneeling kind.

"Noble" may be a bit grand here, but there is a true distinction to be made between candidates who fight for a cause and those who seek to inflict damage or pain for an advantage. And the good kind of political fighting does not even always involve assault; it can mean, as well, persisting stubbornly in a position that is unpopular, prevailing against odds. Increasingly these days we are exposed to the other kind of fighting, however, and it seems less like a fight for political purpose than the preliminary gruntings of guys who are about to ask each other to step outside. "We're going to take this guy on in every single state," George Bush was reported to have said of Patrick Buchanan after the New Hampshire primary. "I've been very kind and gentle. I'll still be kind, and I'm now debating how gentle to be." To which Buchanan sneered back, "We're terrified." You could almost see them glaring at one another across the barroom. Bam. Crash. Kersplat.

In fact, Bush and Buchanan strike me as the two most given to the lingo of assault. Buchanan has long been journal-

It's time for the candidates to stop the verbal face-smashing. People are turned off by it.

ism's poet laureate of the exhilarating fistfight, and his autobiography extols the joy of brawling. "We've got to find a state where we can go head-to-head with the president and beat him cold," he says. And when he is not conveying the notion of his presidential campaign as an alley fight, he seems to view it as an all-out war. After New Hampshire he said: "We have Governor Gregg and Governor Sununu, Bush's New Hampshire allies, in custody, and they are being well treated. . . . The battle is over and won, now begins the battle of the South." He loves the idea that Bush is after him in armed combat: "Air Force One now has bomb racks under both wings," he brags. Yes, all no more than vivid and, sometimes, playful imagery; but it is a theme so constantly and lovingly invoked in Buchanan's statements that there seems no doubt that he sees the goal of the political conflict as obliteration of an enemy, rather than the conversion of the reluctant to a governing constituency.

George Bush ("We tried to kick a little ass last night") has the same propensity, but there is a difference. Buchanan is on the offensive. Bush is on the defensive in that you feel he would not engage in any of this kind of talk if only people wouldn't run against him. That is, he tends to regard all political opposition as unwarranted personal attack. And so he springs into overreactive combat himself. I think this accounts for the disproportionate and even personally uncharacteristic verbal violence with which he reacts to the other side in campaigns. It's all about attack and retaliation. In the early aftermath of New Hampshire mixed signals came out of the White House about the tactics to come. But even those suggesting the president would be "above the battle," say others would make—what else?—the "attack" on his behalf.

In a country that has long favored martial imagery—the war on poverty, crime and drugs etc.—and whose language has always been given to such figures of speech, it may seem the most ordinary thing in the world that politicians talk this way. But I think that the theme has become much more dominant

and narrow and sharper edged than it was before, just as so many TV ads have become so much more personally assaultive, less concerned with promoting the candidacy of X than destroying that of Y. Attack ads have become their nuclear weapons, and first-strike second-strike theorizing may be heard. It was much discussed in Washington after New Hampshire that the Bush people had withheld their attack ads, their advertising nukes, but they have them ready to go.

Surely some part of the national turn-off has been due to the irrelevance to their own lives people feel when candidates seem to view the quadrennial election as some kind of personal face-smashing test. And I would argue that this mindset is harmful to those who hold it, not just to those they are planning to smack next week. It misdirects their energy and makes them forget what they are about and what people want from them.

Consider the Bush-Buchanan contest. It is full of irony, even poetic justice, since Buchanan is prepared to take positions Bush has never quite dared to espouse, but only wink at and inferentially support, to their stark, reactionary, racially and socially explosive conclusions. Whatever ugly thing it is, Buchanan will come right out and say it. How does Bush combat this? By saying that he too endorses these views? By construing the whole encounter as a personal death struggle with Pat? How about by playing it straight—that is, by setting forth candidly and plausibly his differences with the challenger (and with his Democratic opponents, too), rather than just complaining, as he has been, about how many folks are attacking him? How about by argument on substance, rather than by attempts to belittle and discredit? That would be my idea of really fighting and of—yes—being tough. And I think it would work better for Bush and any other candidates who follow that course. People are not just tired of the bang-you're-dead stuff, they're repelled and embarrassed by it.

©1992, Newsweek Inc.
Reprinted by permission; all rights reserved.

William Raspberry

Preferential Treatment

I've finally figured out the difference between David Duke and Pat Buchanan.

David Duke knows he's a bigot, but he's embarrassed about it—keeps saying he's changed.

Pat Buchanan is an unembarrassed bigot who thinks that, deep down, his views are shared by most Americans. Most white Americans, that is. He doesn't care about the rest.

Duke, who understands that his appeal is to the worst instincts of the electorate, seeks to hide his hard-core message under a sheet of populism. He won't be dismayed if racists and antisemites think he's still one of them, but he'd prefer to shed his Klan robes for a suit of respectability.

Buchanan won't hide. He embodies, quite unabashedly, the dictionary definition of a bigot: "a person who holds blindly and intolerantly to a particular creed, opinion etc.; a narrow-minded, prejudiced person." And he thinks there are enough Americans like him to put him in the White House, or at least to force President Bush to embrace his right-wing, xenophobic "America First" views.

There's another difference, though, that is at once more baffling and more embarrassing, and that is the difference in the way the media have treated the two men.

The press was on Duke's case almost from the start (although some of the Louisiana press was slow to catch the beat). Newspaper readers and television viewers who knew nothing else about Duke knew that he was a

a few extra bucks without any heavy lifting. Cohen's point, which makes sense to me, is that you can't participate in these good-natured exchanges without accepting your opponent as being at least within the pale. You can't recognize him as a bigot and deal with him as a philosophical equal.

Only a handful of writers—notably blacks and Jews—have been willing to say flat out that Buchanan isn't throwing spitballs and harmless stink bombs, that his ideological haymakers frequently land below the belt, or that the media, as self-appointed referees, won't take points away for dirty fighting.

But then blacks and Jews (along with gays or other "outsiders") have special reason to take Buchanan seriously. Just the other day, the New York Times's A. M. Rosenthal was after Buchanan (again) for his anti-Jewish remarks and after the press for taking this alleged antisemitism too lightly.

It's important to note that what is at issue is not just disagreement on U.S. policy toward Israel. It is broader—and nastier—than that and includes put-downs of the "fantasies of martyrdom and heroism" of Holocaust survivors and

descriptions of the U.S. Congress as "Israeli-occupied territory."

His response to the controversy over the Haitian refugees (and the implicit racism of the government's official actions) was to reduce it to the question of whether America should prefer as immigrants "a million Zulus or a million Englishmen." He has defended the apartheid regime of South Africa and insulted Martin Luther King Jr. and the civil rights movement here.

He has attacked homosexuals as "the pederast proletariat" and the "butch brigade."

These, to repeat, are not just talking points made too vehemently. They represent the worst of American politics: appealing to people through their bigotry.

David Duke has cleaned up his public act, if not necessarily his attitude; still the press (and mainline politicians) have essentially driven him out of national politics. Buchanan, despite his transformation from pundit to presidential candidate, still carries on viciously as any Klansman I've heard, and the press does little more than chide him.

What's the deal?

Only a handful of writers... have been willing to say flat out that Buchanan isn't throwing spitballs...

former Klansman who had shown no convincing evidence of reform. The reason his race for governor drew such overwhelming national attention is because it was seen, by the media, as a test of whether a famous bigot could win statewide office. (The answer nearly turned out to be yes; 55 percent of Louisiana's white voters voted for Duke.)

This same press has hardly been on Buchanan's case at all. Well, that's not quite true. There have been reports of his hard-right philosophy, his acid tongue, his take-no-prisoners debating style—even his thuggish behavior as a high school kid.

But it has been largely of the "Peck's Bad Boy" sort—Buchanan as irrepressible utterer of unpalatable opinions, not Buchanan as dangerous bigot. My colleague Richard Cohen thinks this is because so many leading journalists have shared platforms or microphones with Buchanan—in liberal/conservative debates, in TV-panel shouting matches and other set pieces that allow journalists to pick up

Shamir's Miscue

The Washington Post

FEBRUARY 24, 1992

Prime Minister Yitzhak Shamir's war-risking decision to unleash helicopter gunships and assassinate a militant Shiite leader beyond Israel's Lebanese border convinced the Bush administration that the Israeli leader may be losing his political touch.

The cross-border attacks were viewed by U.S. officials as a power play by the 76-year-old hard-line prime minister to ensure reelection in June, but the bloody ploy failed. Shamir was forced to withdraw his tanks under intense pressure from Washington. "Wars are no longer a political plus for Israel," an administration insider told us.

Even with withdrawal, the White House remains outraged over Shamir's election-year politics. Given his misjudgment of U.S. political reaction to the assassination of the Islamic Shiite leader, Sheikh Abbas Musawi, the president's men fear Shamir might now be tempted to try an even riskier military adventure. That could cause the Arabs to leave the peace table and scuttle President Bush's Mideast diplomacy.

Shamir had been warned by the

Shamir is believed by U.S. officials to have ordered the cross-border raid with full awareness that Arab retaliation was inevitable.

United States that his demand for \$10 billion in loan guarantees would not be granted unless Israel fully complied with U.S. conditions. Even with compliance, approval would be unlikely until after the June 23 Israeli election.

Having lost control of this central campaign issue, Shamir is believed by U.S. officials to have ordered the cross-border raid with full awareness that Arab retaliation was inevitable.

That would include not only armed terror but a possible boycott of the Arab-Israeli peace talks resuming here today. Either way, Shamir would profit: Attacks on Israeli citizens would build pro-Israel sympathy; an Arab boycott of the peace talks would make Israel look good, the Arabs bad.

Just such political help is needed by Shamir's Likud Party against the Labor Party, which last week elected Yitzhak Rabin as its new leader. Former Prime Minister Rabin dwarfs Shamir in popularity at home and in influence in the United States, which is vital to Israel's ultimate safety. He would attract votes from thousands of moderate Likudniks who are fearful that Shamir's losing battle with Bush over the issue of Jewish West Bank settlements threatens U.S.-Israeli relations.

But Shamir's strategy backfired.

After Israeli forces broke through the thin United Nations line into Lebanon, Shamir was instantly informed that the United States would have to support a U.N. Security Council resolution condemning Israel if the tanks and the soldiers were not at once withdrawn.

The United States is busy not only restraining Israel but keeping Arab delegates at the negotiating table. When Shamir's border police last week stopped the bus carrying Palestinian peace delegates from the West Bank to Amman, the capital of Jordan, for their flight to the United States and arrested two Palestinian leaders on charges of "terror activities," the delegation decided to cancel the trip and boycott the peace talks.

A telephone conversation with Secretary James A. Baker III caused the Palestinian leadership to back down. Baker said in effect:

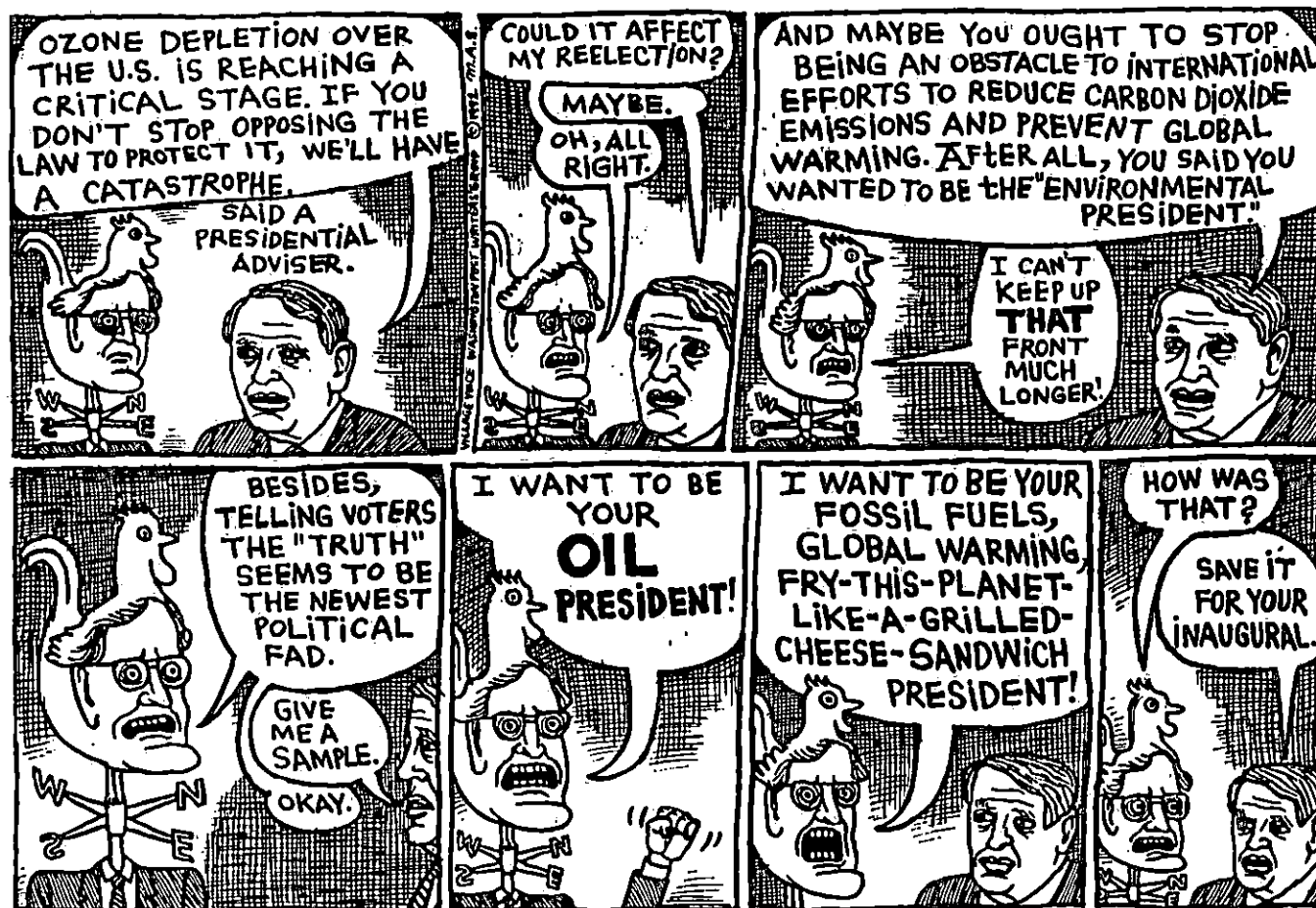
Forget it; if you don't come, you will hurt only yourselves, not Israel.

Baker ordered aides to promote an Arab-wide political effort urging restraint and tamping down demands for revenge for the assassination. Egypt—the only Arab country that recognizes Israel—was told by U.S. diplomats that the United States was convinced Israel's real intention in Lebanon was to "kill off this new round of talks."

Arab politicians spread that word throughout the bazaars and marketplaces of the West Bank and Lebanese cities to try to cool off the popular fury.

While Baker has so far succeeded in preventing violent Shiite reaction, the source of the problem has not endeared Shamir to the Bush administration.

The Israeli leader, while always battling basic objectives of the Bush administration in the Middle East, never had sacrificed his reputation of astute political judgment so clearly as when his ploy failed in Lebanon last week.



The cartoonist is a contributor to the Village Voice.

HIGHLIGHTS

- Part I of "Grass Roots" on WRC.
- The movie "Crash Landing: The Rescue of Flight 232" on WJLA.
- A live Pavarotti concert on WETA.

Public Broadcasting

Evening Exchange. Topics are Japanese-American relations and the proposal to eliminate race-based scholarships (Channel 32 at 7).

Live From Lincoln Center: Pavarotti Plus! Luciano Pavarotti's annual concert, this year celebrating Lincoln Center's 100th live telecast, with the New York City Opera Orchestra and guest singers. Three hours (Channel 26 at 8).

Primetime Movies

Grass Roots (1992). Part I of two. When a black woman is raped and murdered in Delano, Ga., Judge Boggs (Raymond Burr) drafts an ambitious lawyer (Corbin Bernsen) to defend the accused, a young white man (Channel 4 at 9).

Crash Landing: The Rescue of Flight 232 (Channel 7 at 9) is previewed by Tom Shales on Page B1.

Series

Fresh Prince of Bel-Air (CC). Will is easily influenced by a family friend and relic of the '60s (Channel 4 at 8).

FBI: The Untold Stories (CC). The FBI chas-

es a serial killer posing as an amateur photographer (Channel 7 at 8).

Evening Shade (CC). In Part II of three, the men get ready for Evan's bachelor party, then Fontana cancels the wedding (Channel 9 at 8).

Blossom (CC). While Blossom has a slumber party, Anthony rescues a young woman with a sprained ankle (Channel 4, 8:30).

American Detective (CC). New Jersey cops go undercover to bust teenage drug dealers (Channel 7, 8:30).

Major Dad (CC). The Major's family is a finalist in the "Military Family of the Year" competition (Channel 9, 8:30).

Murphy Brown (CC). When Murphy does an exposé on senators' illegal use of funds, she is asked to reveal her source before a Senate committee (Channel 9 at 9).

Designing Women (CC). Julia organizes a sit-in after Anthony is unjustly accosted while window-shopping (Channel 9, 9:30).

Northern Exposure (CC). Holling's opponent in the mayor's race is an angry woman with a grudge against stop signs (Channel 9 at 10).

Tuesday Morning

Good Morning America (CC). With Daryl Hannah, and the Muppets in a speed skating competition (Channel 7 at 7).

CBS This Morning (CC). With actress Julie Kavner and reports on dieting and on the Persian Gulf War (Channel 9 at 7).

FEBRUARY 24, 1992

The Washington Post

Democrats Vie for S. Dakota Farm Vote in Sharp-Edged Debate

By Edward Walsh
and Kenneth J. Cooper
Washington Post Staff Writers

times with former Irvine, Calif., mayor Larry Agran, who had been excluded from earlier nationally televised candidate debates.

But at the end of the 90-minute debate, there also was widespread agreement on several issues among the candidates, each of whom pledged his commitment to the family farm and promised to foster increased agricultural exports and improved health care in rural communities.

Except for Brown and Agran, the candidates also said they opposed legislation that would return federal land in the Black Hills of South Dakota to the Indian tribes that originally lived on them.

The sometimes sharp tone of the debate was set with the first question when moderator Ken Bode of CNN, quoting a Kerrey commercial, asked Harkin about reports that one of Clinton's advisers favored ending farm subsidies.

After Harkin said he would fire such an adviser, Clinton told Bode,

"You ought to be ashamed of yourself for asking the question. You know that guy is not on my payroll." Clinton said the adviser, Robert J. Shapiro, had worked on his tax program, but not on farm policy questions.

The debate, broadcast nationally by C-SPAN, also took on an edge as Tsongas was discussing agriculture policy, acknowledging that he does not know as much about farm issues as Harkin and Kerrey.

"Are you ready to denounce your 5-cents-a-gallon gasoline tax?" Harkin demanded.

Tsongas, who throughout the debate focused most of his criticism on President Bush and said the country would be better off if any of the Democratic contenders defeated the incumbent in November, chided Harkin for interrupting him.

"We spoke about common decency; let's practice it," Tsongas said.

Defending his gasoline tax proposal, Tsongas said, "We just had a war and people died. We have no

energy policy. I am trying to put an energy policy in place so we're not dependent on the Persian Gulf."

"A lot of us have energy policies," Clinton retorted. "It is frustrating to me to be told the only morally appropriate way to wean America off cheap foreign oil is a nickel-a-gallon gasoline tax on the middle class and family farm. There are other ways to do it."

But such moments of tension were broken by several instances of humor. When Kerrey was quoted—incorrectly, he said—as saying that Tsongas knows so little about farming that he thinks a combine means mixing a martini, Tsongas replied, "Answer me this: What's a martini?"

At another point, after Harkin said he and Kerrey would remain friends "after this is over," Kerrey interjected: "Maybe."

Harkin, whose campaign here appears to be struggling, repeatedly identified himself with South Dakota's popular Democratic Sen.

Thomas A. Daschle and attacked Kerrey for supporting "fast track" trade negotiations with Mexico, which Harkin contends could be disastrous for American farmers. Kerrey largely ignored the Harkin thrusts and repeatedly emphasized that he was calling for "fundamental change" in government policy to deal with the post-Cold War world.

Some of the liveliest exchanges were between Brown and Agran, who resorted to shouting. "When I hear Jerry Brown, the grand champion of raising special-interest money through the 1970s and '80s, giving lectures to the rest of us about special-interest domination, I'm up to here with that," Agran said.

While Brown continued with his central campaign theme about the evils of big money in politics, Agran also poked fun at the former California governor's tactic of advertising his campaign's toll-free telephone number during debates to solicit \$100 contributions. Holding up a sign with his own campaign's

toll-free number on it, Agran said, "I want to make Jerry Brown feel still more comfortable."

A loss here for either Harkin or Kerrey is likely to be a fatal blow to the loser's campaign.

Two days before the voting, Kerrey was widely regarded as the front-runner here. He is credited even by opponents with having the best organization in the state, and he held a 10-point lead over his closest competitor, Clinton, in a statewide poll last week. The issue that Kerrey has made the centerpiece of his campaign—national health insurance—is of growing importance in South Dakota, which has an aging population, much of it in rural communities far from medical facilities.

Today, Kerrey got another boost when he was endorsed by the Sioux Falls Argus Leader, the state's largest newspaper. It said Kerrey has "an impressive résumé" and is "a man with the talent to lead the United States to the beginning of a new century."

FEBRUARY 24, 1992

The Washington Post

If Today Is Monday, This Must Be Georgia

Buchanan Takes Long Route to Key State

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

JACKSONVILLE, Fla., Feb. 23—Patrick J. Buchanan is fond of comparing his insurgent presidential campaign to the patriotic "brigades" of the American Revolution and President Bush to King George III. This weekend, Buchanan conceded that he was a bit like a Gen. George Washington who could not find his way to the battlefield at Yorktown.

Buchanan has said his campaign's next test is Georgia's March 3 primary, but try as he might, he could not steer his charter plane to Georgia.

Instead, he spent Saturday and today wandering from tarmac to tarmac, city to city in Florida, getting media attention in a state where even Buchanan's 10 best friends would concede Bush an overwhelming advantage.

Greg Mueller, Buchanan's press secretary, could be heard alternately pleading with and yelling at campaign headquarters: "When are we getting to Georgia?" The Buchanan "schedule" has been rewritten as often as a bad Hollywood script, to the point where Mueller was distributing the latest version today with the words: "This is Revision Number 12."

The problem, Buchanan said, was that the campaign scheduled too many events in less strategic places for the period right after New Hampshire. And, he said, he did not want to "stiff people," especially donors. "You don't see the brilliance of this strategic feint toward Havana?" Buchanan quipped.

The candidate finally got within a few miles of the Georgia line with a news conference and rally here tonight—"we're just 50,000 watts and a few satellite feeds away," Mueller said in mock triumph. He promised that the Buchanan forces would reach Atlanta by Monday.

The costs of this weekend's extended tour through Florida were not trivial. Georgia is the last contest before the rush of "Super Tuesday" primaries, March 10, in which Buchanan will be vastly outspent by Bush. Buchanan has put \$250,000 into Georgia television ads and knows he needs to do at least as well there as his 37 percent showing in New Hampshire.

Appearing today on ABC's "This Week With David Brinkley," Buchanan said he had

"punched a hole" in Bush's campaign in New Hampshire. "If we punch a second hole in it in Georgia, the whole thing may go up, and I will have a fighting chance for the nomination," he said. Buchanan said he would reassess his candidacy if he draws only 15 percent in future primaries instead of 30 to 40 percent.

In Miami, he thrilled a crowd dominated by anti-Castro Cuban Americans when he said, "Fidel Castro will not survive a Buchanan presidency." He told reporters later, in response to questions, that Castro was so weak he probably would not survive a second term of the Bush presidency, either.

Appearing on NBC's "Meet the Press," Vice President Quayle was asked if he found any of Buchanan's writings or statements on blacks or Jews troubling. "Yes," Quayle said. "Some of the comments that he's made would be troubling, and I have—I think everyone knows what I'm talking about."

When it was suggested that he had an obligation to make his charges specific, Quayle replied: "No, I don't."

The vice president said it looked like former Massachusetts senator Paul E. Tsongas or Arkansas Gov. Bill Clinton will be the Democratic presidential nominee. "Are they qualified to be president of the United States? I mean, how many leaders around the world have they met?" he asked.

Quayle, who had predicted that New York Gov. Mario M. Cuomo would be Bush's challenger, said with a laugh, "I've given up. Mario is no longer my man."

The Supreme Court today denied David Duke's appeal to get on Georgia's Republican primary ballot. On Friday, Duke filed an emergency petition seeking to force state election officials to put his name on the GOP ballot or halt the March 3 election.

But the high court agreed with the state that the Georgia Republican Party has the right not to associate with Duke. Justices Harry A. Blackmun and John Paul Stevens dissented.

Duke is on the GOP ballot in 11 states, has a legal challenge pending in a 12th, Wisconsin, and has lost in two, Georgia and Florida.

Staff writer Maralee Schwartz in Washington contributed to this report.

Buchanan Also Aspires to Lead the Conservatives

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

In seeking the presidency, Patrick J. Buchanan also is bidding for a role unfilled since Ronald Reagan's departure from politics: Buchanan would like to be the undisputed leader of the conservative movement.

Despite some problems, Buchanan seems to be gaining ground in that quest. A majority of activists gathered in Washington last week for the annual Conservative Political Action Conference supported Buchanan in a straw poll Saturday, although some supporters of President Bush walked out.

The problem for Buchanan, according to key conservatives, is that many on the right who would like to support his challenge as a way of pushing Bush to the right are uneasy with Buchanan's views on many issues. They are particularly uncomfortable with his calls for tougher trade policies, U.S. troop withdrawals from Europe and Asia and a more restrictive approach to immigration.

As a result, many conservatives whom Buchanan needs are either sitting on the fence or backing Bush. "It's significant that most of the movement's leadership did not line up with Buchanan," said Bob Hechman, chairman of the Fund

for a Conservative Majority. "It's because they see [his candidacy] as more than a protest against Bush. They see it as an attempt to redefine the movement."

But David Keene, a conservative political consultant and one of the meeting organizers, said Buchanan is doing well in lining up support from the conservative rank and file. Many are so impatient with Bush that they are prepared to support someone they disagree with on a number of issues.

Attacking Buchanan's heresies on trade and foreign policy has become the stock-in-trade of Bush's conservative supporters. At Friday's session, Housing and Urban Development Secretary Jack Kemp—who also is in the running with Buchanan for the mantle of conservative leadership—issued an impassioned plea for a world view rather different from Buchanan's.

Without naming Buchanan, Kemp said, "Some want us to declare victory, fold up our tents and 'come home.' Others refuse to be satisfied until the American idea is not just ascendant but triumphant everywhere. . . . Some of us speak nostalgically of the past, and practice the politics of exclusion. Others relish the chance to build a greater future, and practice the politics of inclusion."

Kemp also took issue with Buchanan's claim that he is not a protectionist but a "trade hawk," again without mentioning Buchanan. "They're not hawks, they're doves," Kemp said. "They're economic pacifists who want to retreat from the global marketplace."

That the argument over these issues is taking place at all suggests that Buchanan already has achieved one of his goals: to shake up the dialogue among conservatives.

But the new struggles on the right also reflect a post-Cold War malaise that set in following the collapse of the Soviet Union. While conservatives uniformly welcome the end of Soviet communism, they acknowledge that they have lost an enormously useful—and unifying—enemy.

The sense that conservatives are scrambling for the appropriate enemies was conveyed by Oliver L. North, the mastermind of the arms-for-hostages deal in the Reagan administration. In a Thursday speech, North warned that Americans should remain wary since Russian President Boris Yeltsin is still an atheist. North also spoke of the dangers posed if homosexuals were permitted to be scoutmasters in the Boy Scouts.

David I. Von Savage, Buchanan's New Jersey finance director,

argued that many conservatives who came to Washington to fight the Establishment have now become part of it, supporting Bush because "their livelihoods depend on it."

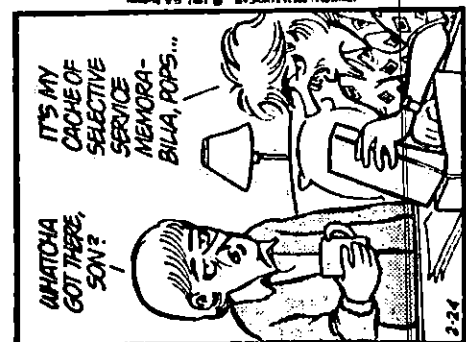
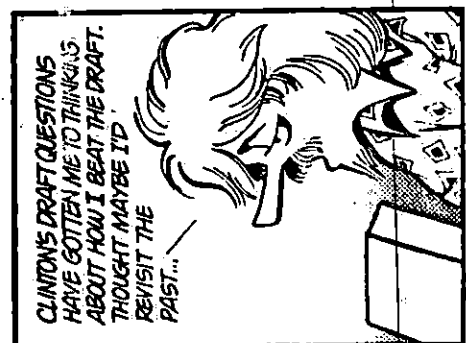
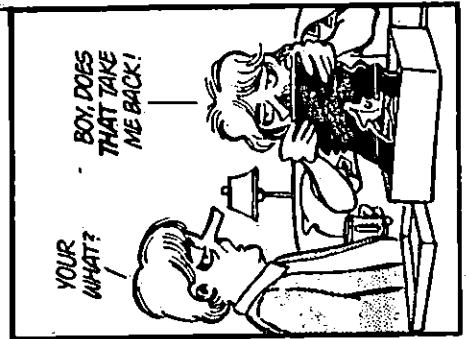
And Buchanan is making headway in converting mainstream conservatives to his point of view. The immigration issue came up repeatedly—mainly in support of more restrictions. Sen. Phil Gramm (R-Tex.) ran into some tough questions after he warned in a speech that the nativists of an earlier era "would have kept most of our ancestors out of the country."

Gary Gale, a lobbyist for the conservative group Public Advocate, said many conservatives agree with Buchanan on the need for a tougher trade policy and for a reduction in American troops abroad.

But many Buchanan sympathizers sound more like Tim Howard, president of the Conservative Society of North Carolina. "Most Buchanan people are protest voters," he said. "I intend to vote for Buchanan in North Carolina, but I wouldn't want to see Buchanan as president. . . . He may not be the best carrier of the message, but the best carriers of the message aren't there."

DOONESBURY

By G.B. Trudeau



FEBRUARY 24, 1992

The Washington Post

Tsongas Holds Thin Maine Lead

Brown Challenges N.H. Primary Victor In Caucus Voting

By David S. Broder
Washington Post Staff Writer

PORTLAND, Maine, Feb. 23—Paul E. Tsongas lost some of the glitter of his New Hampshire primary victory tonight when insurgent challenger Edmund G. "Jerry" Brown Jr. fought him to a near-standoff in the Maine Democratic caucuses.

Brown, the former California governor, saw his five days of non-stop campaigning here attract enough first-time voters who

shared his complaints about big-dollar, Establishment politics to overcome his fifth-place finish in New Hampshire and come within a few votes of Tsongas.

Arkansas Gov. Bill Clinton, the runner-up in New Hampshire, slipped to third place here despite a well-financed and seemingly strong organizational effort that encouraged him to make a last-minute appearance in the state Saturday night in hopes of springing an upset. After contests in Iowa, New Hampshire and Maine, Clinton—who claims to be the most "electable" candidate—is still looking for a victory.

Iowa Sen. Tom Harkin, who won his home-state caucuses, and Nebraska Sen. Bob Kerrey, who also finished ahead of Brown in New Hampshire, virtually abandoned Maine to focus on their struggle for survival in Tuesday's South Dakota primary, and the results showed it.

With 97 percent of the precincts counted and the tally stopped for the night, Tsongas had 30 percent, Brown 29, Clinton 15, Harkin 5, Kerrey 3 and "others" shared the rest with 16 percent uncommitted. Republicans have until April 1 to

complete their caucuses, and conservative Patrick J. Buchanan has made little effort in the state to challenge President Bush.

Tsongas, the former senator from Massachusetts, had little success trying to convince Maine caucus-goers that his unique blend of "pro-business" economics and social-issue liberalism holds the key to the White House. While Tsongas campaigned in low-key fashion in his three appearances here last week, Brown issued a night-and-day trumpet-summons to alienated voters to "take back the party and the country" from the politicians of both parties.

Interviews at the caucuses indicated that in many areas, the Democrats who traditionally participate were swamped by the Brown supporters, many of them newcomers to politics who were mobilized by his denunciation of "political corruption" by incumbent politicians and their big-dollar contributors.

Brown, building on the left-wing forces that gave Jesse L. Jackson a second-place finish in the 1988 caucuses, also pounded Tsongas repeatedly on the former senator's statements supporting nuclear power as part of the national energy mix. A strong Maine antinuclear movement rallied behind Brown, who campaigned personally in 31 cities and towns, far more than any of his rivals.

In South Dakota for a debate, Tsongas chose to play down Brown's strong showing and stressed that the returns showed him running 2 to 1 ahead of Clinton.

"I feel fine about it," he said. "My fight is with Bill Clinton at this point."

Tsongas said his campaign had anticipated Brown's strong performance in Maine, but asked where he would next win a contest against his rivals, Tsongas appeared irritated. "I guess where I next come in first," he replied.

Brown, also in South Dakota for the debate,

said the Maine returns showed that he is running a "national campaign."

"It's certainly an upset and it has to be a shock to the pundits in Washington who early on believed that only \$1,000 checks and obscene campaign war chests can propel a candidacy," he said. "The people of Maine proved them wrong."

Harkin brushed by reporters without answering questions about his fourth-place finish.

Tsongas supporters, who knew from their phone canvassing that Tsongas faced an upset threat here, tried to dismiss Brown's showing and emphasized Tsongas's margin over Clinton. "We beat him by eight points in New Hampshire and by twice that here," said Dennis Newman, Tsongas's New England campaign chief.

But neutral party officials pointed out that Tsongas's Maine showing was far weaker than that of the last three New Hampshire primary victors. In 1988, for example, then-Massachusetts governor Michael S. Dukakis received 42 percent of the Maine caucus votes five days after he had won in New Hampshire.

Newman attempted to explain the result by saying, "We are at a competitive disadvantage in caucus states. Paul's appeal is to independents

and independent Democrats. He demonstrated here that he's competitive even among the hardcore Democrats who come out to caucuses."

Ken Dean, Brown's campaign manager here, said, "Tsongas has been weakened in his New England base. Bill Clinton has lost for the second time in a week. Jerry Brown is the first candidate to show he can win away from home. You can't be further from California than Maine, and his message carried."

When early caucus returns indicated that Tsongas might not win, Clinton adviser Paul Begala said: "Senator Tsongas has spent the week trying to convince us he's not a regional candidate, he's a national candidate. Apparently, he's half right."

Tsongas was worried enough about the outcome to change his schedule and return to Portland for his second appearance in 20 hours. He joined Brown in addressing caucus-goers at Portland High School, the state's largest turnout.

The Brown supporters cheered when Brown said he was leading "a grass-roots movement to take back control of our party and our government ... and end this addiction to nuclear power."

When Tsongas spoke a few minutes later before joining Brown on a cross-country dash to South Dakota for the debate, the Brown supporters interrupted his speech with chants of "No Nukes." Tsongas asked for silence but did not respond directly on the nuclear power issue. "I know what I believe in," he said. "I'm not a windmill."

In Portland, many of the predominantly youthful voters said they had not attended caucuses before. Skipper Geanangel, a high school English teacher, said he had voted for Brown because "there is so much corruption in the whole system, and none of the others but Brown seems willing to confront it."

Allison Cummings, a lawyer, said she had come out to vote for Tsongas, her first "burst of activism" since she was a 17-year-old volunteer for George S. McGovern 20 years ago. Cummings said she found Brown "incredibly simplistic" and was "really impressed by Tsongas's thoughtfulness and intelligence" even though she disagreed with him on the nuclear power issue.

Staff writers Kenneth J. Cooper and Edward Walsh in South Dakota contributed to this report.

By Lois Romano

For November's Election Results, Turn to Page . . .

■ For journalist-turned-novelist Patricia O'Brien, truth has been as strange as fiction this election year. In her new novel, "The Candidate's Wife," a presidential hopeful's infidelity is exposed by a sleazy tabloid. He hedges on the rumors at an awkward press conference with his wife by his side, pleading with reporters to bring coverage back up to the "high ground" of issues. Sound familiar?

"Dan Rather asked me how I knew—I just knew something like this would happen again," says O'Brien, who spent part of the last campaign cycle working for Michael Dukakis, and adds that her plot was inspired by the look on Lee

Hart's face during Gary Hart's '87 sex scandal.

O'Brien, who'll be celebrating the publication of her book at a party for insider Washington tonight, thinks this crop of wives is a new breed whose lives no longer depend on their husbands' successes. "Hillary Clinton is no victim," she says. "If Bill Clinton has survived, it's not because this woman has been propped up and trotted out—it's because she's tough, accomplished and credible when she talks about their marriage."

O'Brien just signed a contract for a second novel about "friends in Washington—the limits and the possibilities," as she says. Sounds like a short book.

For Voice of America, a Benchmark and a Changing World

By Dana Priest
Washington Post Staff Writer

It has been a heady last few years for the Voice of America, the U.S. government radio network that is virtually unknown to American radio audiences.

In the wake of populist revolutions that swept communism from Eastern Europe, VOA is widely credited with keeping citizens informed and inspired about the upheaval in the region.

During the Persian Gulf War, VOA went on a 24-hour-a-day broadcast binge to the Middle East.

When coup plotters put Soviet President Mikhail Gorbachev under house arrest in his Crimean dacha last August, loyal guards rigged up a radio so he could listen to VOA and other foreign-produced broadcasts for developments.

Today VOA steps up to its 50th year at the microphone and finds many of its listeners living under very different circumstances than they were just a few years ago. Where once its broadcasts were jammed by at least 10 countries, including the Soviet Union, today only Cuba and China try to block VOA transmissions.

The new openness in Eastern Europe and the republics of the former Soviet Union has caused some to question VOA's relevancy. But many VOA-watchers contend the agency's role in promoting democracy and free markets has gained renewed importance as citizens in those countries take part in shaping their societies. Besides, the region is politically unstable and objective news media still scant.

To those who believe the VOA's heyday ended with the Cold War, Director Chase Untermeyer offered this analogy in an interview on Friday: "It's almost like saying the New Hampshire primary is over, what is The Washington Post going to do now?"

Begun in 1942, 79 days after the United States entered World War II, VOA was founded to counter Nazi propaganda and to spread American values. During the Cold War, it focused on getting its message through the Iron Curtain. In the '60s and '70s it expanded programming to the Third World.

Today, VOA's budget is \$231 million and it has 3,000 employees. Administratively a part of the U.S. Information Agency, VOA broadcasts to an estimated 120 million listeners in 46 languages. Its 1,080 hours of programming a week are produced in its Washington studios at 330 Independence Ave. SW and sent via satellite to one of its 14 transmitter stations in the United States and abroad, which in turn broadcast to listeners.

VOA, virtually unknown to American listeners, can be picked up in the United States only on shortwave radio. Its main competitors abroad are other state-owned radio services, such as the British Broadcasting Corp.

Daily broadcasts include news, news features, features on Americana—almost everything from quilting to the problems of homelessness—and discussions by academics, artists and others on U.S. cultural and political events. The U.S. administration's point of view is put forth in clearly identified editorials. VOA also operates Radio Marti and TV Marti, anti-Castro stations beamed at Cuba, as well as Worldnet, a television network whose programs reach 128 countries.

VOA's reputation as a source of objective news and balanced features has waxed and waned with the ide-

ological fervor of U.S. administrations and there has been a longtime tension between career journalists and State Department officers parked at the agency as managers who seek to promote U.S. foreign policy interests. The director and some top managers are political appointees.

VOA is sometimes confused with U.S.-funded Radio Free Europe and Radio Liberty, which also broadcast into the former Eastern bloc. These radio networks began as CIA operations and maintained more of an anti-communist line. Administration officials said it is likely that both will be phased out by the end of the decade.

VOA journalists pride themselves on being objective collectors of news, although they are still sometimes perceived as mouthpieces for the government—mainly because of the pro-government editorials included in the programs. Reporters point out that not only do they not get special treatment from the government, they usually cannot even get a seat on Secretary of State James A. Baker III's plane when he travels.

VOA's charter, adopted by Congress in 1976, defined the agency's mission: to be an objective, comprehensive source of news; to present a balanced image of American thought and institutions; and to present the policies of the United States as well as a discussion of those policies.

Sometimes, however, those missions appear to be in conflict.

During the burgeoning rebellion in China, for example, then-USIA Director Bruce S. Gelb tried unsuccessfully to suppress a VOA interview with Chinese dissident Fang Lizhi.

During the Persian Gulf War some U.S. allies in the Middle East, among them Saudi Arabia, complained to U.S. officials that some VOA programs broadcast to the region included interviews with war critics. After the war the inspector general issued a classified report on the matter that included no recommendations for disciplinary action, administration and congressional sources who read the report said.

"There are those who feel in wartime the standards should shift," said Untermeyer, who says he is not among them.

Untermeyer, the former director of presidential personnel who took over in June 1991, was sent to the agency to improve morale after an antagonistic relationship between USIA's Gelb and VOA Director Rich-

ard W. Carlson soured employee morale. Untermeyer has established various employee committees to study concerns about work conditions.

Gary Marco, president of the National Federation of Federal Employees local, which represents 140 technicians, contends that managers have a "maliciously elitist attitude" toward employees and that women and minorities are not promoted as they should be. He has also criticized monetary performance awards received by managers, but not their subordinates.

Marco and the agency's other union, the American Federation of Government Employees, held a protest of personnel practices last December and Marco has urged employees to boycott the 50th anniversary celebrations.

The halls of VOA resemble a United Nations, where dress and accents mingle under one roof. The programming is often just as colorful—on Fridays Haitians hear news written in rap music style. The on-air employees, while little known in the United States, are stars back home.

Like many other broadcasters, Hadiza Wada, a Nigerian who does a Hausa-language program heard in parts of Africa, has received innumerable marriage proposals by mail from her fans. In one corner of the Hausa office she recently showed off thousands of letters from listeners. They asked for school applications and VOA calendars.

"They want to know every little bit of information about us," she said.

VOA has received kudos from Czechoslovak President Vaclav Havel, Polish President Lech Walesa and Thomas Sutherland, formerly held hostage in Lebanon.

Little of what has made VOA so popular abroad is likely to change soon, say administration officials and congressional staff members.

"Given the magnitude of the changes, I think there's a turning point here," said Rep. Dante B. Fascell (D-Fla.), chairman of the House Foreign Affairs Committee. "We ought to stay in the business and help out any way we can."

In December, the President's Task Force on U.S. Government International Broadcasting, which conducted an extensive study on the agency's future, concluded that VOA's mission was more important than ever and called for increases in most of its major program areas. No significant budget increases are expected this year.

Bush last week named Robert John Hughes, who led the task force, to head a commission to investigate more broadcasting to China, including the possibility of creating a Radio Free Asia.

In the meantime, VOA has made changes.

The English-language VOA-Europe section, which was created in 1985 to counter widespread anti-American sentiment among West European teenagers, offers its programs to Eastern Europe too. Round-the-clock free programs are broadcast by stations in 305 cities, including 28 in former communist nations.

VOA has recently produced a yearlong series called "Democracy in Action," which offers "how-to" information on such diverse topics as writing a constitution, forming a school board or getting a bank loan.

Reflecting political divisions in Yugoslavia, the Yugoslav branch last year was split into Serbian and Croatian offices.

Welcome, Gorby!

WASHINGTON
Warner's Man of the Decade, Mikhail Gorbachev, has begun a monthly column in Italy's La Stampa that is being distributed outside Europe by New York Times Syndication Sales.

On behalf of Russ, Flora, Scotty, Abe, Anna, Tony, Les and all the Op-Ed gang: Welcome, Gorby!

I have not yet read your first effort, but presume it to be safe, statesman-like and dull. Don't be discouraged; every rookie pundit starts out that way. Here are a few tips to attract and hold readers:

1. Write as if you were not plotting to get back in power.

This will free up your thinking and enliven your copy. Readers are interested in real people, not bloodless concepts. Will Ruskoi get the army to help oust Yeltsin? How would the economist Gaidar react to the Shelton Plan? The ideas to names. Butter up nobody.

2. Pick a columnist you like to read and emulate that style.

Tulstoy would make a terrible columnist, Dostoyevsky a good one, Karl Marx, writing for The New York Tribune in 1862 during our abortive coup,

How to write a column.

was both opinionated and prescient. Columnists Henry Kissinger and Jeane Kirkpatrick triumphed over their get-back-in-power problem, and Jeane even got the hang of brevity.

3. Slip in a little news to trap the unwary editor.

You get around and hear things; train yourself to spill them in your column, though never in the lead. Drop in advance information or some informed speculation as if you assumed everybody knew it; force readers to dig for newsy nuggets.

Example: Flora Lewis observed in passing the other day that Yuri Vorontsov, one of your old hands, was expected to become Russia's Foreign Minister. You know what that would mean: Yeltsin's young right-hand man, Andrei Kozirev — the man he sent to Paris during the coup to be ready to set up a Russian government-in-exile — would be ousted as apparitionist made a comeback. Tell us what you hear; your new loyalty is to your readers.

4. Spice up your copy with personal anecdotes that help make a point.

Say you're writing about the need for strong leadership. Remember the time Boris Pugo came into your office to tell you he planned to teach a few Latvian border guards to kill the Baltic republics a lesson? Tell if you said: "Boris, you're a Latvian yourself — who am I to tell you not to shoot a few? But this meeting never happened; I'll claim not to have known beforehand."

That illustrates leadership in action, and is inside stuff that is catnip to readers. Besides, the quivering Pugo committed suicide; you can attribute anything to him now.

5. Prove your independence as a pundit by popping previous political pals. (Lay off alliteration, though; it doesn't translate.) Here's the kind of circulation-builder I have in mind:

Your protégé Primakov, the man you sent to Baghdad to make a deal with Saddam Hussein behind Bush's back, is now in charge of espionage for Russia. You know what industrial secrets the new K.G.B. is after; you know that the rubles being spent on an army of spies in and above the U.S. could feed Muscovites until next summer. Blow the whistle; you'd double the number of papers that carry your column.

6. Put current events in perspective by revealing inside background.

It's no news that Ruskoi is seeking to enlist Red Army marshals to support a move on Yeltsin's Government. But you could illuminate the speculation by telling of your Dec. 10 pitch to the defense chiefs to back your resistance to the breakup of the Soviet Union. Yeltsin's reformers, worried about your proposed coup, then outbid you for army support. Tell us about it; that would help readers assess today's resistance to democracy.

7. Get ahead of the trends; show Yeltsin & Co. how to deal with Russian dissidents.

Remind the new leadership, perhaps in open-letter format, how you handled Andrei Sakharov when he rose in the Supreme Soviet to ask for army reduction and an end to the Communist Party's power monopoly.

"Finish up, Andrei Dmitrievich," you told him sharply. "Take away your speech... sit down." As he tried to continue, you cut off his microphone. He died two days later.

You, Mikhail Sergeyevich, know best how to deal with opposition. Use your new forum as a journalist to give democratic government the benefit of your experience. [C]

By Christopher Lasch

ROCHESTER, N.Y.
Exposure to the televised debates among Presidential candidates, with which we are once again besieged, prompts the thought that anyone who takes part in this degrading ritual ought to be automatically excluded from consideration.

The Democratic candidates, in particular, make a sorry showing in this format — not necessarily because they lack qualifications for high office but because the format itself enables the media to dictate the terms of discussion.

The usual complaint about the mass media is that they traffic in images instead of issues. Their fascination with Gov. Bill Clinton's love life has only been the latest instance of a journalism of reckless exposure that serves no purpose except to strengthen the media's self-assigned status as arbiters of morality and character.

But yellow journalism is an old story, and plenty of responsible journalists, even on TV, condemn sensa-

Christopher Lasch, professor of history at the University of Rochester, is author of "The True and Only Heaven: Progress and Its Critics."

Candidates, like cars, become indistinguishable.

tionalism and try to promote a serious examination of the issues. What is troubling is precisely what happens when TV becomes serious. The results are more deeply deplorable, in their way, than more obvious forms of character assassination.

Ever when it is conducted with the best intentions, journalistic interrogation of political candidates tends to magnify the importance of journalists and diminish that of candidates. Journalists present the issues and press the candidates for prompt, specific answers to questions, reserving the right to interrupt and to cut the candidates short whenever they appear to stray from the prescribed topic.

To prepare for this ordeal, candidates rely on their advisers to stuff them full of facts and figures, quotable slogans and anything else that will convey the impression of wide-ranging, unflappable competence. Only ideas are missing from their arsenal, understandably enough in view of

TV's aversion to consecutive thought.

Faced not only with journalists ready to pounce on the slightest equivocation but with the cold, relentless scrutiny of the camera, politicians know that everything depends on the management of visual impressions. They must radiate confidence and decisiveness and never appear to be at a loss for words. The nature of the occasion requires them to exaggerate the reach and effectiveness of public policy, to give the impression that the right programs and the right leadership can meet every challenge facing the country.

But more than programs and policies, the country needs a new vision of the good life, one that rejects the equation of success with the "life styles of the rich and famous." That new vision is unlikely to take shape as long as televised debate remains the principal form of political communication.

This format requires all candidates to look the same — confident, decisive, untroubled and therefore unreal. But it also expects them, rather unreasonably, to explain what makes them different from the others.

Once the question has to be asked, it answers itself. Indeed, the question is inherently belittling and degrading — a good example of TV's effect of lowering the object of estimation, of looking through every disguise, deflating every pretension. Bluntly stat-

ed with the necessary undertone of all pervasive skepticism that is inescapably part of the language of TV, the question turns out to be highly rhetorical. What makes you so special? Nothing.

This is the quintessential question raised by TV, because it is in the medium's nature to teach us, with relentless insistence, that no one is special, contrary claims notwithstanding.

At this point in our history, the best qualification for high office may well be refusal to cooperate with the media's program of self-aggrandizement. A candidate with the courage to abstain from "debates" organized by the media would automatically distinguish himself from the others and command a good deal of public respect. Candidates should insist on directly debating each other instead of responding to questions put to them by commentators and pundits. Then passivity and subservience lower them in the eyes of the voters. They need to recover their self-respect by challenging the media's status as arbiters of public discussion.

A refusal to play by the media's rules would make people aware of the vast, illegitimate influence the mass media have come to exercise in American politics. It would also provide the one index of character that voters could recognize and applaud.

Coming to Terms With 'Friendly Fire'

By Arthur T. Hadley

Of the 148 ground combat deaths in the gulf war, 38 have been classified as resulting from "friendly fire." Are these casualties part of some military bungle and cover-up? How do such things happen?

And as Nicholas Mavroules, chairman of the investigations subcommittee of the House Armed Services Committee put it, "How does the Government build more public faith into a system that must deal with mothers and widows at one of the most wrenching moments of their lives?"

Such questions will come up at subcommittee hearings on the gulf war tomorrow and Thursday. Sadly but inevitably the debate over friendly fire is as old as warfare itself.

Arthur T. Hadley, who writes on military affairs, came under friendly fire in World War II and in Vietnam.

In the Civil War, Stonewall Jackson was killed by his own troops as he returned from scouting the enemy. In World War II, "friendly casualties" were nearly commonplace. During the breakout from the Normandy beachhead, aircraft from Britain bombed the 30th Infantry Division for two days, causing hundreds of casualties. A senior Army general, Lesley J. McNair, was among the dead. The First Infantry Division came under heavy friendly bombing at the Battle of the Bulge. On the ground, new Marine and Army outfits continually shot at friendly units in the first tense days of combat in World War II and Korea.

There are important, usually unstated, truths about all this. First, the press shares responsibility for the current furor because in the past it under-reported or failed to report casualties from friendly fire. This left the public and, to some extent, the military unfocused on the problem.

After the Nazis were defeated, I asked the then-retired Air Force Chief of Staff, Gen. Carl (Tooney) Spaatz,

From Stonewall Jackson to 38 troops in the gulf.

about "friendly casualties" at the Bulge. "That never happened," he replied. He was a good and fair man. I was aghast. "It's in the official Air Force history," I replied. "They got it wrong," he said. I realize later that his staff, dedicated bombing enthusiasts, never reported the error to him.

For the public, the news of friendly-fire casualties in Vietnam, once it started being fully reported, was shocking. Casualties came not just from shell fire and bombs but from the most unfriendly fire: the killing and wounding of blacks by whites and whites by blacks and of officers and sergeants by the men they led.

Second, whether the casualty is

"friendly" can be a tough call. A plane that drops its paratroopers so low their chutes fail to open may have been that low to avoid enemy fire. A captain I knew in World War II took his tank forward of the "no bomb" line to try and flank a German unit. A plane from an allied nation seeing a tank forward of the line and not in its inventory knocked it out. What should I have told his widow? I lied.

The ground phase of the gulf combat lasted just 100 hours; it was swift and fluid, without real front lines and therefore full of edges. This is where most accidental casualties happened. Friendly fire hit reconnaissance units in front of the presumed front and along the boundaries between units from two different divisions or services or nations.

One can understand such accidental deaths, while not always excusing them. But families and friends of those who were and will be friendly-fire casualties should know in their grief that all casualties are equal parts of war. [C]

LESLIE H. GELB

Treeing Mr. Shamir

As Mideast talks resume, President Bush and Secretary of State Baker seem to have decided on a go-for-broke strategy aimed at Israel's June elections: bring about the outright defeat of Prime Minister Yitzhak Shamir of Israel, whose Likud bloc they believe stands in the way of peace. Or force him into a coalition government with Yitzhak Rabin, the new Labor Party leader whom they regard as far more reasonable.

Their chosen vehicle for this high-risk strategy is to confront Israel with completely unacceptable choices on U.S. loan guarantees and Israeli settlement activity in the occupied territories.

Here in undressed form are the alternatives Mr. Baker presented to Israel last Friday:

- A five-year guarantee for \$10 billion in return for Israel's commitment to stop all settlement activity, new and ongoing construction, everywhere in the West Bank and Gaza Strip except East Jerusalem.

- Or a one-year guarantee for perhaps a measly \$1 billion in exchange for a pledge not to build new settlements and an understanding that all Israeli spending on ongoing construction in the territories be deducted

Bush's strategy on loan guarantees.

from the total, meaning most of the \$1 billion.

Mr. Bush and Mr. Baker know Mr. Shamir cannot or will not accept either proposition. Their game is to block any deal with him. And their hope is that his failure to deliver on the much-needed money to house new Soviet immigrants will turn Israeli voters against Likud leadership.

The trick is to do that without allowing Mr. Shamir to turn the June elections into a referendum on American "bullying." And the first test of White House thinking on public relations tactics will come tomorrow when Mr. Baker testifies before Congress on the loan guarantees.

Mr. Bush and Mr. Baker could choose the tell-all option. They might see it as the only way to prevent an Arab walkout from the peace talks. And Mr. Baker might reckon that getting tough on Israel would be good for

him politically — as it was in September.

But the President and the Secretary are basically cautious and seem to be leaning toward the fudge option. Here, both sides in effect would conspire to avoid an open explosion before elections. Mr. Bush knows he has already lost most Jewish support because of his rough treatment of Israel. Still, he might want to sidestep open confrontation if he felt this would persuade American Jewry not to fully mobilize against him in November.

Mr. Shamir could maintain the fiction that serious talks about loan guarantees were still under way. But Israelis would still get the White House message — no money for Mr. Shamir.

For his part, Mr. Shamir probably would like to see Mr. Bush defeated in November. But ever since the Jimmy Carter days, Israeli hard-liners have worried about Democrats being even less sympathetic to them than Republicans.

Which leaves Israeli officials in a curious state of denial about relations with the Bush Administration. They recognize that virtually all mutual trust has broken down. Yet they continue to search desperately for someone in the Administration to talk to privately, to rekindle the old sense of love and common purpose.

What Israelis do not want to understand is that the end of the cold war has made Israel far less important strategically in Washington, and to any future U.S. Administration. A new Administration may restore trust and avoid nasty public exchanges, but will not change basic U.S. policies on the occupied territories or Mideast negotiations.

What holds the relationship together today, however, remains profound — the sense of Israel as a democracy, a free people and a good ally. Americans still deeply appreciate that moral bond and bemoan its being forfeited by Likud's policy on settlements.

The Administration's strategy for dealing with this issue — treeing Mr. Shamir in his own elections — is harsh and unforgiving. It crosses the fine line between diplomacy and pressure politics. But even allies will do this when they see no other way.

Because of a mechanical error, Friday's column incorrectly described Pentagon spending cuts proposed by Democratic candidates. Their budgets in five years would be one-third less than the current Pentagon budget, not one-third the current budget. []

By Mikhail S. Gorbachev

MOSCOW

Is Communism dead or still alive and capable of a renaissance?

Today I can reply with confidence that the Stalinist model — which was reckless from the very start, a regime that utterly ignored democracy, human rights and people's needs — is dead and buried. This was a system which did violence to society and perverted the ideas of

This article originally appeared in *La Stampa*, a newspaper in Turin, Italy. Richard Lourie translated it from the Russian into English.

socialism. I think the Stalinist model is dead and, I would add, thank God.

I am entirely certain that its death does not affect socialism itself. The idea of socialism lives on, and it is my feeling that the quest — the desire to experiment and to find a new form for putting the socialist idea into practice — is ongoing. And in this new context, democratic and humanitarian principles should naturally have pride of place.

What I find most striking today is that this quest affects not only our country (where a phase of history well known to us all took its start and

ran its course) but the entire world, including the capitalist countries.

I would even say it affects a wide range of political parties. It is as if various forces with differing points of departure are now trying to practice something that is not at variance with the ideas of socialism; on the contrary, it is the result of those very ideas that points of intersection can now easily be found.

The truth of the matter is that today all of us, East and West, are moving toward a new type of civilization whether we realize it or not. And it is that which compels me to think that our old stereotypes have now lost their meaning and should be radically re-examined.

In particular, we can no longer set capitalism and socialism against each other, as if we were living in an age of religious wars. The means that the society and civilization we are now creating should be understood in their full complexity, with all their many facets and contradictions. That precisely is the point of intellectual and political freedom and of pluralism.

It is also the point of economic freedom. The Italian philosopher Norberto Bobbio said that socialism is in crisis because it lacks a market. For me, however, the idea of economic freedom has come to mean the co-existence of all and any forms of property — state, cooperative, private. And this presupposes a market. It should also be noted that representatives of socialist parties and members of the Socialist International are in the govern-

The idea of socialism lives on.

ments of countries where the market dominates the economy.

To abandon old thinking also means to reject distortions of history or their use to serve any narrow interests whatsoever. It would be wrong to view the history of the U.S.S.R. solely as a series of missed opportunities. That would make for an extremely one-sided approach. The real opportunity was missed by both East and West after the victory over Nazism and fascism.

There were various causes and motivations for that historic error: one side feared democratization in its own country and heightened dialogue with its ally in victory, while the other side feared the spread of Soviet influence. The result was the beginning of the cold war. Europe and the world lost a very great opportunity between 1945 and 1947.

Recently, President Bush has again said that the United States won the cold war. My reply to this would be that the long years we spent plunged in the cold war made losers of us all. And in our own time the world's rejection of confrontation and hostility has made us all winners.

Moreover, I do not think arguments on this score are any longer of much importance — except in Presidential primaries. []



Igor Kopylovsky

Democrats

Tsongas Is Quite Vague In Call for Self-Sacrifice

By DAVID E. ROSENBAUM
Special to the New York Times

WASHINGTON, Feb. 23 — Paul E. Tsongas, who won the Democratic primary in New Hampshire with a campaign that emphasized personal sacrifice to revive the economy, is actually quite vague about the ingredients of the bitter medicine he would prescribe.

As he campaigned across New Hampshire, Mr. Tsongas, a former senator from Massachusetts, managed to distinguish himself from the other candidates of both parties, who promised tax cuts for families or popular new public works projects, or both, and who stressed mainly painless solutions to the economic problems in the state and the nation.

"I'm not running to be Santa Claus," he said in his standard speech. And he often remarked, "We need to put long-term good ahead of short-term gratification."

But scrutiny of his speeches and position papers discloses few specific proposals that would cause ordinary

ton of Arkansas and Senator Bob Kerry of Nebraska.

He said he favored a "flexible freeze," the same words Mr. Bush used four years ago to explain how he would cut spending. As used by Mr. Bush and Mr. Tsongas, the term means that if spending is increased for some programs, it must be reduced for others so the deficit does not rise. "Do I have to reject a good idea and a necessary idea just because someone else used it?" Mr. Tsongas asked.

Under Mr. Bush, the annual deficit has risen to a record high of about \$400 billion.

Like Mr. Bush in 1988, Mr. Tsongas names several areas where he intends to spend more money, including the Head Start program for preschoolers, merit pay for teachers, unemployment insurance and job training. He points to few places other than the military where he thinks cuts are in order. The only one he named in the interview was what he called the "populated space station," the word, "manned" apparently being politically incorrect.

Hints at One Cut

But unlike Mr. Bush, Mr. Tsongas does not rule out a tax increase or a cut in Social Security benefits. He said he does not intend to carry out either step, but he said a reduction in Social Security payments to wealthy pensioners might be necessary "in three or four years if I don't get a handle on the deficit."

Mr. Tsongas would also use most of the money remaining from cuts in the military budget for deficit reduction rather than for tax cuts or new programs, as would most of his competitors.

Mr. Tsongas's economic philosophy fits no particular school. It is neither Keynesian nor supply side, not liberal or conservative, not completely pro-business or pro-labor.

His main theme is that the United States is losing ground in the world economy. "The cold war is over and the Japanese won," he says at nearly every stop. The solution, he says, is for the American Government to be friendly to business, not hostile the way he says many of his fellow Democrats are.

"You can't have employment and despise employers," he said in his victory speech in Manchester Tuesday night. And then he appended the phrase

that he has made his slogan: "No goose, no golden egg."

But he is friendlier to some businesses than he is to others, and the ones he favors most are in manufacturing. In his pamphlet "A Call to Economic Arms," which is the manifesto of his campaign, Mr. Tsongas wrote that the decline of America's manufacturing base was "our collective Kryptonite."

He added: "An ever less competitive manufacturing base inevitably means cataclysmic erosion of our standard of living. If we are reduced to just flipping hamburgers and exploiting our raw materials, we will have an economy, but it will be a diminished economy of decline and defeat."

Many other politicians and economists hold a similar view. But they tend to be the ones like Representative Richard A. Gephardt of Missouri, the House Democratic leader, and Jeff Faux, the economist who heads the Economic Policy Institute, who also favor trade restrictions to give American manufacturers a leg up.

Mr. Tsongas, more than any other Democratic Presidential candidate, espouses free trade and vigorously opposes protectionist measures.

His principal step to help manufacturers would be a cut in the capital gains tax for stocks and bonds but not for real estate. The rate would diminish the longer an investment was held, and an even lower rate would be available for venture capital invested in start-up companies. He would offset the cost and diminish the windfall for the wealthy by raising the top income tax rate to 34 percent or 35 percent from 31 percent.

Measures for Business

He also advocates these other measures mainly to help manufacturers: an investment tax credit, a new Government office to coordinate technology, a civilian version of the Defense Advanced Research Projects Agency to generate cutting-edge research, waivers of antitrust laws in many instances so businesses can work together on joint projects and an agency patterned after the Agriculture Extension Service to provide companies around the country access to the latest technology and management strategies.

Mainstream Democratic economists are of two minds about Mr. Tsongas's emphasis on manufacturing.

They agree with the principle that

the Government should encourage creation of high value-added jobs, those in which the value of the product depends mostly on the labor and not on the materials. Computer programming, for example, fits the category; computer assembly does not. As a rule, high value-added jobs are also high-paying jobs.

But many economists dispute the idea that manufacturing jobs and high value-added jobs are necessarily one and the same. Charles L. Schultze, who was budget director in the Johnson Administration and chairman of President Jimmy Carter's Council of Economic Advisers, said he admired Mr. Tsongas in most respects but thought that such a strong emphasis on manufacturing would lead the Government to stress low-skilled jobs in failing industries. It is better, he said, to emphasize services like telecommunications and retailing where the United States already excels.

On the other hand, Benjamin M. Friedman, a prominent Harvard economist, said he had come around to the view that Mr. Tsongas might be right. Almost the only high-wage jobs for people without college educations are in manufacturing, he said, and it is important for the country to limit as

much as possible the growing disparity in income between those with college degrees and those without them.

While Mr. Tsongas characterizes himself as a pro-business Democrat, he takes many stands that are at odds with business interests. For instance, he favors strong Government health, safety and environmental regulations, and he speaks out often against high executive salaries and poor business management practices.

Mr. Tsongas almost never talks in his campaign appearances about poverty or homelessness, and they are not addressed in his campaign pamphlet. Asked why, he said it was impossible in 83 pages to deal with every issue. He said he had visited a homeless shelter recently and was told by people there that what they really wanted was jobs. With an improved economy, he said, those jobs could become available.

In New Hampshire, Mr. Tsongas's philosophy seemed to sell best with the most affluent voters. A primary day poll showed that among voters with family incomes of more than \$75,000 he led Governor Clinton by 45 percent to 28 percent, but among those from households with incomes between \$15,000 and \$30,000, Mr. Clinton led Mr. Tsongas by 28 percent to 26 percent.



Paul E. Tsongas, who won the Democratic primary in New Hampshire, greeting supporters as he entered a caucus in Portland, Me.

The New York Times

NEW YORK, MONDAY, FEBRUARY 24, 1992

Hold the Fire on Pyongyang's Nukes

The Bush Administration's sound strategy of coaxing North Korea to give up its nuclear ambitions seems to be succeeding. Alarmist voices in Seoul and Washington claim that Pyongyang is just stalling. But they'd do better to keep cool for now in the expectation that North Korea will soon open its nuclear sites to inspection.

At the same time the Administration is right to register displeasure over Pyongyang's delivery of Scud missiles to Syria. While such sales violate no commitments by North Korea, they irresponsibly increase risks in the Middle East.

North Korea has now moved rapidly toward compliance with the Nuclear Nonproliferation Treaty. Last month it signed a safeguards accord

with the International Atomic Energy Agency, which it says will be ratified "in the shortest possible time." It has submitted its list of facilities to be opened for inspection, including the reprocessing plant at Yongbyon. And its talks with Seoul on a Joint Nuclear Control Commission to conduct mutual inspections are moving ahead.

Yet sources in Seoul, opposed to accommodation with the North, are voicing suspicions. So are some in the U.S. intelligence community. And these voices are being amplified by chest-pounding Democrats eager to show how tough they can be on arms proliferators. If Pyongyang's progress should slow, tough measures could be justified. But for now, the gentler gamester is the soonest winner.

The Human Peace Dividend

Large cuts in the defense budget threaten to dump hundreds of thousands of demobilized veterans on a soft job market, raising fears of social and economic distress. But creative ideas now circulating in Washington could turn that potential problem into a rewarding opportunity.

Defense Department officials recently predicted the discharge of one million military and civilian personnel by 1996. Yet the United States has produced only 20,000 new jobs in the last three years. Even a recovering economy may find it hard to absorb the human military surplus.

Adam Walinsky, a New York attorney, therefore proposed recently in a Times Op-Ed article that Washington keep the military men and women on Federal payrolls but assign them to meet urgent needs of American cities.

With only minimal additional training, he pointed out, many could effectively augment police departments struggling to control violent neighborhoods. Those with medical corps training could put their skills to work in beleaguered city hospital emergency rooms.

Noncommissioned officers and training specialists could bring discipline as well as teaching

skills to chaotic city high schools. And former military instructors have the math and science expertise necessary for a competitive work force. The large proportion of blacks and Hispanics now in the ranks constitutes an invaluable pool of role models.

Senator Sam Nunn also sees the potential. He believes those with the most to offer may now be approaching the end of 20-year military careers. He suggests an early retirement program that would offer partial pension payments after 15 years of service, with an increase earned for post-military employment in education, health care, law enforcement and other "critical" work. Washington would also provide retraining for such employment.

In a recent speech, Senator Nunn pointed out that defense downsizing results directly from victory in the cold war. "These people are not losing their jobs because they failed — they are losing their jobs because they won. The nation owes all of them . . . more than just a simple 'thank you' for a job well done."

Now more than ever the nation needs their help at home. However Washington works out the details, it dare not squander so useful a resource.

U.S. Food Is Flown to Nuclear Siberia

By STEPHEN KINZER
Special to The New York Times

CHELZYABINSK, Russia, Feb. 22 — A United States Air Force jet emerged from the polluted clouds above this frigid Siberian outpost today, and became the first American plane ever to land at a city that had been closed to Westerners for decades.

The C-141 jet carried a cargo of donated food, part of an intensive American effort to ship 5,000 tons of relief aid to the former Soviet Union over a 15-day period. Today's shipment included some American standbys — granola bars, Campbell's Vegetable Beef Soup and Kellogg's Frosted Flakes.

Chelyabinsk is one of more than 20 cities receiving food aid, and until recently, one of the least known. The reason is that Chelyabinsk-70, a complex on the outskirts of the city, was for many years a top-secret center for atomic research and for the production of advanced weapons.

On a visit this month, Secretary of State James A. Baker 3d drew attention to the complex as he met there with designers of Soviet nuclear bombs, experts now in search of new employment.

'A Serious Problem'

"We have a serious problem with food," said Vadim Nikitin, the region's social welfare director, who was among the Russian officials welcoming the shipment. "What we are receiving today will be distributed at children's hospitals, homes for elderly people, orphanages, and other state institutions that cannot afford to pay the new food prices."

"This help is needed today," he said, "and it will be needed in the future. The problem will not be solved by this one plane."

Among the patients who will be receiving some of the American food, Mr. Nikitin said, are victims of a 1957 nuclear accident in this area that was kept secret for years until Zhores Medvedev, the exiled scientist and dissident, published a book about it in the West in the late 1970's. Washington, which learned of the accident through intelligence channels, did not publicize it.

The United States was said to fear, in part, that the news might kindle opposition at home to the American nuclear program.

Scientists now believe that the 1957 accident, an explosion at a nuclear dump, released four times the amount of radioactivity as the bombing of Hiroshima, and that it was at least twice as

serious as the 1986 accident at Chernobyl, in Ukraine.

Rivers and lakes near Chelyabinsk were used for years as dumps for nuclear wastes, and some Western researchers believe that this area may be the most polluted place on earth.

Mr. Nikitin acknowledged: "There is lots of cancer, and many people have radiation poisoning. Children are being born with sicknesses that are related to the accident or other past events."

The relief flight to Chelyabinsk left Rhein-Main Air Base in Germany early this morning. Twenty airmen were aboard, many of them from a reserve unit in Charleston, S.C.

Accompanying the Americans was a Russian navigator, Georgi Svirchev, who was to guide the pilots through airspace no American had penetrated before. After passing a point in the southern Urals, the plane was beyond the reach of normal navigation aids.

"We are now entering the land of no fix," announced the chief pilot, Capt. David Cowan.

Homage to an Old Navigator

A few moments later, an animated discussion broke out in the cockpit when Mr. Svirchev insisted that they were heading for the wrong airport. There are two near Chelyabinsk.

The pilots decided to defer to Mr. Svirchev, a veteran Aeroflot navigator who has been flying for longer than any of them had been alive, and he turned out to be right.

"We can neither confirm nor deny that our intelligence is not always so intelligent," an American officer remarked.

Five and a half hours after takeoff, the plane landed at Chelyabinsk and taxied to a stop and waiting Russian officials climbed aboard. One introduced himself as the local K.G.B. chief, and another said he was the senior customs inspector, seemingly an odd position at a closed airport.

The Russians carefully inspected the plane, reviewed passports and explained technical formalities. Among those watching uncertainly was the crew's purser, who carried a briefcase full of cash for use in unexpected situations. But all went amiably, and the unloading began.

Some Like It Very Cold

Biting-cold air, the stuff of local legend, greeted the Americans as they stepped outside. The temperature was 14 below zero Fahrenheit, and a brisk breeze off the western Siberian plateau added to the intensity of the cold. Yet Russians manning forklifts kept their jackets half-unzipped, and airport

workers said this was a warm day for February.

On the tarmac, crew members bargained with Russian Army conscripts, exchanging candy bars, baseball caps and uniform patches for fur hats, vodka and military pins.

Capt. Scott Bryant, one of the Americans, remarked: "When you give the K.G.B. chief an American flag, and he takes it with a big smile and tells you he's going to hang it in his office, you can see how much has changed here."

The Russian hosts invited their visitors for a meal, and suggested that it might be possible for them to stay overnight and see a bit of the town. But the pilots, worried about the possibility of technical problems on their plane, wanted to return. After four hours on the ground, they took their leave and climbed back aboard their jet.

Much More Is Needed

Yevgeny Ivanov, a Russian official who is in Germany to help coordinate relief shipments, told reporters in Frankfurt that the American airlift was "only symbolic" and "not the profound, real assistance that is supposed to come."

Mr. Ivanov said his country needed donations of a million tons of food in the next two to three months, and more than three million tons for the rest of 1992. In especially short supply, he said, were meat, sugar, vegetable oil and baby food.

"The needs are very great," Mr. Ivanov said.

The New York Times

NEW YORK, MONDAY, FEBRUARY 24, 1992

Republicans

The Checks Are in the Mail, And Made Out to Buchanan

By STEVEN A. HOLMES
Special to The New York Times

ORLANDO, Fla., Feb. 22 — So far in mounting a rebellious campaign for the Republican nomination, Patrick J. Buchanan has relied on conservative anger with President Bush, his own biting television and radio commercials and the largess of people like Beverly Dobbs.

Mrs. Dobbs, who along with her husband ran a bookbinding business in St. Augustine, Fla., until they retired, says that shortly after Mr. Buchanan announced his intention to run in December she received a mailing asking her to contribute money.

Mr. Buchanan likes to talk of his followers as the "Buchanan Brigades." And, while the image of an avenging horde marching to battle a Republican establishment is sometimes at odds with the small crowds at rallies, Mr. Buchanan does seem to have one sizable regiment whose weapons are pens and checkbooks.

Unlike most campaigns, which finance themselves with large fund-raising events and by the candidates' soliciting donations by telephone from well-

known contributors, Buchanan's campaign has also borrowed \$750,000 against its Federal financing.

Mr. Buchanan has not totally eschewed money-raising events. Indeed, Mrs. Dobbs and her husband were interviewed as they waited in line outside a \$50-a-plate fund-raising lunch here. He has been the guest at gatherings sponsored by business groups like the United States Business and Industrial Council, which was valuable as a way of reaching executives who might contribute. The council is a conservative group that takes a protectionist stance on international trade matters.

Mr. Buchanan has received contributions from members of the organization's board, including Roger M. Mink, chairman and chief executive of Milliken and Company, a major textile manufacturer who has been a benefactor for organizations aggressively espousing conservative positions.

In addition, Mr. Buchanan flew to California in late January to attend fund-raising events sponsored by Croatian-Americans, who like his call for the United States to recognize independent Croatia. A fund-raising party in Los Angeles and another in San Francisco netted about \$70,000. Buchanan aides say the campaign has received \$100,000 to \$150,000 from Croatian-Americans, with many donations unsolicited.

"I like his conservative views, and Pat wrote several articles about my nation," said Dr. Martin Hrgovic, a Houston oncologist who immigrated to the United States in 1969 and who gave an unsolicited \$250 to the Buchanan campaign. "I'm a Croatian. Of course, I'm an American citizen, but I still have a soft spot in my heart about Croatia."

Following Conservative Habit

Mr. Buchanan's reliance on direct mailings stems from several factors. Entering the race late and having laid little groundwork, the candidate felt compelled to stay on the road and leaving the trail to attend a fund-raising dinner was considered a diversion he could not afford. Secondly, as a conservative, Mr. Buchanan has tapped into the extensive mailing lists compiled by direct mail specialists like Richard Viguerie.

Larry J. Sabato, a political science professor at the University of Virginia who has written about the rise of political consultants, says it is not surprising for Mr. Buchanan to lean heavily on direct mailings to raise money. As a result of his columns and television appearances, Mr. Buchanan is instantly recognizable, which helps persuade people to send money to him. In addition, conservatives have developed direct mail solicitation into a fine art.

"Conservatives at one point had a near monopoly on direct mail," Professor Sabato said. "Their lists are 5 to 10 times better than the liberal lists, which is why Republicans do much better than Democrats at getting contribution from small donors which is exactly the opposite of what most people think."

A conservative finds small donors through direct mailings.

healed contributors, Buchanan campaign officials say about 80 percent of their money has come from mail solicitations like the one Mrs. Dobbs received.

So far, the candidate and his aides say that more than 50,000 people have sent money to the campaign and that the average donation is \$48. "The Bush campaign is raising their money through large donations of \$1,000," said Scott Mackenzie, treasurer of the Buchanan campaign. "We're going after the little guy."

Toward the end of the primary campaign in New Hampshire, Buchanan campaign officials said they had raised more than \$2.5 million. "We got \$145,000 in the door on the day of the primary, and it's been going strong since," Mr. Mackenzie said.

Because Mr. Buchanan won 37 percent of the vote in New Hampshire, the campaign may raise as much as another \$1 million by the March 3 Georgia primary. But the campaign is not necessarily awash in cash and has raised nowhere near the amount raised by President Bush, who had obtained at least \$2.7 million by December, documents filed by the Federal Elections Commission indicated.

Mr. Buchanan is due to receive \$1.1 million in Federal matching money in early March about the time of the crucial Georgia primary. But the cam-

Quayle Denies Bush Violated His 'No New Taxes' Pledge

Special to The New York Times

WASHINGTON, Feb. 23 — Vice President Dan Quayle denied today that President Bush violated his 1988 campaign pledge of "no new taxes" when he agreed with Congress two years ago to raise the top personal income tax rate.

On the NBC News program "Meet the Press," the Vice President also denied that the most controversial television commercial of Mr. Bush's 1988 campaign, which featured a convicted murderer, Willie Horton, was an example of negative political advertising.

Mr. Quayle also defended his decision to enlist in the National Guard after graduating from law school 20 years ago.

Mr. Quayle's six-year stint in the National Guard was an issue in Mr. Bush's 1988 race for the Presidency. The Vice President has said lately that it is a legitimate political issue to raise questions about the efforts by Gov. Bill Clinton of Arkansas, a Democratic candidate, to avoid Vietnam service. Asked why he joined the National Guard, he said, "It wasn't to avoid going to Vietnam."

Tax Increase 'a Compromise'

Mr. Quayle said Mr. Bush accepted the tax increase because the likelihood of war in the Persian Gulf then limited his ability to wage a domestic battle with Congress.

"He made a choice; the choice was a budget or no budget, and to get a budget, he had to give the Democrats in Congress a tax increase," Mr. Quayle

said. "It was a compromise with Congress, and it was not going back on a campaign pledge."

Asked whether Mr. Bush would employ negative advertising to counter the attacks by his challenger, Patrick J. Buchanan, the Vice President replied that "it depends on what you call a negative ad." The "Willie Horton ad" of the 1988 campaign, which was made by supporters of Mr. Bush, does not fit that description, he said.

The advertisement suggested that

Quayle doesn't see Willie Horton commercial as 'negative.'

Mr. Bush's Democratic opponent, Gov. Michael S. Dukakis of Massachusetts, was soft on crime because a convicted murderer from the state was given a weekend pass from prison and committed a second murder.

"You can debate whether Willie Horton was a negative ad or not," Mr. Quayle said. "I don't view it in the negative category that you all do and furthermore I don't think the Willie Horton ad was a significant contribution to George Bush's victory."

The New York Times

NEW YORK, MONDAY, FEBRUARY 24, 1992

Arts Figures Fear For the Endowment After Frohnmayer

By WILLIAM H. HONAN

Artists, arts administrators and Government cultural officials were divided yesterday in their reactions to President Bush's dismissal of John E. Frohnmayer, chairman of the National Endowment for the Arts. But they were united in one thought: that the endowment is once again in serious jeopardy.

"I don't think there's any doubt that the support of the White House for the arts endowment is slipping," said Representative Sidney R. Yates, Democrat of Illinois. Mr. Yates, chairman of the House of Representatives subcommittee in which the Federal arts budget originates, has long been an outspoken proponent of Government support for the arts.

"I sense," he continued, "that the mood is returning to Reagan's first year in office, when the Administration tried to kill the endowment."

Kitty Carlisle Hart, chairwoman of the New York State Council on the Arts, expressed a similar view. "I'm concerned that they should not destroy public funding of the arts," she said.

A Sign of Conservatism

The sentiment was also echoed by bit players in the world of culture. "It saddens me to think where America is going, and that the endowment is going to be more conservative," said Arthur Nersesian, an adjunct professor of literature at Hostos Community College in the South Bronx. Mr. Nersesian is managing editor of The Portable Lower East Side, a semi-

The chairman's dismissal is seen as a turn to the right.

annual literary journal that received a \$5,000 grant from the endowment and has been attacked in recent weeks as obscene and blasphemous by conservative groups and members of Congress.

One of the journal's publications, a 168-page collection of poetry titled "Queer City," makes a sexual reference to Jesus.

On Friday, a member of the White House staff and Administration officials who would speak only on condition of anonymity said that although Mr. Frohnmayer had discussed leaving the endowment with President Bush in October, he made no move to depart and was forced to resign late last week by Samuel K. Skinner, the White House chief of staff.

His resignation came amid reports that Patrick J. Buchanan, President Bush's conservative challenger for the Republican Presidential nomination, planned to make an issue of Mr. Bush's support for the endowment as he campaigned in the South.

Representative Yates called Mr. Frohnmayer "a victim on the altar of Pat Buchanan and the conservative wing of the Republican party."

The President's letter accepting Mr. Frohnmayer's resignation



John E. Frohnmayer

praised his "integrity and decency," but it also caustically observed that "some of the art funded by the N.E.A. does not have my approval." There were reports, which the White House would neither confirm nor deny, that President Bush had seen or been told about the reference to Jesus in "Queer City."

Mr. Frohnmayer had defended the endowment's support of the publication, arguing in a public statement that the reference had been "taken out of context and sensationalized."

Although Mr. Frohnmayer wobbled in his support for artists who expressed strong social comment or graphic sexual themes during his two and a half years in office, in the last few months he became a vociferous advocate of no-holds-barred free expression, and thus became an inviting target for conservatives.

The issue of permissiveness during his tenure was characterized by, but was not limited to, solo performance artists like Karen Finley, who smeared her body with chocolate to simulate excrement, and Tim Miller, who simulates masturbation onstage.

At a conference of the Association of Performing Arts Presenters in New York City in December, Mr. Frohnmayer said he had recently read the Bill of Rights "100 times" and concluded with an emotional promise to make "sacrifice" for the cause of freedom of expression. On Friday, his announcement to his staff of his departure reportedly took on the color of a revival meeting, in which Mr. Frohnmayer sang a hymn, read poetry and recited a credo in which he characterized the years in which he had been criticized for the permissiveness of some grants as an "eclipse of the soul."

Speculation on a Successor

Over the weekend there was intense speculation about how President Bush might seek to restore a more moderate, if not vigorously conservative, tone to the agency.

Mr. Yates said he had heard rumors of a move in Congress to combine the arts endowment with the National Endowment for the Humanities, a sister agency with a similar

Arts Figures Fear for the Endowment After Frohnmayer

cil on the Arts, said: "Before nominating a new chairman, the President may initiate an open discussion on the role of the N.E.A. and on what in general terms it should support. Because past discussions of these matters have taken place only in private, there is now no broad public consensus on the agency."

Roger L. Stevens, who was the first chairman of the arts endowment under President Lyndon B. Johnson, said: "I don't see that the cure for the problem, if there is one, is to make the endowment like the commissars of the old Russia, but maybe the endowment should make a better distinction between the attention-grabbers and showoffs who are not real artists, and those who are genuine artists."

Representative Yates said: "I've thought of that, too. How do you tell the difference between somebody who just paints a nude and Goya's 'The Naked Maja'? I want to give it more thought."

A supporter of expression that some find too free.

president of the Charter 77 Foundation-New York, which assists the democratization of Czechoslovakia, said: "Bush really doesn't need to do anything now. Nothing will stop the far right from attacking the endowment, no matter what it does, and if their attacks begin to hurt, he can say: 'Things will get better. I've already gotten rid of the bad guy.'"

Samuel Lipman, the publisher of The New Criterion, a neo-conservative monthly journal of the arts, and a former member of the National Coun-

wrong, and Frank Rodsell before him, was when we enlarged the category of mime to include solo performance artists," Mr. Neusser said. "At the time, only Sam Lipman on the Council opposed the idea, but the rest of us thought it was innocuous. But that, in fact, opened the gates to a lot of stuff that really isn't art. The chairman should have recognized that and stopped it. I think a strong chairman in the future will do so."

No Hurry Seen

Anne G. Murphy, executive director of the American Arts Alliance, which lobbies the Government for support for the arts, said: "There's a possibility that the President will name as a successor a high-powered person like Beverly Sills who couldn't be effectively challenged, but my guess is that he has nothing to gain by naming a successor until after the election."

Wendy Luers, a member of the National Council on the Arts and

budget of about \$170 million that makes grants for research in language, history and the other humanities. "I think that would be unfortunate," he said.

Jacob Neusser, a professor of religious studies at the University of South Florida at Tampa, whose term as a member of the National Council on the Arts expired in September 1991, said he expected the President to appoint as Mr. Frohnmayer's successor a strong conservative like William J. Bennett, former director of national drug control policy and Secretary of Education, or Lynne V. Cheney, chairwoman of the National Endowment for the Humanities.

Ms. Cheney concedes that she oversees a number of grant recommendations at each quarterly meeting of the advisory National Council on the Humanities. As a result, her agency has fended off most critics and kept out of the headlines.

"Where John Frohnmayer went

Continued on Page C17

"When we close the curtain to the voting booth, we find the Puritanism creeping in." JOE LOVELADY

Support for Clinton Appears Firm in Home Base

By PETER RAPPLI BOMB
Special to The New York Times

ATLANTA, Feb. 23 -- Mildred Byson, who sells fruit from the back of her truck in the nearby town of Social Circle, is not an expert on politics, but she can sense a politician she likes, and she likes Bill Clinton.

"I don't think his character is a problem," she said. "He seems like a good man to me. He doesn't brag like some of the other candidates."

In other words, Mr. Clinton as soft-spoken, Dixie-inflected, yes-m'am, no-m'am, son of the South counts for more than Bill Clinton, tabloid target.

Interviews with a number of voters and public officials throughout the South suggest that sentiment for Mr. Clinton is holding firm in spite of reports in a supermarket tabloid of marital infidelity and assertions that he had tried to avoid the draft in the Vietnam era. Many analysts had wondered whether the accusations would erode support in his conservative home base.

A strong showing in the Southern primaries culminating on March 10, Super Tuesday, in which he has long been expected to do well, could provide Mr. Clinton with a significant lift in his quest for the Democratic Presidential nomination.

Sense of Invincibility Erased

There is no question that some Southern voters have been put off by the reports about Mr. Clinton. At the least, the questions have erased the sense of Mr. Clinton's invincibility in the region.

"I think he's got problems," said Larry James, a painter who works at

Newton General Hospital in nearby Covington. "People pick up on that, particularly his marital problems. We're just not like people up North. There are things they don't care about there that make a difference to us."

Mr. James said he was leaning toward President Bush, regardless of what happened with the Democrats.

But among Southern Democratic officials, Mr. Clinton retains the support of the overwhelming majority.

He has resources and an organization that dwarf those of his rivals, and his main opponent seems to be a heretofore little-known former Senator from Massachusetts with no real organization in any Southern state.

Thus, when Paul E. Tsongas, the top vote getter in the New Hampshire primary last week, and Mr. Clinton arrived here on Friday to address the annual gathering of Georgia Democrats, the front page of The Atlanta Journal featured a large color picture of Mr. Clinton with a quote above it from Lieut. Gov. Pierre Howard reading: "Tsongas is not Greek for Bubba."

Representative John Lewis, the Georgia Congressman and civil rights pioneer, who endorsed the Arkansas on Friday, said Mr. Clinton would "win the Southern primaries in a sweep and will be the nominee of the party."

"The rank-and-file voters here in the South are not going to be concerned with the draft issue," Mr. Lewis said. "They want to get good health care, to send their children to good schools, to get a job. This election is a referendum on the future, not the past."

One of the important Super Tuesday

primaries will be in Texas, and a poll there reported in The Houston Chronicle today showed Mr. Clinton with the support of 40 percent of the state's likely Democratic primary voters. Mr. Tsongas was backed by 9 percent, and 42 percent remained undecided. The poll of 400 Democrats had a margin of sampling error of plus or minus five percentage points.

In the full poll of 835 likely voters of both parties, conducted Feb. 12-19, two-thirds said the press had paid too much attention to Mr. Clinton's personal life, and more than half said the personal issues would have no impact on their voting. But 3 in 10 said they would be much less or somewhat less likely to vote for Mr. Clinton because of the questions. These figures had a four-point margin of error.

'What the Democrats Need'

Few Southerners seem willing to say Mr. Clinton is home free, and additional damaging publicity could transform the campaign, which includes primaries in Georgia on March 3 and South Carolina on March 7, followed by Super Tuesday balloting on March 10 in Texas, Florida, Mississippi, Tennessee and Louisiana. But for now, Mr. Clinton seems to have weathered the storms that set back his campaign for weeks.

"He's a Southerner, who can get the support of blacks and whites," said John Corbett, pastor of Springfield Baptist Church in Greenville, S.C. "He's what the Democrats need. He's moderate, mainstream, a decent man."

Asked about accusations of infidelity, he said: "I do believe in forgiveness and grace, and I'm just not willing to cut somebody's neck off because they've done something in the past."

Of 14 people interviewed in South Carolina last week, only one cited the marital and draft questions as a reason for voting against Mr. Clinton.

Many See Problems

Other Southerners, however, do see fundamental problems.

When Mr. Clinton campaigned Thursday in Savannah, his audience included John Siebert, an unemployed disabled veteran from nearby Hinesville who came with six other disabled veterans to protest the appearance.

"A lot of people served their country, and he ran off to England," said Mr. Siebert, who carried a sign reading, "No draft dodger or playboy for President." "Notice I didn't say Canada. He was more slick."

Similarly, the Rev. Joe Lovelady, pastor of the East Edgewater Baptist Church in New Orleans, said he was troubled by both questions and thought Mr. Clinton had been seriously damaged in the South.

"There is a strong streak of Puritanism in this country," he said, adding that although people talk about a liberal approach, "when we close the curtain to the voting booth, we find the Puritanism creeping in."

But even in Hinesville, Ga., with an economy heavily dependent on the military operations at Fort Stewart, there is sympathy for Mr. Clinton and doubt about the validity or relevance of the accusations against him.

'Reached a Saturation Point'

"Every time, somebody runs for office, whether it's in the White House or here in Hinesville, they're going to dig up dirt, whether it's true or not," said Sheila Bowdle, manager of Leroy's, one of what she said were 27 pawn shops in town.

And, even among conservative voters, Mr. Clinton may be benefiting from a kind of scandal fatigue and a backlash against what some see as the constant drumbeat of stories about the private affairs of public people.

"I think people have just reached a saturation point," said Ida Vaughn, a 66-year-old grandmother who owns a feed store in Simpsonville, S.C. "First there was that Supreme Court deal and the Kennedy affair and by the time we got to this, people were sick of it. This was just a lot of stirring."

Still, Mrs. Vaughn, who describes herself as a Democrat who voted in 1988 for George Bush, said she was not overly impressed with any of the Democrats and hoped someone else ran.

In fact, even while sloughing off the accusations against Mr. Clinton, most

people interviewed said they had not made up their minds about how they would vote.

But Mr. Clinton's advantages in the region appear enormous. With endorsements from powerful black leaders like Mr. Lewis and Representative Mike Espy of Mississippi and most of the influential Hispanic politicians in Texas, he is the only candidate with a base in the minority populations that are critical in Southern Democratic primaries.

The Rev. Zebadee Bridges, pastor of the Asia Baptist Church in New Orleans and president of the Inter-Denominational Alliance of more than 300 black churches in the New Orleans

The resources, the organization, and sympathy.

area said he and many of his colleagues were praising Mr. Clinton.

"This is politics," he said of the questions about Mr. Clinton. "These are issues that were brought up to destroy this man. We're not concerned about those issues. We're concerned about this country."

Senator Sam Nunn of Georgia, a Clinton supporter, said Friday that he did not think the accusations would damage Mr. Clinton unless another candidate made a concerted effort to emphasize them. He conceded that whether or not the other Democrats tried to exploit the issues, the Republicans certainly would. Others agreed.

"I think Clinton will do very well in the Southern primaries," said Hastings Wyman, editor of the Southern Political Report, a newsletter. "I don't think the draft issue will hurt Clinton much in the primaries. I think when it will be an issue is November."

But, for now, no candidate is pressing the case against Mr. Clinton, and it is not clear if anyone will have the resources to fully do so, particularly in the powerhouse states of Texas and Florida. And, if the questions have damaged Clinton in the region, his resilience may help him as well.

"My father used to say, if you can't get knocked on the seat of your pants and get back up, then you shouldn't climb into the ring in the first place," said Bob Slagle, chairman of the Democratic Party in Texas. "I think he has stood up to it very well, and people appreciate it."

Democrats, in Midwestern Debate, Aggressively Court the Farm Vote

By RICHARD L. BERKE
Special to The New York Times

SIoux FALLS, S.D., Feb. 23 — In a free-wheeling, often chaotic debate that was marked by personal barbs, six Democratic candidates for President virtually tripped over each other tonight trying to assure South Dakotans that they were most sympathetic to the needs of rural America.

While the primary election Tuesday is viewed as a showdown between two farm belt Senators, Tom Harkin of Iowa and Bob Kerrey of Nebraska, neither wasted any time in attacking their rivals as insensitive to family farmers. The other Democrats insisted that they understood the importance of agriculture to the nation's economy.

At the outset of the televised debate, Mr. Kerrey assailed Gov. Bill Clinton of

Arkansas for having an adviser, Robert Shapiro of the Progressive Policy Institute, who has "made some provocative and negative statements about agriculture."

A lively debate mixing questions of decency and agriculture.

Mr. Clinton denied that Mr. Shapiro advised him on such matters, and said he was surprised that Mr. Kerrey would make it an issue in radio advertising here. "It's amazing to me that Senator Kerrey would attack me on the ads," Mr. Clinton said, "since we served on the Agriculture Committee of the National Governors' Association together."

Not willing to concede the farm vote to his rivals from the heartland, Mr. Clinton declared: "Senators Harkin

and Kerrey know that I've been a farm State Governor for 11 years."

Liveller Forum
Sponsored by the South Dakota Democratic Party, the 90-minute event was billed as a forum that would offer the candidates no chance for rebuttal. But the audience at the Howard Johnson Hotel here, and the viewers on South Dakota's public television stations and the national C-Span cable television network were treated to the most lively of the five national debates held thus far.

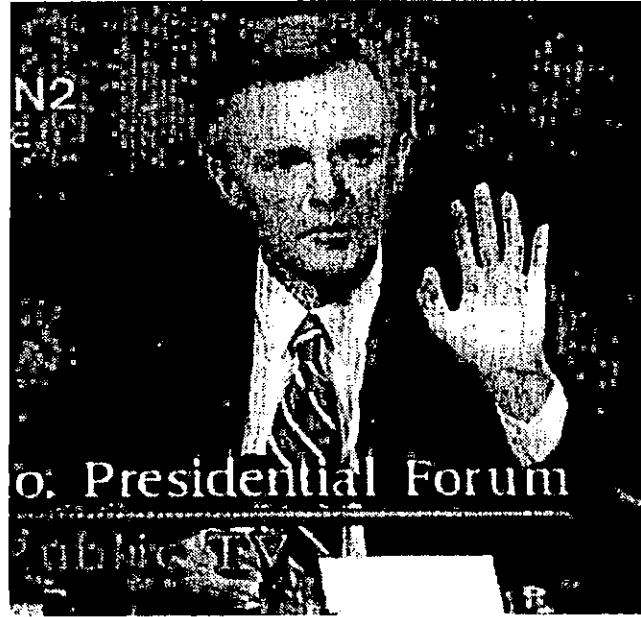
Mr. Harkin, for one, called on former Senator Paul E. Tsongas of Massachusetts, who won the New Hampshire primary and was a leader in today's caucuses in Maine, to renounce his proposal for a 5-cent-a-gallon gasoline tax.

But Mr. Tsongas challenged Mr. Harkin for interrupting him, saying, "We talk about personal decency; let's practice it." He also said he did not know much about agriculture, but said that did not mean he did not understand rural issues.

"I acknowledge that Bob Kerrey and Tom Harkin know a lot more about agriculture than I do," Mr. Tsongas said. "But I know how to listen. How to learn. I don't compete with you, Bob."

Mr. Kerrey shot back, accusing Mr. Tsongas of knowing more about agriculture than he lets on, and of not being a friend of the heartland. "It's not like you're coming into the state and hearing it all right now," Mr. Kerrey said. Saying "I'm not trying to be personal," Mr. Kerrey went on to accuse Mr. Tsongas of having a poor farming record in the Senate.

The attacks were at times punctuated by laughter. At one point, the moderator, Ken Bode, an analyst for Cable News Network and graduate of the University of South Dakota, repeated what he said was a line from Mr. Kerrey that Mr. Tsongas thought "a



Senator Bob Kerrey of Nebraska debating in Sioux Falls, S.D.

combine is used to mix a martini." "Great line, but I did not say that," Mr. Kerrey said. With comic timing, Mr. Tsongas asked later: "Answer me this: What is a martini?"

Overhauling the System

Coming off a strong showing today in Maine, former Gov. Edmund G. Brown Jr. of California said the United States should not spend any more money on foreign aid until farmers and small businesses were better taken care of. But he devoted most of his time to repeating his themes of overhauling a corrupt political system.

But he did not escape the attacks of Larry Agran, the former Mayor of Irvine, Calif., who is usually excluded from debates of the major candidates but received an invitation by the state party to this event. He accused his fellow Californian of hypocrisy in deriding special-interest donations.

"When I hear Jerry Brown, the

Two Plains States Senators seek to protect a lead.

grand champion of raising special-interest money in the 70's and 80's," Mr. Agran said angrily. "I'm up to here with it." Turning to Mr. Brown, his voice rising, Mr. Agran said, "You have raised tens of millions of dollars in California and elsewhere."

At the end of the debate, Mr. Agran mimicked Mr. Brown by holding up a sign with his "800" number for contributions. "I want to make Jerry Brown feel more comfortable," he said of his opponent who often irritates his rivals by giving out his own "800" number at debates.

Mr. Brown sought to take issue with Mr. Agran, but they both ended up shouting each other down and Mr. Bode moved on to a new question.

Each of the Democrats took his own shot at Mr. Tsongas, who, they complained, has not been held responsible for the consequences of his positions.

Mr. Clinton, who accused Mr. Tsongas yesterday of engaging in "plous rhetoric" on the campaign trail, lashed out.

"It is frustrating for me to be told the only morally appropriate way to wean America off cheap foreign oil is a nickel-a-gallon gasoline tax," Mr. Clinton said. "Your incomes went down and your taxes went up in the '80's and Senator Tsongas wants to feed you more of the same in the 90's. And it's

Candidates Tell of Roots In Prairie to South Dakota

By ELIZABETH KOLBERT
Special to The New York Times

SIoux FALLS, S.D., Feb. 23 — Senator Tom Harkin of Iowa will be a President "who knows exactly where we're coming from — 'cause that's where he's coming from." South Dakotans won't have to guess "whose side he's on," his radio advertising assure listeners; it's "ours."

Senator Bob Kerrey of Nebraska is similarly in touch with "our" feelings. He is "from the Great Plains" and "fighting to save the family farm." Most importantly, as his television commercials point out, he is "one of us."

Former Senator Paul E. Tsongas of Massachusetts is not "one of us," but luckily for him, his father-in-law, Russ Sauvage, is. "I was born and grew up in South Dakota," a smiling Mr. Sauvage says in Mr. Tsongas's latest television advertisement. "Played some U.S.D. football."

Campaigning In Heartland

Perhaps President John F. Kennedy said it best because he said it in a foreign language: "Ich bin ein Berliner." In politics, it always helps to establish a connection with your audience, even if you have to call in your in-laws. And now that the Democratic Presidential primary has moved from the East Coast out here to the heartland, everyone, it seems, is from the prairie — or least talks as if he wishes he were.

"I understand how important it is for us to continue to aggressively support farm exports," says Gov. Bill Clinton of Arkansas in his most recent radio advertisement. "South Dakota's got a strong, strong history of supporting the family farm. That's what I believe in, that's what I've fought for, and that's what I'll stand for if I'm President."

New Hampshire voters, who were assured that restoring the country's manufacturing base was the candidates' top priority, would be justifiably disappointed to hear the candidates talking now. If the rallying cry in New Hampshire was "Jobs, jobs, jobs," here in South Dakota it is more like "hogs, hogs, hogs."

"It's good to be back in South Dakota, where you can say 'barrows and gilts,' and people don't think you're talking about some fancy Boston law firm," Senator Harkin said on Saturday. (Hint for effete Easterners: barrows and gilts are male and female pigs.)

Coming just a week after New Hampshire and a week before Georgia, the South Dakota primary has received short shrift from most of the Democratic candidates, who are now struggling to establish intimacy with the voters here without actually having to meet them. They have been

dance of cheap television time (for roughly \$30,000 a candidate can saturate the airwaves from Sioux Falls to Rapid City).

For Senators Kerrey and Harkin, affecting a rapport with voters who live in big, flat states is not that tough a challenge. Both come from states that border on South Dakota, both have strong agricultural records and both, it can be assumed, have a keen understanding of porcine terminology. And when Mr. Kerrey says he is "one of us" and Mr. Harkin says he knows "exactly where we're coming from," many South Dakotans seem willing to overlook the obvious note of opportunism.

Candidate Poses With Cow

For Mr. Tsongas, who gamely visited a stockyard on Thursday for what The Argus Leader here called the "requisite candidate-with-cow" photograph, the challenge of relating to a prairie state mentality has been more daunting. But instead of laughing at Mr. Tsongas's tenuous South Dakota ties several people here said the television spot featuring Mr. Sauvage had intrigued them.

"It was kind of impressive," said David Crissman, a railroad foreman.

Because the South Dakota primary is widely viewed as an elimination race between Mr. Kerrey and Mr. Harkin, the two men were considered the most likely to broadcast negative advertisements here. And they have, but not always against each other.

Kerrey Leading In Polls

While Mr. Harkin is broadcasting a conventional attack advertisement comparing his record with Mr. Kerrey's, Mr. Kerrey, who is leading in the polls, ignores Mr. Harkin altogether. Instead, he goes after Mr. Tsongas and Mr. Clinton, suggesting that they will be bad for family farmers.

If being "one of us," as Mr. Kerrey puts it, were the main criterion voters here were using, the Nebraska Senator would probably not have to worry about winning the primary, since South Dakota and Nebraska share a border several hundred miles long. But as it is, there are still some South Dakotans who seem to believe that being from the great plains, or having a father-in-law who is, is not really relevant to being a good President.

"Kerrey's from Nebraska, sure," said Pat Cypher, who works for a trucking company here. "But there's a lot of idiots from Nebraska, too."

News of Business People:
Tuesday through Saturday,
Business Day

The New York Times

NEW YORK, MONDAY, FEBRUARY 24, 1992

Tsongas and Brown Leaders In Maine Democratic Contest

By The Associated Press

PORTLAND, Me., Feb. 23 — Former Senator Paul E. Tsongas and former Gov. Edmund G. Brown Jr. of California battled for victory in Maine's caucuses today in an improbably close race that reflected the unpredictable campaign for the Democratic Presidential nomination.

As the last results from the state's 665 precinct caucuses were being tallied tonight, the two were neck-and-neck with about 30 percent of the delegates to the state Democratic Convention pledged to each of them.

Gov. Bill Clinton of Arkansas placed a surprisingly distant third, with about 15 percent of the state delegates, which was about equal to the number of delegates who were uncommitted.

Looking Toward Clinton

Mr. Brown claimed his showing proved that "grass-roots citizens can take back this country." About 15,000 or 16,000 people participated in Maine's caucuses, a form of candidate selection that usually attracts the most active and committed party members.

Mr. Tsongas, the favorite here by virtue of his victory in the New Hampshire primary last week, brushed aside questions about the Maine results. "My

fight is with Bill Clinton at this point," he said.

Recent public opinion polls have shown Mr. Tsongas and Mr. Clinton close among likely Democratic voters nationally. Mr. Brown, who finished last in New Hampshire, does not make a strong showing in the national surveys.

The Maine results may be seen as ap

Continued on Page A16, Column 1

Clinton in the South: Still a Favorite Son

Bill Clinton is counting on a strong showing in the series of Southern primaries that culminate on March 10, and many analysts have been asking whether the widely publicized accusations of draft evasion and marital infidelity will hurt his campaign there. In interviews around the South, some voters said they were troubled by those reports. But many more said Bill Clinton the son of the South counted more than Bill Clinton the tabloid target.

Maine

Tsongas and Brown Leaders in Maine Caucuses

Continued From Page A1

embarrassment for Mr. Clinton, who was credited with a strong organization and finished a strong second to Mr. Tsongas in New Hampshire.

But regardless of the impact for Mr. Tsongas or Mr. Brown, the results here were a triumph for Mr. Brown, who has been dismissed by many analysts as a gadfly making a hopeless quest for the nomination.

"It's certainly an upset," Mr. Brown said. "It has to be a shock to the pundits in Washington, who early on believed that only \$1,000 checks and obscene campaign war chests could propel a candidacy. The people of Maine proved them wrong and demonstrated that grass-roots citizens can take back this country."

Mr. Tsongas, struggling to nurture the momentum he gained in New Hampshire, noted that Mr. Brown had campaigned in Maine for a week. "We're doing fine," he said. "Caucuses are not my strong point."

The former California Governor campaigned energetically throughout the state for five straight days, reaching out to disaffected voters and oppo-

nents of nuclear power.

He said he was the first Democratic Presidential contender to win outside his home region and said, "This is a testimony to the strength of people who are tired of being manipulated."

Democratic Party activists in Maine gathered in hundreds of living rooms, schools, town halls and fire houses to begin the two-step process of choosing 23 delegates to the national convention.

No Republican Challenge

Republicans have until April 1 to hold their caucuses, although several precincts were doing so on Sunday. The delegates selected in these meetings were unpledged, but Patrick J. Buchanan, the challenger to President Bush, made little effort in the state.

Mr. Tsongas and Mr. Brown made last-minute campaign stops in the state during the day. Mr. Clinton mounted a strong organizational effort. The other Democratic contenders, Senator Tom Harkin of Iowa and Senator Bob Kerrey of Nebraska, had less intensive campaigns.

At a stop Friday at Colby College, Mr. Brown said that Mr. Clinton and Mr. Tsongas were both "more Republican than Democratic in many things." Neither of them will be able to bring about change in Washington, he said, "because they're here with the permission" of the political establishment.

Even as the caucuses were convening, Mr. Tsongas's camp sought to minimize his chances for victory. A month ago, he barely registered in the preference polls around the country. But after the victory in New Hampshire, his rivals will point to the outcome here as a setback.

Mr. Clinton, with the strongest organizational and financial resources in the race, has questioned Mr. Tsongas's appeal outside New England. The runner-up in New Hampshire, his strategy is to rebound when the primaries move South next month.

Pro-Business Stance

Mr. Clinton paid a last-minute visit here on Saturday in hopes of maximizing his support. He was credited with a strong organization throughout the state.

Mr. Tsongas stressed his pro-business economic policy in recession-racked Maine. He opposes a middle-class tax cut in favor of tax incentives to create jobs.



Gary Gussinger for The New York Times

Edmund G. Brown Jr. speaking with a supporter as he waited for his turn to speak at a caucus yesterday in Portland, Me.

The Caucus Results

Results at 8 30 P.M. with 613 of 665 precincts reporting (92 percent) Figures are each Democratic candidate's percentage of delegates to the state convention

Brown	30%
Tsongas	29
Clinton	15
Harkin	5
Kerrey	3
Cuomo	0
Uncommitted	16
Others	1

How Caucuses Are Run

Caucuses are meetings of party members, usually those who are most active, in each voting precinct. The precincts generally elect delegates to state party conventions, which in turn select delegates to the party's national nominating convention for President and Vice President.

Caucuses differ from primary elections in that no ballots are cast. Caucus turnout is almost always lower because there are many fewer meeting places for caucuses than polling places for primaries.

Party members gather in places from living rooms to school lunchrooms and state their Presidential preferences. They divide into groups who favor each candidate, including a group for those who are uncommitted.

Usually a candidate must receive a threshold level, like 15 percent of those present, to get any delegates to the state convention.

If a group does not reach the threshold, its members regroup, negotiating and forming alliances with other groups.

The New York Times

NEW YORK, MONDAY, FEBRUARY 24, 1992

By ADAM CLYMER

Special to The New York Times

WASHINGTON, Feb. 23 — Dan Rostenkowski will be leading the fight for the Democrats' middle-class tax cut in the House this week, but that does not mean he expects it to become law.

Or even that he necessarily thinks it should be.

After all, he consistently said for weeks that the economy would probably be helped more by being left alone and that his bill, and President Bush's, too, are responses to political, not economic, needs.

Life Above the Partisan Fray

That argument fits the persona the head of the Ways and Means Committee enjoys most, that of the commit-

The Ways and Means chairman's revenue bill is a rare partisan foray.

tee chairman who exceeds Washington's expectations, works for a clean tax code and usually seems above partisanship.

His friendship with Mr. Bush, which dates from their service together on Ways and Means two decades ago, produces "Dear Danny" letters and brings occasional golf dates. And he complains that these days "We never quit politicking in

the House of Representatives."

But don't feel sorry about Mr. Rostenkowski's being forced, as he puts it, by circumstances and other Democratic leaders to fight a party fight. He protests too much.

Selected by Daley

He may not have used his partisan skills much in recent years, but this product of the Chicago organization (Mayor Richard J. Daley decided he would be a Congressman in 1958, and he was) knows the moves instinctively, both in working this tax bill and in dealing with an unexpected and irritating primary challenge back home.

In Chicago, Mr. Rostenkowski is scoring political points with a tale of an arrogant Federal Government

Continued on Page C7

The House's Tactician of Taxation

Continued From First Business Page

that wants to move a Social Security center from one neighborhood in his district to another, even though both neighborhoods oppose the change.

And he is using his prominence on the tax bill — "the high visibility of theater that takes place in here" — to campaign with celebrity status and as an acceptable excuse when he must miss an event.

It was his idea to have Representative Richard A. Gephardt of Missouri, the majority leader, introduce Mr. Bush's entire tax program with the intention of putting it before the House to show that Republicans would not vote for it. The measure contains some provisions no one in Congress likes, like taxing annuities, and others that even Mr. Bush does not want considered now because of their costs, like a \$500 increase in the personal exemption for children.

Mr. Rostenkowski then intended to show that Democrats would support his alternative measure, which he said would define "the difference between the Democrats and the Republicans."

"We're going to see to it that middle-income Americans have a better tax break," he said.

Threat of a Veto

But he was hardly surprised on Friday when President Bush threatened to veto the bill, whose two years of tax credits of up to \$400 a couple would be paid for through permanent higher rates for upper-income taxpayers. The day before, Mr. Rostenkowski said that the usual process of first insisting that no compromise was possible and later making a deal was unlikely to be followed this year.

"I think the President has been emphatic enough about raising marginal tax rates that he's not going to sign anything," Mr. Rostenkowski said in an interview on Thursday.

Concerning the bill's appeal, Mr. Rostenkowski discusses that exclusively in terms political rather than substantive. He frequently repeats that the economists his committee heard in December advised inaction, but says: "The one time I agree with the economists, I'm forced to do something other than sit on my fanny and do nothing. The political climate insists that we have something."

He moved this bill through his committee faster than usual, with his customary invitation to Democratic colleagues to change it if they wished and his customary show of muscle to defeat their changes.

The most innovative challenge Mr. Rostenkowski faced was the idea of taking the \$46 billion his two-year middle-class tax credit would cost and replacing it with permanent credits for children, at about \$180 a year. Two of his protégés on the Ways and Means committee, Representatives Marty Russo of Illinois and Thomas J. Downey of Long Island, tried that idea out. The chairman assembled the votes to beat them soundly.

But when it came to making sure that Democrats would be, if not enthusiastic, at least mollified, Mr. Rostenkowski was ready to give way to the caucus on other points. First, he agreed to add Mr. Bush's acceler-

ated depreciation provision and another clause to help small businesses buy new equipment and to limit the corporate tax cut to two years. Then, after saying sharply that he would not change anything else, he agreed to drop the corporate cut altogether.

Not Revenue Neutral

There is one difference between this bill and others Mr. Rostenkowski handled recently, and it may be a measure of how seriously the tax bill should be taken as a potential statute as opposed to the political statement

Politics — if not economics — may require some action.

the Representative says he was told to make by leaders like Speaker of the House Thomas S. Foley and Mr. Gephardt.

This bill pays no attention to the 1990 budget act's requirement that any losses in revenue be paid for, year by year, by increases in revenue somewhere else. In theory, the Democrats' bill would raise revenues, taking in \$14 billion more in six years through tax increases than it would lose in tax cuts, but that does not meet budget-act requirements that it be revenue neutral.

All the defense that Mr. Rostenkowski offers is that Mr. Bush's bills do not balance either, except with slick accounting.

But the budget act problem is not

going to cost the measure any Democratic votes to speak of this week, and Mr. Rostenkowski, like the party leaders who urged him to provide a platform of fairness in a tax bill, is confident the bill will pass.

In his office in the Rayburn House Office Building, distinguished by a quizzical stuffed toy of a snow leopard, a gift from a wildlife organization, the Ways and Means chairman talked about the bill and its politics animatedly for half an hour while the second caucus finished criticizing it. But Mr. Rostenkowski kept returning to the question of what was the point of it all if Mr. Bush was simply going to veto the growth package, either in this form or after a House-Senate conference.

Mr. Rostenkowski suggested that those who wanted to do nothing, who "stood in the shadows" as he might have preferred, could then say that the right policy objective had been reached. On the way, they could urge both sides, "get all the mileage you can out of your taking care of the middle class, working on fairness, getting growth packages, putting incentives in." But in the end, leave the tax code unchanged.

That comes later. This week, the chairman and the leaders must pass the bill.

"The worst thing that happens to us is we wind up not passing a bill," Mr. Rostenkowski said. "Then Bush has got free range in his arsenal of criticism. Then he can just throw it at us, and we have no defense: 'They can't get together; they are bickering; they won't see what's in the best interests of the country.' The fact of the matter is I really don't want a bill if I can avoid doing it. But the political climate insists we have something."

JAMES HASKEL

Security Council hopefuls

Despite the recent rhetoric being bantered back and forth between American and European politicians over the future role of American forces in Europe, the success of the UN coalition in the Persian Gulf war means that the concept of "collective security" is likely to replace the fear of communism as the glue that binds the industrial democracies together in the post-Cold War era.

As a result, the U.N. Security Council is likely to steadily grow more important in the settling of international disputes. It comes as no surprise, then, that the governments of Japan and Germany are beginning to talk about becoming permanent members of the Security Council.

Just recently, Japan's Prime Minister Kiichi Miyazawa hinted it was time to "adjust" the Security Council's "functions, composition, and other aspects so as to make it more reflective of the realities of the new era." Similar statements have been heard from Germany's major political parties including the pacifist Social Democrats and Green Party.

Many are hinting that in 1995, when the United Nations celebrates its 50th anniversary, the timing might be opportune to alter the current makeup of the Security Council.

But problems exist. First, Japan's and Germany's presence on the Security Council would require a prior transformation into military powers, a prospect that frightens many of their neighbors who remember the destruction these two nations wrought on the world during their days of nationalistic militarism prior to and during the Second World War.

Another difficulty is the composition of the present Security Council. China would be reluctant to give up its role as the only Asian power on the Security Council, with permanent veto authority, and France and England would be hesitant to let Germany weaken their power as representatives of Europe.

Additionally, altering the makeup of the Security Council would necessitate an opening of the U.N. Charter that would invite unqualified members such as India, Nigeria and Brazil to apply for permanent membership.

Perhaps the most important obstacle is the inability of both the Japanese and German governments to pass laws that would clearly enable each to send fighting forces abroad on U.N. peacekeeping missions. Despite a \$13 billion donation from Japan and a \$11.4 billion contribution from Germany, both nations were perceived throughout the world as sideline players who were unwilling to participate in the dirty work necessary to rid the world of a dangerous thug like Saddam Hussein. Nevertheless, criticism of Japan and Germany was partly unfair considering that the United States constructed Japan's post-World War II peace constitution and had a strong voice in restricting the use of German forces to German territory and NATO-sponsored operations when Germany was allowed to have armed forces again in 1955.

Regardless the criticism that followed their noninvolvement in the Gulf war had an impact on the people and governments of Japan and Germany. The Japanese Diet allowed minesweepers to go to the Gulf after the fighting was over and continues to wrangle over a bill that would allow Japanese troops to participate in future U.N.-sanctioned missions.

Meanwhile, postwar debate in the German Bundestag focused not on the need for a revision of the German constitution, but rather on the degree to which German troops could participate in future U.N.-authorized operations.

While the signs are encouraging, until Japan and Germany are willing to contribute troops to U.N. operations by passing laws to that effect, U.S. support for Japanese and German membership on the Security Council is premature.

The United States can encourage in this process by emphasizing the political realities of America's inability to continue current defense arrangements in both Asia and Europe. Diplomats can point to the current election year when American politicians on both the left and right are calling for defense cuts of up to 50 percent and policies that put "America First."

Japan and Germany must be

see HASKEL, page E4

HASKEL

From page E1

made to realize they have no choice but to provide for more of their own security at a time when their respective regions are still rife with security problems. Nuclear weapon development in North Korea and future instability in China are just two issues that threaten Japanese interests. Nationalistic uprisings in the former Yugoslavia, as well as instability in the former republics of the Soviet Union threaten the interests of Germany.

Apart from national security concerns, the United States should support Japanese and German permanent membership on the Security Council with veto power because of the common interests and values that we share.

Together, Japan, Germany and the United States account for approximately half of the world's GNP. Despite the commercial rivalry be-

tween our three nations, our economies are interdependent to the point that a major crisis that affects one will surely affect the other two. As advanced industrial democracies, we share concerns over environmental hazards, dangerous weapons proliferation in areas such as the Middle East, destabilizing immigration from Eastern Europe, and renegade regimes that threaten peace. If the United Nations is to play the leading role in solving these problems, the Security Council must be represented by those countries that have the most at stake and can bring the greatest amount to bear in their resolutions.

Membership on the Security Council also eases the worry of Japan and Germany's neighbors who fear an unchecked resurgence of their military power. The Japanese themselves fear a revival of their military force and desperately want to avoid a unilateral buildup. If Japan is forced to increase the size of its military, it will need to do so in coordination with the United States

Apart from national security concerns, the United States should support Japanese and German permanent membership on the Security Council with veto power because of the common interests and values that we share.

through a continued bilateral alliance, and, in the future, as a member of the Security Council. The Japanese deserve our support, because with our nation rapidly turning inward, we might, or might not, be a willing mercenary the next time a

Saddam Hussein raises his ugly head.

Germany's case is different only that the Germans have seemingly already decided to begin acting in their own self-interest. Their recent preparedness to unilaterally recognize Croatia and Slovenia is evidence of a German willingness to act without the approval of European and Atlantic allies.

Yet, Germany is at the center of the drive to create a unified European Community primarily because the Kohl government recognizes the danger of a powerful Germany without a link to any positive framework. The Germans would rather lead Europe with Europe's consent than exercise power unilaterally. Thus, recent examples of what some would call "German assertiveness" in recognizing Croatia and Slovenia should convince, not dissuade, skeptics of the necessity of support for German permanent membership on the Security Council. If the last 45 years

have taught us anything, it is that German power, unlinked to any multilateral framework, leaves room for catastrophe.

The truth is that the United States must start to solve some of its own domestic problems, not by becoming isolationist as some have suggested, but rather by working with allies that have, to our credit, evolved over the last 45 years into thriving democratic states. The United States has asked Japan and Germany to play a positive role in the world through examples of democratization and economic development. Both nations have lived up to this request and have helped the United States win the Cold War. They stand today as two of the world's premier economic powers, and both with populations that disdain military conflict. More importantly, both possess vital interests that go hand-in-hand with the interests of the United States. If Japan and Germany are willing to take the proper steps, the United States should support their claims, as much for us as for them.

Quayle: War forced Bush to raise taxes

By Carol Innerst
THE WASHINGTON TIMES

President Bush had to go along with a tax increase in 1990 or be weakened in his confrontation with Iraq's Saddam Hussein, Vice President Dan Quayle said yesterday.

"Look, the president was moving into the Persian Gulf conflict and we had a crisis here at home, we had a crisis internationally," the vice president said on national television.

"If we hadn't gotten a budget agreement, we would have had a further crisis, and it would have weakened the president in the tough responsibility he had in facing down Saddam Hussein," Mr. Quayle said.

"He made a choice. The choice was a budget or no budget, and to get a budget he had to give the Democrats in Congress a tax increase."

It was the first time the administration, striving to fend off a challenge to Mr. Bush's renomination from conservative commentator Pat Buchanan, tried to link Mr. Bush's strongest campaign asset — his handling of the Persian Gulf war — to his greatest political liability, the failure to live up to his "Read my lips" campaign promise not to raise taxes.

"It was a compromise with Congress, and it was not going back on a campaign pledge," Mr. Quayle explained in an appearance on NBC's

"Meet the Press."

Mr. Bush publicly compromised with the Democrats on new taxes in late June 1990. Iraq did not invade Kuwait until five weeks later. The president agreed on the specific taxes to be raised later in the year, when war in the Gulf was imminent.

Mr. Quayle, considered the administration's point man with conservatives, said he, too, would have signed the tax increase, as well as civil rights legislation that Mr. Buchanan has labeled a "quota bill."

"Under the circumstances, there was very little choice to be made," he said. "The president did the right

see GOP, page A8

Buchanan: If I'm in, Fidel Castro is out

THE WASHINGTON TIMES

MIAMI — Pat Buchanan, hunting for Republican support in the heart of Bush country, promised the Cuban community here yesterday that if he is elected president Cuba's Fidel Castro will be history.

"I don't think Fidel Castro is going to survive a Buchanan first term," he told a cheering airport rally.

The feisty conservative commentator sidestepped questions about whether he would take any covert or overt military action to get rid of the Marxist dictator. But he hinted that he would do what-

ever was necessary to topple him from power.

"I would not rule in any American invasion of Cuba," he said. "I won't say what I will do. I'll handle him in my own way."

Members of the Cuban community in Miami, where President Bush has enjoyed strong support, have begun turning against the administration because of efforts by the State Department to improve relations with Cuba.

"A Buchanan State Department would not engage in collusion with Castro against the friends of freedom here," Mr. Buchanan said.

— Donald Lambro

GOP

From page A1

thing. He didn't want a tax increase, so the Democrats in Congress said, 'That's the only way you're going to get a budget.' It was a compromise with the Democratic Congress.

"They got their tax increases and we got our spending caps and we got a budget agreement, and the president was then able to focus on Saddam Hussein and expel him from Kuwait, which is another issue that Pat Buchanan disagrees with the president on — the Persian Gulf war. Most Republicans think the president was correct in getting Saddam Hussein out of Kuwait. Pat Buchanan doesn't."

Mr. Buchanan, appearing yesterday on ABC's "This Week," was asked why he was going all-out in Georgia.

"I believe we've punched a hole in this [Bush] blimp," he said. "If we punch a second hole in it in Georgia,

the whole thing may go up, and I will have a fighting chance for the nomination."

He did hint, however, that he might drop his challenge to Mr. Bush if his vote in the primaries dipped to 15 percent from the 37 percent he got in New Hampshire.

"If you get down the road to the point where you're not getting 40 percent or 30 percent, but only 15 percent, do you then continue to do battle against the president who is the presumptive nominee?" he asked. "You've got to take a look at that question then, but not right now when we're on a roll."

Even if Mr. Bush dumped White House Budget Director Richard Darman and Treasury Secretary Nicholas F. Brady — both targets of conservative wrath — it would suggest he is "accommodating himself to the forces, whether polls or primary victories or defeats or whatever," Mr. Buchanan said.

"You need a president in there who has convictions, first and foremost, and the courage to fight for

them consistently for four years and doesn't wait until March 20th of his fourth year in office to announce a great battle with the Congress." March 20 is the deadline Mr. Bush set for enactment of his economic recovery program by Congress.

Mr. Quayle promised yesterday the administration would deal with Mr. Buchanan's campaign by telling the truth, the whole truth and nothing but the truth.

Asked if Mr. Buchanan has been "insensitive toward blacks and Jews," Mr. Quayle said: "I'm not going to use that word. I'm just saying that some of the comments that he's made would be troubling, and I think everyone knows what I'm talking about."

He added: "I disagree strongly with Pat Buchanan's viewpoint in the Middle East. I am very pro-Israel. Israel is a strategic ally. It's the only democracy in the region. We will continue to defend and work with Israel, and Pat Buchanan's viewpoints on that are troubling to me."

New kids on bloc get State's attention

By Warren Strobel
THE WASHINGTON TIMES

The State Department is considering slimming down embassies and closing consulates in Third World nations whose importance to the United States has waned with the Cold War, according to senior department officials.

The officials, who spoke in recent interviews, said the department is threatened by a cash crunch brought on partly by the need to open new posts throughout the former Soviet Union. In addition, Congress is ex-

pected to freeze or even cut foreign affairs spending.

U.S. diplomatic posts in Africa and Latin America, where much of the job was to counter Soviet influence, will likely be scaled back, a senior State Department official said.

He added that, although terrorism remains somewhat of a concern, department planners also are reconsidering the need to build huge, fortresslike embassy compounds that are often located far from the center

see STATE, page A8

STATE

From page A1

of foreign capitals.

"We've conducted business in a whole series of places, we've opened posts and we've opened secondary posts within those same countries ... in large part in response to what were the political stakes and the military stakes vis-a-vis the Soviet Union," the senior official said, requesting anonymity.

With the Soviet Union dissolved and its influence eliminated from Africa and Latin America, "We're going to have to re-examine why we're there," he said.

Secretary of State James A. Baker III is scheduled to testify before a House Appropriations subcommittee this morning on the administration's \$21 billion foreign affairs budget request. He is expected to face questions on the future of such spending, including foreign aid and diplomatic missions.

According to officials there, the State Department next year will face a \$1 billion shortfall between its needs and its allocation under the White House-Congress budget agreement.

"We're operating on the assumption that there are real tough times ahead," one official said.

Spending on diplomatic posts is a fraction of the budget.

Adding further to the State Department's burden, Mr. Baker recently returned from a trip to the former Soviet Union with plans to open embassies in five more new nations — Moldova, Azerbaijan, Uzbekistan, Turkmenistan and Tajikistan.

Already in the last year, the United States has opened embassies in Albania, the three Baltic nations, and the republics of Armenia, Belarus, Kazakhstan and Kyrgyzstan. It also has established consulates in Leipzig, Germany, and Bratislava, Czechoslovakia.

"In terms of resources, that is a

problem. That is a reality," Thomas Niles, assistant secretary of state for European and Canadian affairs, said in an interview before Mr. Baker's latest mission.

Mr. Niles said some of the personnel and funds have been recouped by closing consulates in Western Europe and cutting positions in Washington and elsewhere.

The Moscow embassy no longer covers the entire territory of the former Soviet Union and will not have to be as huge as it once was, he said.

Still, the first senior official indicated that a much broader reassessment of the U.S. diplomatic presence globally is in the cards.

The new nations of the former Soviet Union are a clear priority.

"We're going to have to make sure our interests are properly there," the official said.

"I can't open up new posts without having the necessary money to do so. ... We're not in the position to do it as business as usual," he said.

Mr. Baker has held out the possibility of asking Congress for new funds, but the fate of such a request in the current political season is unclear.

The senior official said that planning for what he termed a significant shifting of U.S. resources is just now getting under way, and that no decisions on Third World embassies have been made.

No embassy will be closed altogether. Consulates and other "secondary" outlets are likely targets, the official said.

He called Africa "a perfect example" of where the United States built up its presence because of strategic interests and where "those interests will go away."

At the U.S. Embassy in Kinshasa, Zaire, where most personnel have been evacuated because of turmoil, "We'll never go back to the size that Kinshasa was," he said.

In Somalia, where a new \$44 million building was "annihilated" in a civil war, the U.S. Embassy will not be rebuilt as it was, he said.

PAUL CRAIG ROBERTS

Litigious flaws and fallout

Who will finance the companies that will create tomorrow's jobs? If the U.S. government has its way in a pending suit, no one will.

Vice President Dan Quayle created a commotion when he warned that our legal system is spinning out of control. The best evidence he is right is the government's own case against "junk bond king" Michael Milken.

Milken is like the ozone hole — we have all heard bad things about him, but know no facts. The government has succeeded in creating the impression he is a crook responsible for the collapse of savings-and-loan associations and has hired a private law firm to sue him, on a contingency fee basis, for losses associated with junk bond investments by the savings and loans.

There is an extraordinary case with extraordinary implications for our financial system. Beginning in 1986 the U.S. government launched an all-out assault on the junk bond market. Then, in 1989, it passed legislation forcing savings and loans to sell their junk bonds at the bottom of the market. Consequently, many of the savings and loans with significant holdings of junk bonds ended up in the hands of the Resolution Trust Corp., the government agency created to dispose of the assets of failed thrifts.

Now the government wants to sue Milken for the losses. The civil case charges that he manipulated the market by being a large purchaser and seller of bonds and by creating the false impression that the market was more liquid than it was.

The case makes no legal or economic sense. However, plaintiff lawyers, encouraged by their share of a prospective settlement that would bring them more than \$100 million in legal fees, have rounded up enough "victims" to file 117 lawsuits that piggyback on the government's case against Milken.

Some lawyers contend that Milken likely could successfully defend

Paul Craig Roberts, an economist at the Center for Strategic and International Studies, is a columnist for The Washington Times and is nationally syndicated.



Michael Milken

himself against the cases, but also point out that to do so would bankrupt a billionaire and then use 10 years of his life.

These considerations — some would call it extortion — are leading to a settlement in which the defendant pays up but admits to no wrong. To settle the case, the government wants \$900 million from Milken, plus \$300 million from his former associates. As the settlement would leave him with at least \$100 million, few people shed tears over his fate.

Be that as it may, the government is creating a precedent with this

case that may well stifle financial innovation in the United States and result in the stagnation of the economy.

Investments are risky. Many people lost money on U.S. government bonds when they had to sell them after rising interest rates depressed their prices. However, no one thought of suing the U.S. government or Federal Reserve Board for producing the inflation that "defrauded" them of their money.

When Merrill Lynch or any brokerage house sells a stock, bond or real estate investment, there is no guarantee against risk, and you cannot sue if your investments lose value.

The government's case against Milken could change this. He is being sued because his firm made a market in junk bonds, thus giving them liquidity. After the Milken case, any brokerage firm that makes a market in a new issue will be, by definition, a "substantial participant" in the market for that issue and vulnerable to a lawsuit if the investment falls in value.

The Milken case is turning the ordinary practice of commerce into torts and even felonies. The concept of market risk is being thrown out, and it is becoming evidence of malfeasance on the part of the broker if his clients lose money.

These dire events will not occur immediately. However, as Justice Benjamin Cardozo observed, in the law a principle, once established, tends "to expand itself to the limit of its logic." The Milken case has made financial innovation dangerous, and this will dry up the markets for new issues.

To protect themselves from the new liabilities, underwriters will cease to accept the traditional responsibility for making a market in the security. Without liquidity, the securities will bring less, thus making it difficult to finance new ventures in the United States. As innovators are forced to turn abroad for financing, their innovations, along with the jobs they create, may go with them.

Government lawyers are enjoying their newly acquired power to prosecute on the basis of novel theories that create crimes after the fact, but in the end the U.S. economy will pay for this shortsighted policy.

PRUDEN ON POLITICS

By Wesley Pruden



The Washington Times
MONDAY, FEBRUARY 24, 1992

Pfc. Quayle vs. the pundabilities

The president's campaign pit bull took on some of his tormentors in the media yesterday over growling rights to an old bone, and the vice president showed a bite as fierce as his bark.

He tangled with three pundabilities — a pundability being, as we all know, a pundit important enough to be a notability — about whether Dan Quayle or Bill Clinton most resembles Audie Murphy and Sgt. York when staring into the face of war.

Albert Hunt of the Wall Street Journal, a guest on NBC's "Meet the Pundability" and a man who had to leave the room earlier in the campaign when the grown-ups were talking about Bill Clinton, Gennifer Flowers and s-e-x, pronounced the questions into Mr. Clinton's draft-dodging as "legitimate" but asked whether the vice president hadn't similarly dodged the Vietnam war.

Replied the veep: "It wasn't to avoid going to Vietnam. I had a choice to make. I could have put myself in the draft. . . . I ended up having a high lottery number. I wouldn't have been drafted in the first place. I could have joined the Air Force, the Navy, could have gotten into an ROTC program or could have just joined the Regular Army or joined the National Guard, and I chose to join the National Guard."

Ah, retorted Mr. Hunt, but he knew there was very little chance of his being drafted. "You knew you weren't going to go to Vietnam if you joined the Guard."

"Well, it's not for certain. As a matter of fact, one of our Indiana National Guard units was returning from Vietnam, Company D out of Muncie, at the time I joined the Guard."

But the press hawks need blood of a deeper hue than that. Shot back Mr. Hunt: "Sir, I called the Pentagon on Friday. One percent of National Guardsmen went to Vietnam." (Which is true, but anyone who was there will tell you that he saw considerably more Guardsmen than draft-dodgers in Nam.)

"Al," replied the former Pfc. Quayle, "I'm not going to argue [that] you had more of a chance to go to



Sgt. York

Vietnam if you were in the Regular Army [than if you were in] the National Guard. . . . The question you asked me was one of motivation. I chose to serve and I chose to serve in the Indiana National Guard. Look at what the Guard did in the Persian Gulf. There's nothing wrong with serving in the Indiana National Guard. . . . Vietnam was very

much on everyone's mind at that time. In 1969, we

were all, including President Nixon, trying to figure out how this country was going to extricate itself from Vietnam. . . . You had choices to make. I made my choice. I'm very comfortable with it. . . . Of course, you consider all sorts of factors."

Countered Mr. Hunt: "Sir, that's what Governor Clinton's being criticized for."

This was the opening the vice president, still scarred from the phony and now discredited draft-dodging stories peddled in newspapers and newscasts in the hysteria following the 1988 convention, seemed to have been waiting for.

"Oh, no! No! No! No! No! . . . I think what Governor Clinton's being criticized for is the way that he handled this whole draft issue. And I think it is a legitimate question, a question that was put to me. You in the media spent a lot of time talking with me about this, a number of weeks. It was a major issue, my service in the Indiana National Guard for six years, and I'm sure it will be an issue with him."

No one doubts it. The questions hang so close over Mr. Clinton's head that no one, not the president or the vice president or anyone else, has to do anything to keep it hovering there. In boxing terms, small cuts have been opened over the governor's eye, and his foes, both Democrats and Republicans, will work on those cuts from now until November.

Discussing the vulnerabilities of the two front-runners, the vice president skillfully discounted the governor by treating Mr. Tsongas with elaborate deference, as if he were (and perhaps he is) the man to beat.

"We really have to wait and see how the Democrats sort themselves out. They might find some vulnerabilities amongst themselves we haven't thought about." Just so.

Letters

Clinton, unlike Quayle, was thinking . . .

I can't believe the venomous claptrap of Wesley Pruden's that passes for political/social analysis.

His attacks on Gov. Bill Clinton in his Feb. 14 column, "Clearly the man of his times," for Mr. Clinton's revelations of how he wrestled with his views about the war and ultimately did the honorable thing with respect to the draft are inexcusable.

This is especially true considering that Mr. Pruden's heroes include Ronald Reagan, "the Gipper," who spent World War II in hand-to-hand combat with Holly-

wood starlets (with a postwar stunt as a loony-left Screen Actors Guild president), and Dan Quayle, whose own Vietnam experience consisted of filling in for Indiana National Guardsmen sent to Southeast Asia.

Mr. Pruden is crucifying Mr. Clinton and a substantial portion of a generation for having deep thoughts and conflicting emotions about one of the most divisive issues of our time.

Vice President Dan Quayle gets a free pass from Mr. Pruden and his ilk for joining the Indiana National Guard and avoiding a

stint in Vietnam because he was incapable of having deep thoughts that could hang him 20 years later. Mr. Quayle's real motivation for staying stateside was the lack of a sapper on his staff to retrieve his out-of-bounds tee shots.

Mr. Clinton demonstrated more thoughtfulness at age 23 than Dan Quayle can generate in his 40s with a team of speechwriters and odious press flacks like Mr. Pruden to help him.

ELLIOTT R. CURZON
Alexandria

. . . but his thinking shows some disturbing attitudes

Read carefully this extract of presidential candidate Gov. Bill Clinton's letter of Dec. 3, 1969:

"[I am] writing to you because you have been good to me and have a right to know what I think and feel [emphasis mine]. I am writing this in the hope that my telling this one story will help you to understand more clearly how so many fine people have come to find themselves still loving their country but loathing the military, to which you and other good men have devoted years, lifetimes, of the best service you could give. To many of us [emphasis mine], it is

no longer clear what is service and what is disservice, or if it is clear, the conclusion is likely to be illegal."

Mr. Clinton says that he is still proud of what he wrote in this letter at age 23. But by using "us" in this letter, he clearly includes himself among those who loathe the military.

Much of the press characterizes the issue of Mr. Clinton's draft avoidance and how he went about it as the predominant indicator of his character. Some say that the draft avoidance issue is impor-

tant, others that it is not significant.

But the more critical issue is his qualification to be commander in chief. Do the American people want a person who still thinks and feels loathing for the military and is proud of it, making the decision that can take our nation to war and send our sons and daughters into combat? And what a role model for the men and women of our armed forces!

HENRY F. GRIMM JR.
Annandale

Buchanan's N.H. showing — and his populist appeal

Hooray for New Hampshire! Voters there have clearly said what many have for more than a decade: the trickle-down, supply-side policies of the Reagan-Bush years are strangling a vast majority while favoring a small percentage of the population.

Perhaps through Pat Buchanan, the Republican Party and the Bush administration in particular, can begin to gain a measure of domestic responsibility. Perhaps President Bush will be afforded a glimpse into the chasm and see that a strong nation must be nurtured from the inside out — not from developing other nations in hopes they will repay a political favor out of obligation.

Mr. Bush says a nebulous we won the Cold War. We are starving, and we don't don't give a damn about the Cold War, or any other war for that matter, if our children's health and education are neglected, if our elderly face the future with uncertainty or if our own people wither away in the streets.

I cannot endorse Pat Buchanan, but thank God for his candidacy!

ALAN ETTER
Fort Washington

Patrick Buchanan demands his

GOP opponent debate at "the country club of his choice"? That's nerve!

"Right from the beginning," he's a millionaire who idolized his political father, attended private school, lives in a pillared mansion, has others prepare his and his wife's meals, and gets around in a Cadillac, or an un-American Mercedes-Benz.

Whom is Mr. Buchanan trying to fool? Extremism in the defense of liberty remains no vice. Twisting the truth in pursuit of the GOP nomination is.

EDWARD "WOODY" RYDER IV
Centerport, N.Y.

John Frohnmayer's final act

Friday, finally, it was curtains for John Frohnmayer. Controversy dogged him throughout his 2½ years as chairman of the National Endowment for the Arts. Last week, President Bush, who picked Mr. Frohnmayer in the first place, decided he had become too embarrassing. It's a shame it took a presidential campaign for Mr. Bush to reach this conclusion. In a time of cultural warfare, the chairmanship of the NEA is no easy job, and Mr. Frohnmayer clearly was not up to it.

The last straw was an NEA grant of \$5,000 to the magazine *Queer City*. This fine publication contained a rap "poem" celebrating a black gang rape of a white woman in Central Park. Once the chairman's nemesis, the Rev. Donald Wildmon, started bombarding Washington with copies of the magazine, Mr. Frohnmayer's fate was sealed. Mr. Frohnmayer defended the poem in *Queer City* as "emotional, intense and sincere" and said that "the poem must be read in its entirety" to be judged.

No. There is nothing in the Constitution to say that the American public has to read or confront (one of Mr. Frohnmayer's favorite words) and certainly not pay for "art" that spits on every decent, religious, civilized, humane impulse. Fans of the NEA argue that only a tiny fraction of its grants are controversial. Still, that fraction kept growing during Mr. Frohnmayer's watch. Public funding for one obscenity is one too many.

Under Mr. Frohnmayer, nothing seemed too sordid

or political or blasphemous to disqualify. Performance "artists" merrily led the way: Annie Sprinkle with her flashlights, Holly Hughes with her bean sprouts and chocolate-covered breasts, Tim Miller, who got a grant to urinate on a picture of Christ in a toilet bowl. But American taxpayers also paid handsome sums for movies like "Poison," whose dramatic centerpiece was an act of sodomy, and for homoerotic exhibitions like the Robert Mapplethorpe show and the "Tongues of Flame" exhibit. Political propaganda was richly rewarded, too, like "Death Masks," which showed masks of conservatives deserving death.

During his confirmation hearings, Mr. Frohnmayer stressed that the NEA should not be "the nation's official pornographer." What happened? Mr. Frohnmayer went native. Only two weeks into office, he reversed his rejection of a grant for the "Tongues of Flame" exhibit. The arts community, led by the late Leonard Bernstein, said boo, and Mr. Frohnmayer jumped. Their disapprobation was more than he could bear, and so he broke faith with the people who had voted him in. In his farewell address to his staff Thursday, he said that fighting content restrictions against obscenity was his greatest achievement.

What Mr. Bush needs now is a chairman with the guts to clean up the agency's grant-making procedures, someone who will not be co-opted by "artists" who regard NEA funding as their personal constitutional entitlement.

The political weaknesses Pat Buchanan exposed in George Bush's re-election bid sent shock waves through Mr. Bush's campaign hierarchy and gave the Democrats reasons to think they may have a chance in November.

Mr. Bush's chief strategists deny that they made any mistakes in the way they conducted their campaign in New Hampshire. But others in the president's camp privately acknowledge that they seriously underplayed their offensive in the first primary state and underestimated the power of Mr. Buchanan's protest message and the depth of the recession that has ravaged the state.

To be sure, Mr. Buchanan spent more than 10 weeks in a tiny state whose depressed economy was tailor-made for his "send Bush a message" campaign, compared to three anemic and generally lackluster presidential visits. Mr. Buchanan's message that Mr. Bush was guilty of political betrayal on taxes and benign neglect on the economy was repeated over and over again, a tactic in politics that always succeeds in getting a message across. New Hampshire, with more than 8 percent unemployment and record bankruptcies and foreclosures, was fertile ground for his concentrated attack plan.

Mr. Bush ended up getting nearly 60 percent vs. 40 percent for Mr. Buchanan, but the combative conservative commentator had scored a direct hit in the age-old expectations game. It wasn't the 42 percent that Gene McCarthy won against President Johnson, driving Johnson

Donald Lambro, chief political correspondent of The Washington Times, is a nationally syndicated columnist.

from the race, or the 49 percent Ronald Reagan won against President Ford who later went down to defeat at the hands of Jimmy Carter. But Mr. Bush's nose was bloodied and, worse, his political vulnerabilities were exposed.

That served to magnify the enormous void that was evident in the indecisive Democratic primary in which no single candidate was able to really pull away from the pack. That in turn triggered new speculation that a heavyweight had to get into the race or the party would lose a golden opportunity to oust a clearly beatable president.

Former Massachusetts Sen. Paul Tsongas led the pack. Yet there was little confidence among party leaders that Mr. Tsongas, the most pro-business Democratic contender in decades, had any deep support within the party nationally. "It is unlikely that he has the political strength to go the distance," said veteran Democratic strategist Stuart Eizenstat.

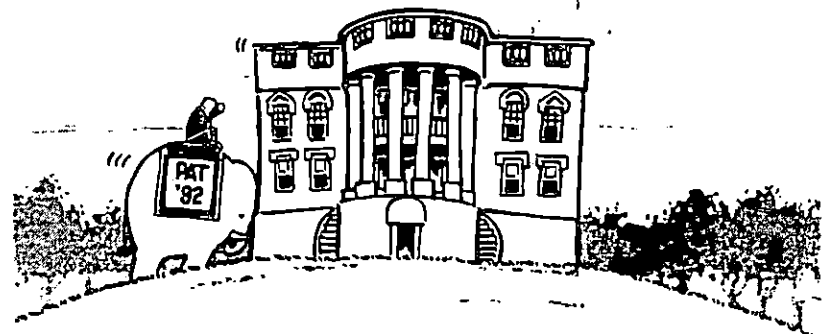
Arkansas Gov. Bill Clinton managed to overcome allegations of adultery and draft avoidance by pulling up a close second. He must now prove he can win in the Southern Super Tuesday primaries. The chances are he will do well because he remains popular in much of the South, and no one in the pack represents a serious challenge to him in that region.

Yet, no matter how well he does in the South, Democrats here are scared to death that there are other allegations still lurking in his past. "These fears are feeding the efforts by party leaders to get others in this race," said a prominent Democratic adviser.

The two at the top of everyone's list are House Democratic Leader Richard Gephardt of Missouri and Sen. Lloyd Bentsen of Texas. Both

STANDARD FORM NO. 64
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

THAT'S ODD...I FEEL
A SUDDEN SHIFT
TO THE RIGHT!



are seen as strong national candidates who have been through presidential campaigns before, and who will not embarrass the party.

Kentucky Sen. Wendell Ford is among those leading an effort to draw Mr. Bentsen into the race, while House Speaker Tom Foley has been quietly encouraging Mr. Gephardt to become a candidate.

Even Senate Majority Leader George Mitchell of Maine, when asked if other Democrats should enter the race, went so far as to declare on the eve of the New Hampshire primary that "the more people who run the better, because democracy thrives on competition and choice." Few Democrats missed the real meaning of his message.

More and more Democrats here within the Capital Beltway are "de-

ciding that they don't want to be saddled with another weak candidate and risk losing their seats," says Mr. Eizenstat. If Mr. Clinton is able to sweep most of the Southern states, many Democrats say that he will be unstoppable. But is there another scandal in the Clinton closet?

"He could win," says Mr. Eisenhower. "That's why you have to hope and pray that there is not another shoe to drop. It is the fear of that happening that is propelling efforts to get other Democrats into this race."

New Hampshire voters showed us last week how vulnerable Mr. Bush is on the economy. Even Democrats who believed he was potentially beatable were stunned by the size of Mr. Buchanan's vote.

ident a lot better than anything we can do to him," former Democratic national chairman John White told me. "With the right candidate and the right message, we can beat him now."

Yet George Bush has been underestimated before. Both he and his strategists have made some tactical mistakes by misreading the breadth of the economy's decline, by taking his conservative base for granted and by not focusing on New Hampshire earlier and longer.

But the president knows how to play hardball politics as Michael Dukakis knows and as Mr. Buchanan will soon learn. "Pat Buchanan got a free ride in New Hampshire," said a Bush adviser the day after the primary. "That's going to end."

L BRENT BOZELL III

Getting the better of the teflon deal?

Now that Gov. Bill Clinton has placed second in New Hampshire, he will claim that voters no longer care about his "personal issues," accusations of adultery and draft dodging. Will the media accept Mr. Clinton's claim and drop their questioning?

Even before the first primary, the questioning of Mr. Clinton was soft. On Feb. 12, ABC's Ted Koppel interviewed Mr. Clinton over the letter he wrote in 1969 about avoiding the draft. Mr. Koppel announced at the outset: "It is, as Gov. Clinton himself described it today, the account of a conflicted and thoughtful young man. It is quite a remarkable letter, actually, eloquent and revealing."

Revealing, yes. As the New York Times effectively summarized it, Mr. Clinton's letter acknowledged that he "had no interest" in joining the ROTC and thanked the local commander for "saving me from the draft."

Mr. Koppel never charged Mr. Clinton with hypocrisy or dishonesty. In fact, Mr. Koppel appeared to absolve Mr. Clinton, suggesting that his actions at the time are no longer relevant: "And indeed, if we were electing that 23-year-old man, what he said and thought and felt at that time would be germane. Now, however, it is what the 45- or 46-year-old Bill Clinton thinks." Mr. Koppel didn't challenge Mr. Clinton when he asserted, "All I've been asked about by the press are a woman I didn't

L. Brent Bozell III is chairman of the Media Research Center.



Clinton's links to the Bank of Credit Commerce International, they are ignoring any details about Gennifer Flowers. Post gossip columnist Cindy Adams interviewed a Flowers roommate named Lauren Kirk. Miss Kirk says she shared an apartment with Miss Flowers from 1983 to 1985, and that Miss Flowers entertained Mr. Clinton there three times. In the Dallas Morning News, reporter David Jackson found another Flowers roommate, Marilyn Roberts, who also insisted: "It's true." Is all this the gospel truth? Maybe not, but under the Anita Hill rules, Misses Kirk and Roberts would be "corroborative" witnesses demonstrating that Mr. Clinton lied.

Voters may not have to know every detail of a politician's past. But the media have insisted that the only issue is the truthfulness of Mr. Clinton's version of events. But the media seem reluctant to delve into that issue.

Will the media let anyone else point out inconsistencies in Mr. Clinton's stories? Given the media's four-year campaign against anti-Dukakis advertising, one would expect candidates to come under heavy fire for airing negative ads.

On last Tuesday's election night special, NBC reporter Lisa Myers theorized: "If 1988 was the year of the Big Lie in political advertising, then so far 1992 is the year of the small fib." She showed two ads she found misleading and concluded: "These distortions are relatively minor compared to the whoppers of 1988." Miss Myers accompanied this charge with footage of the Bush campaign ad showing Mr. Dukakis in a tank. Did Miss Myers ever substantiate Mr. Bush's "Big Lie" or the misleading "whoppers" in that defense ad? No. This year we may have to watch the ad watch patrols.

Political ethics is a relative proposition. What is germane to the political conversation for some (draft dodging, Gennifer Flowers) is irrelevant to others. What is misleading to one camp may be seen as truthful by another. In the final analysis, however, the media will serve as judge and jury. Therein lies the problem.

Political ethics is a relative proposition. What is germane to the political conversation for some is irrelevant to others.

sleep with and a draft I didn't
dodge."

Compare this to Mr. Koppel's treatment of Dan Quayle on Aug. 18, 1988, when he was under fire for joining the National Guard. This interview was replete with long, accu-

satory questions: "Jeff Greenfield used the term 'elitism.' Let me use another term. How about hypocrisy? Here's a man who has really, since the age of 17, when he was an unabashed Barry Goldwater supporter, very early, precocious young man, politically active, he has been a hawk. He was very much in favor of the war in Vietnam, and yet, as Jeff has just put it, leaves this image now of having said, 'Here, I'll hold your coat. You go and fight in Vietnam. I'm going to join in the National Guard,' which is a perfectly acceptable thing to do, but is also something that you do because you know you probably won't have to go to Vietnam and fight."

After then-Bush aide Craig Fuller tried to answer, Mr. Koppel

followed up with another speech: "I'm suggesting that Dan Quayle, the man who is now a vice presidential candidate, and who has been a hawk all his life, whose main issue, until you folks started talking about the job training program, has been that he is so pro-militaristic, that this man in particular, who for his entire political career, has been emphasizing that issue of militarism, now turns out to have been a fellow who wanted to stay behind in the National Guard rather than go over and fight, as indeed he admits his brother did. That may smack just a little bit of hypocrisy."

New revelations concerning Mr. Clinton's past have arisen and are being ignored by the mainstream press. Just as the media whistled by the New York Post's story on Mr.

Putting the mammoth on a diet

It's not exactly news that the men who want to be president of the United States are trying to appeal mainly to the middle class voters with middle class values.

But a quiet revolution is taking place in our policy toward the poor who want to climb into the middle class. We're finally beginning to tell them they must change their behavior if they want welfare payments and (eventually) the perks of the middle class.

The theory behind this new policy is that welfare creates the wrong incentives. A welfare recipient who earns a little extra money quickly loses benefits. Such policy hardly fosters ambition. Instead of discouraging a welfare recipient from having illegitimate children, we offer her more money for each child.

Despite statistics that show two-parent families have a better chance to escape poverty than single-parent ones, the government offers no incentive to a woman to marry the father of her child, but instead removes welfare if she marries someone whose income barely exceeds the poverty line. Thus the government takes over the paternalistic role as breadwinner for the family.

A single teen-age mother needs all the support she can get from her own family, but the welfare check often enables her to move out of the protecting circle of her own family.

Not only does welfare encourage dependency, but acts as a permissive parent. It makes no demands. It offers no discipline. Such welfare values have negative consequences.

"We can't have a separate set of values for poor people," says New Jersey Assembly Member Wayne Bryant and author of legislation that will radically change his state's welfare system if the federal government waives certain of its own regulations. The law that New Jersey Gov. Jim Florio signed last month allows mothers on welfare to work and marry without losing benefits. They can earn up to 50 percent of their total welfare payments without taking a cut.

New Jersey would also require all welfare recipients with children 2 years old and up to participate in job-training and education programs. It would deny additional pay-

ments to welfare mothers who have more than one child. Now welfare mothers receive \$64 per month for each second and third or fourth child.

Working Americans of the mid-

Not only does welfare encourage dependency, but acts as a permissive parent. It makes no demands. It offers no discipline. Such welfare values have negative consequences.

die class get neither a salary increase when they have another child nor a salary decrease when they marry, notes Mr. Bryant.

Bill Clinton, the governor of Arkansas who wants to be the president, says the New Jersey bill hurts the mother. But Mr. Florio disagrees, arguing that it rewards independence, generates education and encourages family stability.

The middle class may be hurting, but its values are vital as other states also revise welfare rules. A statewide referendum in California in November will determine whether to eliminate extra welfare benefits for extra children and decide if single

teen-age mothers must live with their parents (or guardians) to qualify for benefits.

Maryland proposes to tie strings to welfare. A recipient of welfare money will have to take responsibility for preventive health care, keeping a child in school and paying rent. Wisconsin and Ohio tie welfare benefits to school attendance and reduce them when a child is truant. Gov. Tommy Thompson of Wisconsin proposes "welfare," which would provide a "wedding bonus" to teen-age mothers who marry the father of their child.

President Bush wants to inspire innovative approaches to welfare. In his State of the Union speech, he called the insight of Franklin D. Roosevelt, who warned that welfare must not become a narcotic, because it is a subtle destroyer of the human spirit.

"Welfare was never meant to be a lifestyle," Mr. Bush said. "It was never meant to be a habit. It was never supposed to be passed from generation to generation like a legacy." It was meant to cushion the poor until — but only until — it could become part of the middle class.



Brown presses Tsongas hard in Maine race

The Washington Times
MONDAY, FEBRUARY 24, 1992

By Peter Jackson
THE ASSOCIATED PRESS

PORTLAND, Maine — Paul Tsongas and upstart Jerry Brown battled for victory in Maine's caucuses yesterday in an improbably close race that reflected the unpredictable campaign for the Democratic presidential nomination.

First one, then the other, held the lead — but never by much — as the long count was tallied from 665 precincts around the state. With 97 percent totals, each candidate had 29

percent of the vote.

An uncommitted slant of delegates had 16 percent, Arkansas Gov. Bill Clinton had 15 percent, and the rest of the field followed.

Predictably, both Mr. Brown and Mr. Tsongas claimed success. The former California governor, who refuses contributions larger than \$100, claimed his showing proved that "grass-roots citizens can take back this country."

Mr. Tsongas was the favorite in advance by virtue of his victory in last week's New Hampshire primary, and the results gave him less



to boast about. He brushed aside a suggestion that the Maine results were a sign of a fragile candidacy, saying, "My fight is with Bill Clinton at this point."

Maine voted as the campaign moved on relentlessly. All five major Democratic contenders — plus candidate Larry Agran — participated in an evening debate in South Dakota that generated sparks two days before the state's primary. That balloting shapes up as a struggle for sur-

see POLITICS, page A8

POLITICS

From page A1

vival for Nebraska Sen. Bob Kerrey and Iowa Sen. Tom Harkin.

After that, the race explodes with 24 primaries and caucuses over two weeks that will award 1,287 delegates of the total 4,287 delegates at the Democratic National Convention.

In all, it was a second remarkable night for the nominating fight in less than a week. Mr. Tsongas' victory in New Hampshire had been unthinkable less than a month before the voting, when Mr. Clinton was hit with allegations of womanizing and Vietnam-era draft dodging that he strenuously denied.

The Maine results were a blow to Mr. Tsongas, a former Massachusetts senator who is struggling to maintain the momentum he gained with his New Hampshire victory. They were an embarrassment as well for Mr. Clinton, who was credited with a solid organization and finished a strong second in New Hampshire.

The results were a huge triumph for Mr. Brown, who finished last among the five major contenders in New Hampshire and has been derided as a gadfly making a hopeless quest for the nomination.

Mr. Kerrey, running last, said: "The larger story is Brown doing extremely well.... That's a pretty fragile mandate [for Tsongas] coming out of New Hampshire."

Mr. Brown said: "It's certainly an upset. It has to be a shock to the pundits in Washington, who early on believed that only \$1,000 checks and obscene campaign war chests could propel a candidacy. The people of

DELEGATES

The delegates won by each candidate in the Democratic caucuses in Maine yesterday.

97 percent precincts reporting	
Larry Agran	0
Jerry Brown	7
Bill Clinton	3
Mario Cuomo	0
Tom Harkin	1
Bob Kerrey	0
Paul Tsongas	8
Uncommitted	4
Others	0
Total	23

The Washington Times

Maine proved them wrong and demonstrated that grass-roots citizens can take back this country."

Mr. Tsongas congratulated Mr. Brown on "a very aggressive effort" in the state. "Caucuses are not my strong point," he said.

One Brown supporter, Geraldine Tukey, said: "He's kicking butt.... This is not surprising."

The former California governor campaigned energetically throughout the state for five straight days, reaching out to disaffected voters and opponents of nuclear power.

He said he was the first contender to win outside his home region and said, "This is a testimony to the strength of people who are tired of being manipulated."

Democratic Party activists in Maine gathered in hundreds of living rooms, schools, town halls and firehouses to begin the two-step process of choosing 23 delegates to the national convention.

Republicans have until April 1 to hold their caucuses, although several precincts were doing so yesterday.

MAINE RETURNS

The latest, unofficial returns in the Democratic caucuses in Maine yesterday. The votes in each jurisdiction may differ in meaning, depending on state rules and level of caucus.

645 of 665 precincts reporting 97 percent	
Larry Agran	14 — 0%
Jerry Brown	987 — 29%
Bill Clinton	515 — 15%
Mario Cuomo	13 — 0%
Tom Harkin	174 — 5%
Bob Kerrey	105 — 3%
Paul Tsongas	894 — 29%
Uncommitted	532 — 16%
Others	33 — 1%

The Washington Times

day. The delegates selected in these meetings were unpledged, but GOP challenger Pat Buchanan made little effort to contest President Bush in the state.

Citing unofficial tallies from 200 communities that have voted in recent weeks, the state Republican Party gave Mr. Bush 875 of the first 990 delegates chosen.

Elsewhere, there was evidence of the momentum that Mr. Tsongas won from his New Hampshire victory last week.

In Colorado, which holds its primary on March 3, a Denver Post poll showed him running ahead of the pack with Mr. Clinton a close second. A similar survey taken late last month showed Mr. Tsongas at the bottom of the heap.

Three other states hold primaries on March 3 — Maryland, Georgia and Utah. Three more, plus American Samoa, have caucuses sched-

MAINE

Profile of caucuses:

Delegates at stake in Maine:

Democratic: 4,287

Republican: 22

Delegates at stake in U.S.:

Democratic: 4,287

Republican: 2,200

Maine electorate:

1990 population

1,221,920

Eligible voters

918,926

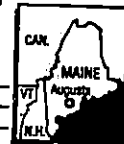
Registered voters

624,638

Other: 37.1%

Republicans: 23.9%

Democrats: 33.0%



uled, with a total of 383 delegates up for grabs that day.

Even as the caucuses were convening, the Tsongas camp sought to minimize his chances for victory in Maine. A month ago, he barely registered in the preference polls around the country. But after his victory in New Hampshire, anything less than an outright triumph in Maine was sure to be seen by his rivals as a setback for the former Massachusetts senator.

Mr. Clinton paid a last-minute visit on Saturday in hopes of maximizing his support.

Mr. Tsongas stressed his pro-business economics policy in recession-wracked Maine.

Clinton gets lashes on Ark. labor issues

By Philip Dine
St. Louis Post-Dispatch

Bill Clinton has accumulated a fair amount of labor support around the country for his presidential bid, mostly from public-employees unions. But back home in Arkansas, some sharp labor criticism is being aimed at the governor.

Bill Becker, president of the Arkansas AFL-CIO, pulls no punches, though other labor leaders in Arkansas defend the Democrat.

Among Mr. Becker's complaints:

- Arkansas ranks near the bottom of states on worker safety and wages.
- Arkansas has advertised its "right-to-work" status and its low wages to woo companies to the state.
- Arkansas had no labor director for 18 months because of a fight that ensued from Mr. Clinton's insistence on having a banker in the job.

• Arkansas engaged in various "union-busting" activities, including lending money to a plastics company having a dispute with the United Auto Workers in 1990, helping "strengthen the company's hand in negotiations."

Mr. Becker, a former textile worker and meat cutter, has headed the 85,000-member Arkansas AFL-CIO since 1964. He's been circulating detailed information on Mr. Clinton's record — including footnotes — to the national AFL-CIO and state branches.

Mr. Becker maintains he's "neutral" on the presidential race, that he just feels obligated to "provide the governor's record to the AFL-CIO."

But Mr. Becker adds, "If I were to translate his record into ratings like they do for congressmen, he'd be batting about 25 percent."

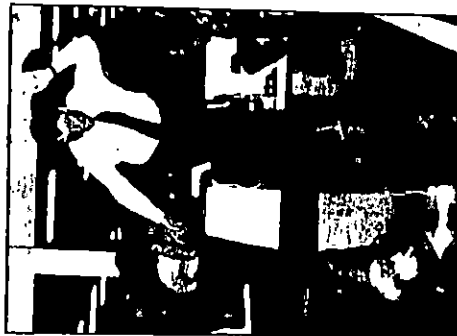
Under Mr. Clinton, the average hourly manufacturing wage in Arkansas already \$1.23 below the U.S. average fell \$1.15 further, Mr. Becker says. Arkansas workers average \$9.89, against \$11.27 nationwide, Mr. Becker adds, putting Arkansas 49th, or "two damn low."

Safety is a problem, Mr. Becker says, citing a recent study by the National Safe Workplace Institute. "We are 50th in job safety. ... It's cheaper here to pay the death benefit than to make the workplace safe."

Mr. Becker also disapproves of advertising that uses "state funds to lure people here based on our low wages" and "non-union environment."

Another complaint concerns the vacancy in the labor director's spot. The Arkansas AFL-CIO supported a bill "mandating some labor qualification for the secretary of labor," Mr. Becker said. But Mr. Clinton threatened to veto it. The bill passed after being amended to allow the banker to remain as assistant director, Mr. Becker said.

Mr. Becker's version of events is contested



Bill Clinton bows in Maine, but back home, folks say he's dropped the ball on labor.

by some government and labor officials in Arkansas.

The ads in question were not meant to tout Arkansas' right-to-work status, says the governor's spokesman, Mike Gaudin. Rather, the Arkansas Industrial Development Commission (AIDC) was just relating the facts. In any case, Mr. Clinton didn't sign off on all such ads, Mr. Gaudin said, asserting, "He doesn't micromanage to that extent."

About the labor director gap from January 1988 to July 1989, state officials contend the AFL-CIO and non-organized labor were split between two candidates, and Mr. Clinton "got caught in the cross fire."

On the dispute involving the plastics company, Mr. Clinton's deputy political campaign director, Nancy McFadden, said the firm was "the largest minority-owned business in the state." The loan was meant to "keep this company going, which Bill Clinton felt was very important," she said. Mr. Clinton helped mediate the ensuing strike, she said.

Will Mr. Becker's actions have much impact? Here's what Dave Sweeney, legislative director for the 1.4-million-member International Brotherhood of Teamsters, said of Mr. Clinton:

"Bill Becker isn't too fond of him. If a candidate comes from Missouri and we call [Missouri Teamster political director] Mark Abouand [Missouri AFL-CIO President] Duke McVey and they give me the lowdown on someone, I'm pretty inclined to listen to them."

• Distributed by Scripps Howard.

By Carleton R. Bryant
The Washington Times

Two new economic studies purport to reveal the damaging side effects of recent tax measures at a time when House Democrats are scrambling to create a tax bill their members can support.

A study by the Republican staff of the Joint Economic Committee shows that the luxury tax has cost at least 9,400 jobs in boat, aircraft and jewelry manufacturing and \$7.6 million in federal funds last year.

Those figures apparently have caused some Democrats to have second thoughts about the luxury tax, a shift exemplified in a Jan. 31 letter from a House Democratic leader in Rep. Dan Rostenkowski, chairman of the Ways and Means Committee: "On the surface, the luxury tax on boats appears to be a progressive way to raise revenue. In reality, approximately 8,000 middle-income Americans have lost their jobs in the

boat building industry as a direct result of this tax. The resulting unemployment has contributed to an estimated \$30 million loss in federal revenues — more than three times the amount the luxury tax was expected to generate in FY 1991."

Neither Mr. Rostenkowski nor the Democratic leader were available for comment.

Part of the Omnibus Budget Reconciliation Act of 1990, the luxury tax levies a 10 percent surcharge on cars costing more than \$30,000, yachts more than \$100,000, jewelry and furs costing more than \$5,000, and aircraft more than \$250,000.

The economic committee reports that the Joint Committee on Taxation estimated that in 1991 the luxury tax would generate:

- \$6 million from airplane sales; the Internal Revenue Service actually collected only \$65,000.
- \$9 million from boat sales. The IRS garnered \$7.3 million.
- \$4 million from fur sales. The

TAXING SITUATION

Some taxes cost more in unemployment than they deliver in federal revenue, a new study shows. The effects of the luxury tax on employment in selected industries and federal revenue for fiscal 1991:

Item taxed	1991 tax-related job losses	Tax-related federal revenue	IRS tax-related revenue	Net effect on federal revenue
Boats	7,600	\$18.2 million	\$7.3 million	-\$10.9 million
Airplanes	1,470	5.1 million	0.065 million	-\$ 5.0 million
Jewelry	330	0.9 million	9.2 million	\$ 8.3 million
Totals	9,400	24.2 million	16.6 million	-\$ 7.6 million

Source: Republican staff of Joint Economic Committee

The Washington Times

IRS collected \$342,000.

• \$16 million from jewelry sales. The IRS collected \$9.2 million.

However, the study notes that although the taxation committee estimated the luxury tax would generate \$121 million in overall federal revenue last year, the IRS actually collected more than \$168 million in total luxury-tax revenue in 1991.

The study attributes the IRS total

to revenue collected from car sales — \$151 million, which exceeded the taxation committee's estimate of \$86 million by 43 percent.

"Sheer luck bails out faulty methodology," the study says.

According to the report, the result of the luxury tax was to force businesses to lay off underused workers, who then collected unemployment benefits at a net cost of \$7.6 million

to the federal government.

"The effect of this tax when only the direct cost to the federal government of increased unemployment is taken into account is to spend \$1.46 to raise \$1," the study says.

Economist Gary Robbins of Fiscal Associates, a consulting firm, calls the luxury tax "a very short-sighted kind of a tax" because it ignores the "second-round effect of taxation" — increased unemployment.

The government could collect as much revenue, if not more, in Social Security and income taxes as in luxury taxes, Mr. Robbins said.

But Norman B. Ture, president of the Institute for Research on the Economics of Taxation, disagreed, saying that taxes do not necessarily cause employment to fall.

According to an Economic Policies Institute study, another costly tax in terms of unemployment is the Social Security tax on tip income, which has deprived the restaurant

industry of 72,000 jobs and the federal government of \$211 million in revenue.

In 1987, Congress enacted legislation requiring restaurateurs to pay Social Security (known as the Federal Insurance Contribution Act, or FICA) taxes on the tips their employees received above minimum wage. At that time, the minimum wage was \$3.35 an hour.

When the minimum wage rose to \$4.25 an hour last year, restaurant owners were faced with paying higher salaries and higher Social Security taxes on those salaries and on tips.

The tax requirements and the wage increase have forced restaurants to cut back on employment and created shortfalls in federal coffers, the EPI study says.

The study estimates "the net revenue gain from the FICA tax on tip income above the minimum wage equals about \$5,000 per job lost as a direct consequence of the tax."

Granite State signals trouble for Congress

By Janet Hook
CONGRESSIONAL QUARTERS

The New Hampshire presidential primary, in an early forecast of the 1992 political climate, has sent a chilling message to Congress.

The strong showing of non-Washington candidates in the Democratic and Republican primaries warns all incumbents that they, too, could face an electorate fed up with the political establishment.

And Pat Buchanan's primary challenge to President Bush may prod the president into a confrontational legislative stance that could spell gridlock in Congress for the rest of this year.

"What New Hampshire said was two things," says Rep. Dave Nagle, Iowa Democrat. "They are not very fond of any of us. And not much is going to get done in this town."

To congressional Republicans, the primary presents the unsettling prospect of running for re-election with a weakened president at the top of their ticket.

Democrats are left with a field of candidates who some members say are too weak to take on Mr. Bush and head the party's ticket in a pivotal year for congressional elections.

But the Democratic field emerged from New Hampshire with enough strength to quell persistent talk that another candidate — most likely Sen. Lloyd Bentsen of Texas or Rep. Richard A. Gephardt of Missouri — would soon enter the race as the incumbents' favorite son.

"There are still anxieties," says Rep. Vic Fazio of California, chairman of the Democratic Congressional Campaign Committee. "But I'm not ready to begin denigrating any of the candidates until we see how they perform in other venues around the country."

Most of the major presidential candidates brought an anti-Washington message to New Hampshire, and the results were a tribute to the strength of that appeal.

In the Democratic primary, voters relegated two members of Congress — Sens. Tom Harkin of Iowa and Bob Kerrey of Nebraska — to the back of the field. A non-Washingtonian, Arkansas Gov. Bill Clinton, placed second.

The Democrats' top vote-getter, former Sen. Paul E. Tsongas of Massachusetts, appealed to voters as a straight-talking critic of politics as usual. He has bluntly attacked Democrats in Congress for this year's legislative centerpiece: a tax cut for the middle class.

The most striking challenge to the Washington status quo came from Mr. Buchanan, a conservative commentator who cast his campaign as an assault on the GOP and Washington establishment.

Mr. Buchanan's strong showing — widely interpreted as a protest vote against Mr. Bush's economic policies — leaves Republican incumbents in a state unimaginable a year ago. As Mr. Bush's political capital has dwindled and the economy has faltered, so too have the electoral hopes of the congressional GOP.



Vic Fazio



Vin Weber

"We don't have a lot of good news right now," says Senate Republican Conference Chairman Thad Cochran of Mississippi. "Our candidates are going to have to do a lot of hard work between now and November to add any Republicans to the rolls."

Some conservative Republicans see the strength of Mr. Buchanan's appeal as a vindication of their view that Mr. Bush should more aggressively confront Congress.

"The message of Buchanan is that people want bold action," says Rep. Vin Weber of Minnesota, a member of the GOP House leadership.

Because Mr. Buchanan has savaged Mr. Bush for abandoning his no-new-taxes pledge in 1990, many lawmakers said the primary has dashed any slim hope of reaching a compromise with the president on a tax bill this year.

Despite Mr. Bush's intraparty problems, the New Hampshire primary has left many Democrats wondering if they have a candidate strong enough to exploit the opportunities before them.

Mr. Clinton has been dogged by reports of extramarital affairs and his efforts to avoid serving in the Vietnam War. He had an early lead in collecting endorsements from members of Congress, but some are now shying away from him.

"I have a hard time with Clinton," says Rep. John P. Murtha, Pennsylvania Democrat. "There are so many questions about his integrity."

Mr. Tsongas has alienated other Hill Democrats with his pro-business stance, opposition to middle-income tax cuts and other positions challenging Democratic orthodoxies.

"Tsongas is a yuppie candidate preaching to the Chablis-and-brie crowd," Rep. David R. Obey, Wisconsin Democrat, says. "I don't think he has a message or a plan that will mean much to working Americans."

Congressional incumbents have a powerful interest in a strong candidate at the top of their ticket because redistricting has created vast uncertainties for House members.

"Redistricting, the anti-incumbent mood, the Clinton setbacks — all that has contributed to an atmosphere of extreme nervousness and cautiousness among members," Rep. Bill Richardson, New Mexico Democrat, says.

• Distributed by Scripps Howard

ANC fund raising

Former D.C. Delegate Walter E. Fauntroy has been hired by the African National Congress to raise money, according to reports in the Washington Inquirer newspaper and Early Warning newsletter. Mr. Fauntroy's firm, WEFA, will receive \$700,000 over the course of a year for its efforts. A first installment of \$230,000 has already been paid.

Mr. Fauntroy, the former non-voting delegate to Congress from the District of Columbia, was quoted as saying he hopes to raise \$5 million for the ANC. Whatever the amount, the remainder of his fee comes off the top.

Questions have been raised about whether the ANC might have used money provided by Congress through the Agency for International Development to hire Mr. Fauntroy. The ANC also has received major contributions from Libyan leader Moammar Gadhafi.

Part of Mr. Fauntroy's mission will be an attempt to revive the "South Africa Now" news program over the Public Broadcasting System. Some affiliates had refused to carry the program because they found it full of propaganda.

Sex who?

The sniper's motto is "one shot, one kill." We've known a few snipers in our time. And, Sam Donaldson, you're no sniper.

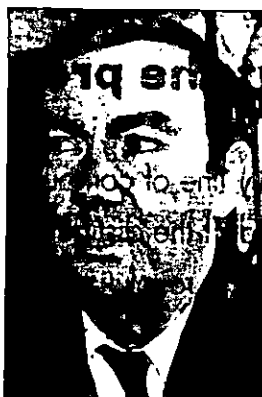
Foiled in his first attempt to nail Pat Buchanan with the presidential aspirant's own words, Mr. Donaldson, on ABC's "This Week," slogged ahead to the next ambush:

Mr. Donaldson: "Mr. Buchanan, in 1986 when President Reagan's trip to Bitburg, the cemetery in Germany, had been announced, and you were communications director at the White House, a group of Jewish Americans led by Eli Wiesel came to the White House to protest and ask Mr. Reagan not to go. I'm told that in a closed-door meeting with them, you said to them, 'When are you people going to start acting like Americans first?' Did you say that? And if so, what did you mean by it?"

Mr. Buchanan: "Of course. I didn't say it, and Eli Wiesel wasn't even in the meeting."

Mr. Donaldson: "Well, I was told by someone in the meeting that you said that."

Mr. Buchanan: "Who told you."



Sam Donaldson is scolded on TV by the nation's top conservative for using sources not in the know.

Sam? Where do you get these sources, Sam?

Mr. Donaldson: "Well, I have a source for this, Mr. Buchanan."

Mr. Buchanan: "All right. Who is he?"

Mr. Donaldson insisted that his source had been at the meeting and Mr. Buchanan insisted that if he had said any such thing, it would have been on the news shows within hours. "Where do you get this stuff, Sam?"

Mr. Donaldson: "Well, I get it, Mr. Buchanan."

Mr. Buchanan: "I'll bet you do."

Mr. Donaldson: "And you don't — you don't."

Mr. Buchanan: "Sam, you've got to stop collecting this garbage. You've got to verify something before you go on national television and use it."

Mr. Donaldson, sensing he still had a few toes left on his foot, stuck to his guns.

The big five-0

The Voice of America celebrates its 50th anniversary today. There have been significant program changes at that venerable institution of late, reflecting the more relaxed mood of the planet. But if certain grumblings we have heard turn out to be true, there is a repressive element at work behind the let-the-good-times-roll facade.

As we hear it out of VOA's bureaucratic parent, the United

States Information Agency, a plan is in the offing to impose foreign service officers as monitors over VOA news and editorial professionals. The intent is to ensure that all VOA broadcasts conform with the policy line of the State Department.

Now, that is not a good sign. The Voice of America should support the ideals of America, including that of a free and unbridled press. It was just this type of policy action that prevented VOA from airing the voice of Aleksandr Solzhenitsyn on broadcasts in the early 1970s, and it was just this type of policy action that spawned effort to restrict VOA's reporting of son Watergate developments during those years.

Perhaps the way to discover the truth of the current situation is to offer the protection of press freedom to any VOA professionals who might have evidence of USIA efforts to impose policy constraints on news and editorial broadcasts. Some documents would be nice, thank you.

So if you have evidence of political harassment, ring it along to the undersigned correspondent at this newspaper. As is our oft-stated policy, we, harrumph, will let the sunshine of press freedom illumine whatever shadowy operatives might conspire to spike the truth. Or we'll just raise some hell and have fun.

It has been suggested that we call this project the "McKinney Russell Watch." Thus far we have learned only that Mr. Russell, co-sponsor of the USIA, is reportedly the architect of the control plan. Questions remain. And while we await answers, let us conclude this quixotic rodomontade with a final generous wish: Have a really happy birthday, VOA.

Future news

It's long been rumored that Secretary of State Jim Baker and his coterie are primary sources for many of the leaks and prognostications that show up in the Rowland Evans and Bob Novak column. The case seemed a little stronger after a column appeared summarizing a meeting between Mr. Baker and Israeli Ambassador Zalman Shoval. According to a report in the forthcoming Washingtonian magazine, the meeting didn't take place until after the column was published.

— John Elv

MONDAY, FEBRUARY 24, 1992

South Holds Rough Terrain for Buchanan; Clinton Heads Home, Head Bowed a Bit

Republican Challenger Faces Daunting Task in Region Of Loyal Bush Support

By JOHN HARWOOD
Staff Reporter of THE WALL STREET JOURNAL

AUGUSTA, Ga.—In case Patrick Buchanan needed a reminder of the challenge facing his insurgent Republican presidential campaign, he got one when he landed in this genteel corner of Southern conservatism—at an airport called Bush Field.

Mr. Buchanan bore the trappings of success from last week's surprisingly strong New Hampshire primary showing: a chartered campaign plane, a respectable media entourage and a shouting, sign-toting crowd of some 200 Georgia supporters. Yet the erstwhile television commentator acknowledged the long odds against his "dream" of converting that New England coup into primary victories in the widely scattered Southern contests that culminate on Super Tuesday, March 10.

It's easy to see why the South—the "firewall" that safeguarded George Bush's 1988 primary campaign—represents such daunting terrain for the challenger. Mr. Buchanan is a first-time candidate from Washington, D.C., in a region that prizes familiarity and loyalty: a street-fighter in a Republican political world of country club graciousness; a Catholic in the Protestant Bible Belt. The anger over economic hard times that fueled his New Hampshire campaign is more muted here. And while Mr. Buchanan vows to confront the GOP "establishment," Mr. Bush's solid support from party elites still counts for something in the South, where Republican primary electorates remain relatively small.

Mr. Buchanan got a glimpse of the challenge ahead last week when he followed the president to a gathering of Southern GOP officials in Charleston, S.C. While Mr. Bush received a rousing reception inside, Mr. Buchanan sought to "crash the party" with a news conference a block away, where he protested his exclusion from the session and claimed the mantle of Reagan conservatism. But his presence was so overshadowed by the presidential visit that a local TV station afterward cut Mr. Buchanan off in mid-interview to cover Mr. Bush shaking hands with dignitaries on the airport tarmac and striding up the steps of Air Force One.

"Buchanan speaks my language, but I'm supporting the president," says Blanche Hodul, a 64-year-old party activist and longtime Jesse Helms supporter from Fayetteville, N.C., who attended the meeting in Charleston. "I'm just a loyal person."

After years of struggling to build their party in the once solidly Democratic South, ex-plans University of South Carolina political scientist Earl Black, "many of those people feel their best shot at influence is sticking with an incumbent."

To be sure, Mr. Bush's support is soft, and Mr. Buchanan's forces count on voters' pessimism and anti-Washington sentiment to upset conventional calculations. "The mood of the country's real strange right now," says GOP worker Fran Atkinson, 59, who hosts a call-in show on the country music radio station she owns in Mountain City, Tenn.; she leans toward the president but hasn't firmly decided.

So the telegenic challenger fires away at Mr. Bush across the Old Confederacy. While continuing his assault on the president for breaking his no-tax pledge, Mr. Buchanan is broadening his attacks here to charge that the president supported "re-

verse discrimination" by signing last year's civil rights bill, is failing to protect U.S. jobs from foreign competition and is pursuing a "globalist" foreign policy that Mr. Buchanan insists will erode American sovereignty.

His goal is to sustain his New Hampshire momentum in Georgia's March 3 primary and the South Carolina contest four days later, and then score a breakthrough victory in one of his Super Tuesday target states: Mississippi, Louisiana or Oklahoma. "It may be that you punch another hole in the [Bush] dirigible and the whole thing comes down," Mr. Buchanan says. "That's the hope."

The political landscape in Georgia provides some glimmers of a chance. Former Ku Klux Klan grand wizard David Duke's exclusion from the Republican ballot makes it a clean Buchanan-Bush matchup, and the challenger hopes to exploit a long-simmering feud between established GOP forces and a rebellious faction headed by supporters of the Rev. Pat Robertson's 1988 primary campaign. As elsewhere in the South, Georgia has an "open" primary that permits disaffected Democrats to cast Republican ballots. And the economic pain here is real enough: The 55,000 jobs Georgia lost in the recession last year represented 1.2% of its entire work force, somewhat more than in the nation as a whole.

Yet improving on Mr. Buchanan's 37% New Hampshire showing won't be easy. After spending some \$2 million and two months there, the former "Crossfire" host has budgeted just \$500,000 and the equivalent of three full campaign days in Georgia, a state more than five times as populous. Various GOP analysts say Mr. Bush is likely to win by a margin well in excess of two-to-one.

And the going could get tougher after that. South Carolina—where popular Gov. Carroll Campbell has deployed his highly regarded organization on the president's behalf—has barely been touched by the recession. Even the state's lagging textile sector has bounced back in recent months. When Mr. Buchanan spoke at an Easley, S.C., textile plant last week, workers listened passively as he described the industry's woes in New Hampshire; their own plant hums along on a six-day work week.

Overall, the South's economy lost substantially fewer jobs in 1991 than the national average, says Georgia State University economist Donald Ratajczak. One cushion came from spending by returning veterans of Operation Desert Storm—a conflict Mr. Buchanan opposed, as the Bush campaign plans to point out across this pro-military region.

Republican National Committee member Haley Barbour of Mississippi predicts Mr. Buchanan won't win a single Southern congressional district, much less a state. Nonetheless, Mr. Buchanan's Super Tuesday campaign—and Mr. Bush's response to it—could play a critical role in determining Republican prospects this fall. Already, Bush campaign advisers have indicated new rules of engagement—for example, urging reporters to examine such questions as why Mr. Buchanan hasn't released financial-disclosure forms and tax returns. In addition, "we have put Pat on notice that if he does raise negative attacks on the president, they will not go unanswered as they did in New Hampshire," says campaign strategist Charles Black.

Mr. Buchanan, for his part, takes satisfaction from the president's gestures in his direction. Sipping a beer at the end of another long campaign day, he chuckles over the forced resignation of National Endowment for the Arts Chairman John Frohnmayer—one day after he blasted Mr. Bush for permitting the NEA to finance "filthy and blasphemous art." In Charleston, the president even uttered the challenger's "America First" slogan while discussing his support for family values.

"We've been running them ragged," Mr. Buchanan says. Acknowledging the widespread skepticism among party operatives about his chances, he adds, "Maybe you look down and say after Super Tuesday, 'Maybe they're right.' But I'll tell you something: They know that we've got the message. . . . And they know if we had the resources we could smoke 'em."

Arkansas Governor Arrives Loaded With Baggage From New Hampshire

By DAVID ROGERS
Staff Reporter of THE WALL STREET JOURNAL

ATLANTA—Against the backdrop of Georgia's red hills, Bill Clinton has come looking for solace and soul in his native South.

Battered but standing after New Hampshire's primary, the Arkansas governor has become a traveling minister preaching redemption for his congregation, and himself. After weeks on the defensive regarding his private life and draft status during the Vietnam War, his biracial gospel invokes God and a populist kinship in an effort both to heal these wounds and to paint his chief rival, Paul Tsongas, as a cold, corporate intruder from the North.

"We have to admit that we are one nation under God. That we are all in this together," he tells Georgia's predominately white Legislature. Minutes later, he tells black college students about two boys being attacked in a northern city "because God had made them black," proclaiming: "We are all going downhill, and if we are going to turn . . . and go uphill, we are going to have to go there together."

The plea for unity dovetails with a concerted effort to drive a wedge between Mr. Tsongas and working-class families across the region. Even as he won in New Hampshire, the former Massachusetts senator ran behind his Southern rival among these core Democratic voters, and Mr. Clinton seeks to widen this gap both in the Georgia primary March 3 and the rich Super Tuesday contests a week later.

The soft underbelly of his campaign is the conflict over his appeal for a sense of "common purpose" and his own successful avoidance of the draft in the late 1960s, while others were sent to the war in Asia. "I'm not completely comfortable with all of it," acknowledges Democratic Sen. Sam Nunn of Georgia, a Clinton supporter. And though he is scarcely a presence here yet, a second rival, Vietnam war hero Sen. Bob Kerrey, could still come to haunt Mr. Clinton's candidacy.

"There is an old Southern expression that people would rather see a sermon than hear one," says Max Cleland, a Vietnam veteran and Georgia's secretary of state. "In Bob Kerrey, I see a sermon."

Focus on Tsongas

For now, though, the main battle is with Mr. Tsongas, the former Massachusetts senator, and the weapons include economic philosophies as well as such hot-button issues as crime and the death penalty.

The toughest words are left to proxies like Gov. Zell Miller, who last week likened Mr. Tsongas's economic policies to those of the early railroad baron and financier J. P. Morgan. But in rhetorical flourishes and television ads, Mr. Clinton himself has become more aggressive in casting himself as a Democrat for "people" and for an "American dream" beyond the economy alone.

"People don't need Santa Claus," he responds to his rival. "But they do need a president who understands the pain." At a state Democratic dinner here Friday, Mr. Tsongas disarmed his critics with wit but left an opening by describing himself as a lawyer and businessman from "the corporate world." Minutes later, Mr. Clinton spoke to the same audience of "those of us who live in the world where people's real needs are felt by us."



Bill Clinton

As he stumps the region, Mr. Clinton makes the most of being from outside Washington. The campaign took a swipe at Mr. Tsongas last week for supporting a tax deduction for lawmakers' living expenses while in the Senate a decade ago. And in vowing to find \$5 billion to fully fund the Head Start education program, the governor unfailingly chastises Washington for spending hundreds of billions to bail out savings and loans. What isn't mentioned is that depositors in his own Arkansas are among the leading beneficiaries of the S&L bailout, or that Mr. Clinton's lifelong political ambition and ties to the Southern establishment make him a consummate insider in his own right.

Beyond this maneuvering is a genuine debate of economic priorities. Both campaigns are shy of details, but Mr. Tsongas proposes a richer cut in capital gains taxes and more generous, albeit temporary, tax credits for investment. Mr. Clinton's approach nods in the same direction, but what sets him apart more is his greater emphasis on education and training labor rather than freeing up capital.

His proposed capital-gains tax cut, for example, is far smaller than the cost of his apprenticeship program, as much as \$1 billion a year, to train high-school graduates. And though most attention has been paid to the "middle class" tax cuts that Mr. Clinton supports and Mr. Tsongas opposes, Mr. Clinton, unlike his rival, also proposes to expand the earned-income tax credit for the working poor.

The earned-income credit and apprenticeship proposals are part and parcel of the Clinton campaign's effort to meld his economic approach with an appeal to the same black voters who helped Jesse Jackson win the Democratic primary here four years ago. "Only America throws people in the trash heap," Mr. Clinton tells a black audience, and the same theme is echoed in the endorsement he receives from John Lewis, a hero of the civil rights movement. "He will move us forward again," says Mr. Lewis, now a Democratic congressman from Atlanta. "With this man, no one, absolutely no one, will be left behind."

In his endorsement, Mr. Lewis praised

the governor as a "witness" to the great social upheaval of the civil rights movement. That is apt. Although he opposed segregation, Mr. Clinton wasn't personally involved in the struggle, and his early political benefactor, former Sen. William Fulbright, was himself slow to oppose segregation in the South. But Mr. Clinton has a strong record in office of bringing blacks into government, and black voters sense empathy in him. "When you're exposed a little bit more, it makes you more aware," says Cecil Houston, 47, a college administrator who grew up in the South.

Urban-Rural Split

At the same time, such things as the heavy-handed rhetoric of Gov. Miller, himself a product of Georgia's northern hill region, betray a certain skittishness about how rural whites will judge Mr. Clinton, not just on the draft issue, but also on the allegations of marital infidelity. "There's country Georgia and urban Georgia, and he may not be able to carry the country Georgia. The values are different," says James Darby, 45 years old, a civilian employee of the Army.

Mr. Darby himself is unfazed by the controversies surrounding Mr. Clinton. But there is evidence of what he is talking about. At a Savannah stop, a 72-year-old American Legion member who hails from a town near Fort Stewart greets Mr. Clinton with a sign reading, "Go Home Cowboy, This is Dixie." And an airport clerk in neighboring North Carolina snaps at the mere mention of Mr. Clinton's name: "He'll need an angel in the South. He's not an honest man."

Matched against these doubts about his character is a genuine respect for his personality and political skills. "I have mixed emotions," says William Rimes, a 52-year-old retired Air Force officer from Florida. "I just wish Tsongas had the same presence as Clinton, or Clinton had Tsongas's beliefs."

MONDAY, FEBRUARY 24, 1992

Buchanan Is Challenging the 'Old World Order'

It would be easy to overestimate the contribution of Pat Buchanan's xenophobic utterances to his impressive showing in New Hampshire. Mr. Buchanan, an America-First throwback, scoffs at the administration's "New World Order." But this is not what won him 37% of the Republican vote. Beating up on the Beltway clearly was a more effective element in his campaign than beating up on the Japanese. Indeed, beating up on the Japanese seemed notably unsuccessful in New Hampshire. Mr. Bush attempted to play the Japan card on his pre-campaign trip to Tokyo and ended up with a political fiasco.

Global View By George Melloan

American voters are too smart to believe that Japan is primarily to blame for the problems of the U.S. economy. They preferred to blame the CEOs who accompanied Mr. Bush and the president himself. Having missed that signal, Democratic Sens. Tom Harkin and Bob Kerrey continued to beat the protectionism drum in New Hampshire and ended up with zilch. Paul Tsongas, running on a free-trade, pro-business platform, won handsily.

U.S. elections usually turn on domestic issues, not foreign affairs, and this one was no exception. Exit polls showed, for example, that Mr. Bush's performance in the Gulf War was a significant issue with only 7% of the voters. To quote Ronald Reagan, all elections are, in essence, local elections. The president and the senators from Iowa and Nebraska suffered because they could not dissociate themselves from the Beltway. Both Mr. Tsongas and Mr. Buchanan, the moral victor on the Republican side even though he came in a distant second to Mr. Bush, exploited public dis-

satisfaction with the federal government. Both are hardly strangers to the nation's capital, but they ran as "outsiders."

The Buchanan campaign drilled away at the president's broken "read-my-lips" pledge not to raise taxes and at the Democratic Congress's propensity to extend the federal government's tentacles into every nook and cranny of American society. Mr. Tsongas attacked protectionism and the class-warfare appeals that are the stock in trade of congressional Democrats.

But even though it is doubtful that Mr. Buchanan's anti-internationalism had much resonance with New Hampshire voters, it comes at a time when all of the world's postwar international institutions are subject to review, simply because the world itself is undergoing dramatic change. Mr. Buchanan is not so much attacking George Bush's "New World Order"—in part because it is so vaguely defined that there is nothing much to attack—as he is confronting the "Old World Order," a set of U.S. foreign policies that have been little altered by either Democratic or Republican administrations since World War II.

Now that a formidable enemy—the Soviet Union—has crumbled, Mr. Buchanan is questioning, both explicitly and implicitly, the worth of the elaborate arrangements made by the U.S. and its allies after World War II to counter Soviet expansionism. Those arrangements include NATO and the U.S.-Japan security treaty, of course. But if the terms Mr. Buchanan uses have any meaning, they also encompass such global entities as the International Monetary Fund, the World Bank and its related regional development banks, the U.S. Agency for International Development and a host of lesser institutions.

Mr. Buchanan's fundamental position emerged during the New Hampshire campaign when a foreign journalist asked him to reassure the outside world that he is not

an isolationist. He was quoted in the Washington Post as responding: "This campaign is not about the outside world. It's about the U.S. of A. And I'll tell you something: The day when you could get income transfers from the working and middle class people of the United States to send foreign regimes that can't balance their budgets will be coming to an end when Pat Buchanan is elected President."

That is a far more profound statement, as it applies to U.S. foreign policy, than it

Mr. Buchanan is suggesting that he would dismantle the U.S. "empire" for much the same economic reasons that brought about the collapse of the Soviet empire.

might sound at first glance, if one assumes that Mr. Buchanan means it seriously. Mr. Buchanan is suggesting that he would dismantle the U.S. "empire" for much the same economic reasons that brought about the collapse of the Soviet empire. He is saying, in effect, that the empire—or more appropriately the Pax Americana—is too expensive for U.S. taxpayers to support.

This argument always has some resonance in U.S. politics, with conservatives who distrust the multilateral banks and aid agencies and with liberals who want to dismantle the U.S. defense establishment and spend the savings on new social-welfare schemes. But it is doubtful that either group is aroused enough to give Mr. Buchanan's campaign an added boost beyond what he has already achieved in his focus on domestic issues. Americans are frustrated by Mr. Bush's incapacity to understand why Reaganomics succeeded, but

that doesn't mean they are turning isolationist. Quite the contrary, Americans were elated over the U.S. military success in the Gulf and now widely support helping the former Soviet republics join the world political and economic order.

Mr. Buchanan, of course, scores some points when he challenges the efficacy of the multilateral banks and aid organizations. Because of natural bureaucratic instincts for empire building, they often have been indiscriminate in their financing, propping up corrupt, incompetent or socialist regimes that in a better world would have been allowed to self-destruct, giving way to more responsible, free-market leadership. Some U.S. administrations, this one included, have not exercised sufficient control over those tendencies, although they have had the power to do so. These institutions often have given even their good "clients" bad economic advice, although the quality of advice improved significantly during the Reagan-Thatcher era.

But the fundamental question is not whether the elaborate postwar system of Western-supported global institutions and alliances is above reproach. Certainly it has many imperfections. The real question is whether the political function of these institutions—in essence the leverage they give to the U.S. and its allies in exerting global influence and maintaining global peace—is worth what they cost. That issue, plus the question of how they should be modified to cope with the problems of a radically changed world, is worth debate.

From the readings in New Hampshire, that debate will not be crucial in deciding who becomes the next U.S. president. But it will play out in the U.S. Congress and other Western parliaments, in the councils of NATO, the IMF et al., in the diplomacy of foreign ministers, finance ministers and chiefs of state. Mr. Buchanan's barroom-style rhetoric doesn't contribute much, but at least he has put the issue on the U.S. political agenda.

The Economics of Paul Tsongas

By HERBERT STEIN

Having written many snippy things about Reagan-Bush economics I felt obliged to learn something about the other side. But I could not imagine myself plowing through the manifestoes of five Democratic candidates, so I decided to choose one, that of Paul Tsongas, as a sample.

Mr. Tsongas is by reputation the most honest, most realistic, least demagogic of all the candidates, or at least that is the role he has chosen for himself—not Mr. Nice Guy but Mr. Truth Teller. He has issued a document of 85 pages explaining his proposed policies. This document covers a number of subjects other than economics—such as foreign policy and culture—but I confine myself to the economics of it.

I was immediately put off by the title of Mr. Tsongas' paper. It is "A Call to Economic Arms: Forging a New American Mandate." This is the voice of Henry V at Agincourt or Winston Churchill during the Battle of Britain rallying America to a cause whose main ingredients include saving aluminum cans and raising the gasoline tax. This fake bellicosity and grandiloquence persists throughout the paper, and is a bad introduction to a person whose stock-in-trade is sincerity. He might more honestly have called it "A Few Random Proposals That Might Raise the Rate of Economic Growth in America From 2.5% to 2.7% per Annum, but Might Not."

Infatuation With Manufacturing

I have decided, however, merely to assume that Mr. Tsongas has a ghostwriter with a tin ear and to concentrate on the substance. After all, if we are going to judge candidates by their speech writers, we might as well eliminate the middle man and elect Pat Buchanan.

Mr. Tsongas starts with an exaggerated, one-sided, even hysterical view of the condition of the American economy. He cites three pieces of evidence for our miserable condition—the decline of manufacturing employment, the large U.S. trade deficit and the large federal budget deficit. I have never been able to understand this infatuation with manufacturing. It reminds me of the French Physiocrats in the 18th century who were infatuated with agriculture as the source of national well-being. Especially, I see no reason to be worried about manufacturing employment.

Between 1980 and 1990 manufacturing employment declined by 7%, but manufacturing output, as measured by the Federal Reserve Board index, rose by 40%. Is that a bad result?

Mr. Tsongas's inventory of the state of the American economy does not include the fact that output per capita in the U.S. is 25% higher than in Japan and one-third higher than in Germany. Neither does he recognize that real per-capita income after tax in the U.S. rose by 18% between 1980 and 1990.

Mr. Tsongas is excited by the fact, or wants to excite us by the fact, of our large trade deficit. He says, "At the current rate we will either be in total hock to the outside world or the outside world will own us." But we have the large trade deficit because the rest of the world wants to in-

crease the yearly increase in entitlements by one percent below the cost of living. It's not a great deal but it would establish a policy of economic response. But politically it will not pass, even for those above a certain income level, in the absence of a clear understanding of the nation's need for such a measure."

I cannot tell whether he is proposing such a measure or only talking ruefully about it. Surely the language here does not sound like a call to arms.

As far as I can tell, the words "monetary policy" do not appear in this tract. This is a surprising omission for an essay written during a recession and after decades in which we have suffered from either recession or inflation. In fact, I do not think that the words "inflation" or "unemployment" appear either.

But the heart of the Tsongas policy, and the most disturbing element, is in "microeconomics" or structural reform. Mr. Tsongas is commonly described as "pro-business," and that is said to mean that he is "conservative" in economics. But he is quite explicitly not "pro-market."

First here, which is a good thing for us, and even if the foreign investment is subtracted the net assets owned by Americans, at home and abroad, continue to rise. As for the budget deficit, Mr. Tsongas simply points at it and says, "Boo!" without any explanation of what difference, or how much difference, it makes.

Any attempt to encapsulate the condition of the U.S. economy in a few paragraphs will be open to numerous questions of measurement and interpretation. But Mr. Tsongas's effort to paint the American economy miserable is outrageously biased.

What is most surprising is that having called us to arms to combat the peril he describes he has so little program. There is almost no macroeconomic program. He is shocked by the budget deficit, but hardly mentions budgetary measures to correct it and makes no attempt to present a budgetary program with numbers.

His only interesting budgetary idea is put forth with maximum ambivalence. He asks:

"Would the Congress support a policy of

employment?" appear either. But the heart of the Tsongas policy, and the most disturbing element, is in "microeconomics" or structural reform. Mr. Tsongas is commonly described as "pro-business," and that is said to mean that he is "conservative" in economics. Mr. Tsongas is, more accurately, "pro-businesses," because he is for particular businesses that he can identify. Even his proposed cut in the capital-gains tax, that darling of conservatives, is to be targeted to "appropriate" securities. But he is quite explicitly not "pro-market." The distinction between "pro-businesses" and "pro-market" is an important one that conservatives should ponder.

Mr. Tsongas derides what he says is the Republican "almost religious belief that an unfettered free market is the best of all worlds." Perhaps I am not a Republican, but I know some, and they do not believe that. They believe that there are conditions in which a free market should be regulated or superseded, but that these are specific and limited conditions that need to be evaluated in particular cases. Mr. Tsongas

seems to have no conception of the function that the market serves, finds its operation inexplicable, and is quite ready to dispense with it.

He is shocked by the "fact" that a 29-year-old science researcher is paid \$25,000 a year, a lawyer of the same age \$100,000, an investment banker \$200,000 and a left fielder \$2 million. Of course, the \$2 million is not the average of the salaries of all left fielders. But more important, these relative salaries are a reflection of the value that people spending their own money put on the services provided and of the amount of pay required to get the services.

Civilian R&D

A more serious example is Mr. Tsongas's argument that if it is proper for the government to pay for the research and development that went into the Strategic Defense Initiative, it is equally proper for the government to finance R&D in a list of civilian industries that he and his Cambridge friends can provide. But for good reasons the government has a monopoly of the power and responsibility to defend the country against missile attack and that makes the government the only body capable of deciding what to spend for SDI. There are no similar reasons, however, for thinking that the government is well-qualified to decide how much should be invested in the development of one or another civilian venture, no matter how "high-tech." Or at least he gives no reason except that the Japanese do it, which is a better reason for eating raw fish than for reorganizing the American economy.

I am sad to see many people who consider themselves conservative swallowing "pro-business" as if it meant "pro-market."

In these comments I do not mean to suggest that Mr. Tsongas's diagnosis and prescription are worse than those of other candidates, in either party. Probably he is better than most. He says some good things, especially about personal responsibility. But for a man who holds himself out as telling the American people how things really are, his tract is disappointing.

A former chairman of the president's Council of Economic Advisers, Mr. Stein is an American Enterprise Institute fellow.

Board of Contributors

Mr. Tsongas is commonly described as "pro-business," and that is said to mean that he is "conservative" in economics. But he is quite explicitly not "pro-market."

MONDAY, FEBRUARY 24, 1992

Tax-Bill Change Shows That Lobbying By Movie Industry Is Better Than Ever

By JACKIE CALMES

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The movie industry, drawing on its connections to well-placed Democrats, succeeded overnight in quashing a tax provision that would have cost millions of dollars mainly for eight taxpayers: the major film studios.

The little-noticed provision to curb an existing deduction for movies was included in the tax plan that Chairman Dan Rostenkowski proposed this month to fellow Democrats on the House Ways and Means Committee. The next day, when the Chicago Democrat offered a substitute package to satisfy his colleagues' various objections, the movie provision was gone.

In the intervening hours, industry lobbyists had stormed the committee to get the provision killed. There was, of course, the top gun, Jack Valenti. The former Johnson administration White House official, who heads the Motion Picture Association of America, made calls to several Democrats and key staff members. Other lobbyists with close ties to the panel also worked the phones. But it was Walt Disney Co. and its lobbyist Richard Bates who got Arkansas Rep. Beryl Anthony, Mr. Bates's former boss, to deal the fatal blow to the provision, according to those familiar with the events.

Hot Response

A committee analyst had described the provision during the panel's closed-door deliberations as one that would bring the industry's tax accounting into the 1990s. But it couldn't withstand the industry onslaught: of all the provisions in the Rostenkowski package, the movie proposal sparked the hottest response, insiders say.

Mr. Valenti was on vacation and couldn't be reached over the weekend, said an Motion Pictures Association representative, adding that only Mr. Valenti could comment on any aspect of the tax bill. Rep. Anthony and Mr. Bates didn't return phone calls.

The massive Democratic tax bill goes to the full House for a vote this week, minus the film provision that would have cost the industry at least \$50 million and as much as \$100 million a year in higher taxes, according to congressional estimates. Generally, it would have forced studios to take smaller up-front deductions for depreciating their films and to spread the write-off over a longer period.

The provision would have overturned a 21-year-old Treasury ruling that was intentionally generous to the politically plugged-in movie industry even when it was devised back in the Nixon administration. "It gave them massive tax deductions," according to a Treasury official from that time.

Now that's more true than ever. What's crucial to a film owner's calculation of the depreciation claimed on a movie is the forecast of total income that will be earned over time. But under the 1971 ruling, total income basically means ticket sales; film owners could ignore their potential profits from television syndication and overseas distribution rights, among other sources. And in the two decades since, those other profits have ballooned with the spread of cable television and the advent of home-video rentals.

The tax calculation works this way: A film owner figures out how much to depreciate by dividing the year's actual income from a film by the total income that is forecast, and then multiplying that by the film's cost. Take, for example, a film that costs \$30 million, earns \$40 million the year after its fall release and is expected to make \$100 million over time. The \$30 million is multiplied by 40%, for a write-off of \$12 million the first year. But if total in-

come were \$150 million when revenue from such sources as TV rights and video rentals is counted, as the Rostenkowski provision would have required, the first-year deduction in this example would drop to about \$7 million.

"I was pleasantly surprised when I saw that provision in the chairman's bill," said Rep. Brian Donnelly (D., Mass.), a panel member who last year introduced a similar proposal. "But I knew that with the power of this industry, it would never see the light of day."

Other Provision Survives

The now-dead provision was paired with a separate proposal, still in the bill, that the industry had sought. That proposal would exempt movie rights, other than those acquired in the purchase of a business, from a new 14-year write-off for what are known as intangible assets: currently film owners can depreciate a movie in one or two years, tax experts say.

Mr. Valenti, a major Democratic Party contributor, protested more than once to lawmakers and staff members. Among committee Democrats, Rep. Anthony as well as Reps. Robert Matsui of California, Marty Russo of Illinois and Thomas Downey of New York came to the industry's defense. "We were caught completely off guard," said Rep. Matsui, whose home state is the movie capital. "Thank goodness we were able to take it off."

But first Rep. Anthony proposed to go one better: he served notice that he would offer an amendment that would not only kill the provision but also bar the Treasury from ever changing the current depreciation formula. Those close to the committee link Rep. Anthony's role to Disney's Mr. Bates. When Rep. Anthony headed the Democratic Congressional Campaign Committee, the House Democrats' fund-raising office, Mr. Bates was his executive director.

"We had the votes. The amendment would have passed," said Rep. Matsui, who argues that film owners would have a hard time forecasting income as the provision required. Faced with that threat, committee staff members say, Rep. Rostenkowski decided to drop his provision, and Rep. Anthony withdrew his.

FDA Does and Doesn't

FDA Group Votes to Allow Use of Implants

—THE WALL STREET JOURNAL
Experts Suggest U.S. Sharply Limit Breast Implants

—THE NEW YORK TIMES

Amazingly enough, both these Friday headlines are accurate. We can't recall a starker display of institutional incompetence and incoherence than the events that culminated in last week's three-day marathon by the Food and Drug Administration's advisory panel. It's not that the group ignored science. In fact, the panel managed to reach one important conclusion about implants:

"There have been many allegations, but no one has accepted them as statistically valid," announced Dr. Elizabeth Connell, an Emory University professor and chairman of the panel. "We don't feel a clear cause-and-effect relationship has been established." The committee then voted unanimously not to ban implants. The group thus reached the same conclusion—no evidence of harm, but more research would help—that it reached before being reconvened by FDA Commissioner David Kessler, who insisted on a ban, prominently citing a \$7.3 million jury verdict.

The panel's scientific conclusion will now be swallowed up by the regulatory process, which at this point has informed American women that implants can ruin them, that implants are safe, that the government will allow implants and that it will not.

The panelists held a series of votes, which even confused themselves. They said women should be able to get the implants, but only in an undefined clinical trial. Women with mastectomies would get preference over women seeking breast augmentation for non-medical reasons, but it was unclear how many women would be eligible.

Dr. Kessler also had an odd idea about who should advise him. He removed the plastic surgeons as voting members ("conflict of interest") but left on Rita Freedman, a psychologist whose contribution was her version of politically correct feminism. "A woman without breasts is a total woman," she said at the hearing. "Just as a man who has gone bald and is without hair is a total man."

In the end, the advisory committee punted the issue back to Dr. Kessler. Someone in this administration at a higher level than Dr. Kessler has to recognize the harm being done repeatedly by this agency's habit of failing to justly resolve problems of its own creation. It grabbed the promising Alzheimer's drug THA in 1986, took control of a huge clinical trial of its

effects, then last year led its advisory committee into a similar no-decision. The drug now languishes in the bureaucracy.

More recently a small company called Therakos Inc., no longer willing to endure the FDA's endless temporizing, withdrew its application for approval of photopheresis, a treatment for the painful skin-hardening disease scleroderma. Incredibly, scleroderma is one of the reasons the agency cites for its suspicions about silicone in plants.

The FDA may be adept at sweeping cartons of "fresh" orange juice from supermarket shelves, but in the realm of serious matters, this supposedly science-driven agency effectively quashes scientific debate.

Dr. Kessler has 60 days to say something, but the question of whether implants will stay on the market has actually been delegated to lawyers and juries. The advisory panel may say there's no proven risk but manufacturers know they face millions of dollars in litigation cost anyway. Dow Corning suggests its implant business might be "more appropriate for a small company"—that is, one that doesn't have billions of dollars from other products that pliant lawyers can fight over. Who could blame Dow Corning if it dumped this business?

Meanwhile, women are confused. Will implants be available? What are the risks? Why are silicone penile implants and other silicone products still on the market? Several advisory panel members said that if there is an autoimmune problem with implants it might affect 1% of women. If so, any useful study will require a very large number of women. They'll have to find doctors willing to be engulfed for years in the FDA's required paperwork.

We think a lot of women would just as soon deal with this matter themselves. One recent mastectomy patient told the panel "how frustrating it is and how strongly I feel to know that a federal agency can restrict my access to a product that my personal physician and I agree on is right and a necessary one for me." This witness was Marilyn Lloyd, the Congresswoman from Tennessee.

Rep. Lloyd is in a better position than most women to do something about this. If she can get a majority of her colleagues to go along, Congress can end this regulatory chaos. It could pass a law this session telling the FDA that women themselves—not advisory panels, not Dr. Kessler, not contingency-fee lawyers—may decide who will get implants and who will not.

MONDAY, FEBRUARY 24, 1992

'America First' Mood Is Wreaking Havoc On U.S. Aid to Former Soviet Republics

WASHINGTON INSIGHT

By GERALD F. SEIB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — It's becoming clear that the former Soviet Union will need much more international aid, but American politicians are caught in a trap that may well stop the U.S. from doing its share to help.

It is a trap of the politicians' own making. Both Democrats on the left and Republicans, such as Patrick Buchanan on the right, worked feverishly last fall to create an "America First" mood. As a result, any kind of foreign assistance, even aid to help democracy survive in Russia, has become political dynamite.

Both the Bush administration and Congress are gun-shy about foreign aid at a crucial time in the evolution of new nations emerging from the former Soviet Union. "We haven't shown adequately enough that we fully back the political and reform processes to the exclusion of any alternative," says Allen Weinstein, president of the Center for Democracy, a nonprofit organization that works closely with Russia. "This is, after all, the transforming moment of our time."

The irony is that leaders of both parties would like to do more. Democratic presidential candidates—particularly Paul Tsongas and Sen. Robert Kerrey, as well as House Majority Leader Richard Gephardt—have chided the Bush administration for failing to be more bold in helping former Soviet republics.

Administration's Symbolic Messages

The administration has tried in recent weeks to send powerful symbolic messages to Russia and other republics by organizing an international conference to coordinate aid efforts, launching an airlift of a modest amount of American food and medical supplies, and scraping together \$643 million in additional aid.

But it was obvious that political quicksand remains when Secretary of State James Baker testified recently before the Senate Foreign Relations Committee. Two Democratic senators, Joseph Biden of Delaware and Alan Cranston of California, urged Mr. Baker to do more to help the former Soviet republics.

But then the panel's discussion turned to Sen. Christopher Dodd of Connecticut, a Democrat who is up for re-election this year. He had a starkly different message for Mr. Baker: It would be a "dreadful mistake" for the administration to calculate that the American people would support a big aid package for the former Soviet Union, Sen. Dodd declared. "The attention of the people is focused on what is not happening at home."

The administration displayed its own political schizophrenia on the issue late last year, when Senate Democrats took the lead in pulling \$400 million out of the defense budget to help the former Soviet Union destroy its atomic weapons and store the nuclear material. But the Democrats couldn't persuade the administration to speak out on behalf of their effort.

The U.S. in coming weeks may well provide more credits to Russia to buy American grain. Russian President Boris Yeltsin has just requested \$600 million in new credits to help feed his nation. Grain credits are politically palatable in the U.S., because they are a boon to American farmers and because they have to be repaid eventually; thus, the credits don't have to be portrayed as outright aid.

But some officials are beginning to worry that the U.S. may flunk a far bigger test later this year. In coordination with the International Monetary Fund, the U.S. almost certainly will be expected to appropriate a big chunk of money to create a multibillion-dollar fund to stabilize the Russian ruble, an essential step in remaking the old communist economy. Even though, under ideal conditions, such a fund would act as a kind of security blanket that inspires international confidence in the economy but never has to be used, one senior U.S. finance official frets, "I just don't see where the money is coming from."

Congress already has been dragging its heels in approving a promised \$12 billion increase in funding for the IMF, an issue that isn't directly related to creation of the stabilization fund but is another indication of U.S. attitudes this election year.

Aid as Investment in America

John Steinbruner, director of foreign policy studies at the Brookings Institution, says Congress might approve more assistance, provided the aid is cast as an invest-

ment in a more secure world for America. Lawmakers also have shown a bit more willingness to consider aid if it comes straight out of the defense budget.

Still, the international aid effort that has taken shape looks increasingly inadequate in the face of mammoth needs of the former Soviet republics. Alexander Zhitnikov, deputy chairman of the commission Russia has established to handle international aid, said his republic would like to meet 2% to 3% of its total food needs through international aid. This year, despite talk of a big international relief effort, Mr. Zhitnikov says he expects Russia can fill only 1% to 1.2% of its needs through aid.

The U.S. probably is ceding influence inside Russia, as Europeans increasingly are seen as the main donors. The European Community recently rankled American officials by compiling a breakdown of aid commitments. The list showed that about 75% of total aid pledged so far to the former Soviet Union has been promised by European nations—57% by Germany alone.

Mr. Zhitnikov says there "definitely" is a public perception in Russia that Europe is doing more to help than is the U.S. He declines to criticize the U.S., though, saying diplomatically that Russians "hopes haven't been fulfilled up until now."

The Bosphorus Bridgehead

Why did Turkish Prime Minister Suleyman Demirel receive such a warm welcome recently at the Bush White House? You could look it up.

Uzbekistan, Turkmenistan, Tajikistan, Kyrgyzstan and some of Kazakhstan are all part of what in ancient times was called Turkistan, a long belt of Asia stretching from the Caspian Sea to China. The native languages are Turkic and the religion that has survived communism is the Sunni version of Islam practiced by the Turks. Because of its cultural kinship with these former Soviet republics, Turkey is sharing the triumph of their newfound independence and re-establishing long-forgotten political and commercial contacts.

President Bush spoke of Turkey as a "beacon of stability" in a "region of changing tides." Prime Minister Demirel responded that Turkey was aware of its new responsibility and "we know we are not alone to face it."

Let's hope not. Turkey often has been left to face very large responsibilities without much support from the U.S. or, for that matter, Europe. In Cold War days, NATO-member Turkey was welcome to help Europe defend its southern flank, but not to be a member of Europe's free-trade club. At a time when Turkey was being undermined by Soviet-sponsored subversion, the U.S. Congress was reluctant to help it modernize its military.

Turkey has a bigger role to play on the West's behalf today than during the worst days of the Cold War. Secretary of State James Baker said during his swing through Central Asia that the U.S. wants the newly independent republics there to be free-market democracies. It is extending them diplomatic recognition with that as a condition. To stress his point, Mr. Baker met in Tashkent with Abdurrahman Pulatov, leader of the Uzbek opposition

group Birlik, which is demanding the right to function as a political party.

Messrs. Bush and Baker are devoting attention to Turkey and the Central Asian states because important U.S. and European interests are at stake in that volatile area. Saddam Hussein remains alive and rather well. Iran is trying to spread Islamic fanaticism where it can—in Algeria, Sudan, Lebanon and, if it gets half a chance, in the former Soviet states. Azerbaijan and Armenia remain at loggerheads over the disputed Nagorno-Karabakh region. Islamic fundamentalism in Kashmir is a potential trigger for renewed trouble between Pakistan and India. Afghanistan remains in turmoil.

This region needs all the stabilizing influences that can be mustered. The security of Persian Gulf oil, the economic development of India and Pakistan and the dangers of further nuclear proliferation are among the stakes. If Turkey and Central Asia can establish new cultural links and trade patterns, perhaps at least one possible source of order will exist.

On the plus side, because Central Asians are Sunnis and have developed secular habits under Soviet rule, they are not especially susceptible to Iran's Shiite fanaticism. Yet it would be remiss of the West to let Turkey carry the ball alone. If Turkey is to rebuild the ancient trade routes, the U.S. and Europe must help by being more liberal in their trade relations with Turkey. If Central Asians are worried about their security, there is no reason why NATO, through Turkey, shouldn't take an interest too.

By means of Turkey, perhaps Central Asia can be brought into the web of Western influences and benefits. It all depends on whether the assurances that Mr. Demirel will not stand alone were in earnest.

Proposition 13 Is Constitutional

By DAVID R. HENDERSON

Tomorrow, the Supreme Court is scheduled to hear arguments in a case claiming that California's Proposition 13, which limits increases in property taxes, discriminates against new house buyers. If the justices make their decision on the economic merits, they will hurl the case out of the courtroom.

Proposition 13, passed in 1978, set a uniform property tax rate of 1% on all property. It also rolled back the assessed values of properties to their value in 1975-76. When those properties are sold, the sale price becomes their new assessed value. The assessed value of properties not sold increases by 2% per year.

At first glance, such a system does seem to discriminate against house buyers. Take someone who buys a house for \$250,000. At a 1% tax rate, the buyer pays \$2,500 in annual property taxes. Now take the buyer's neighbor who bought a similar house in 1970 for \$300,000 that is assessed today at \$500,000. The neighbor pays only \$500 in annual property taxes—80% less.

But think again. What if the opponents of Proposition 13 had their way and the new buyer and his neighbor had to pay the same annual taxes? Assume that the property tax system yielded the same amount of tax revenue, so that each of the two owners would pay \$1,500 yearly. Then the new buyer would save \$1,000 annually. But would he be better off by \$1,000 per year? No way.

When the new buyer knew that his property taxes would be \$2,500, he was willing to pay \$250,000 for the house. That price was based on, among other things, how much property tax he expected to pay. But a buyer who expected to pay \$1,000 less in annual taxes would be willing to pay more than \$250,000. And because other potential buyers would also be willing to pay more, competition from them means that the

winning bidder would have to pay more.

How much more? Assume, for simplicity, that the taxes with Proposition 13 would stay constant at \$2,500 per year. (They actually would rise by 2% per year.) And assume, again for simplicity, that without Proposition 13, taxes would be \$1,500 per year and would stay constant. Then, if the buyer expects to keep the house for 20 years, he would save \$1,000 per year for 20 years. At an interest rate of 10%, this amount has a present value of \$8,821. So if our buyer had been willing to pay \$250,000 under Proposition 13, he would be willing to pay \$258,821 without it. Because of competition with other buyers, that is about what he would have to pay.

Notice something interesting. The \$8,821 property tax saving to the new house buyer from ending Proposition 13 translates roughly dollar for dollar into a higher purchase price. What the new house buyer would gain from lower taxes, he would lose by paying a higher price for the house. This means that Proposition 13 does not hurt new house buyers. The whole basis for the lawsuit is invalid.

Now, it is true that someone who just recently bought a new house would gain if Proposition 13 were repealed and if property taxes were then rolled back. This person would have bought the house expecting to pay \$2,500 in annual taxes. He would then be pleasantly surprised to learn that his taxes would fall. In such a case, there would be no offset in the form of a higher house price because the person has already bought the house. When he and other potential buyers were deciding how much to bid, they expected Proposition 13 to be the law and bid accordingly.

Why mention this case? Because this is the position of Stephanie Nordlinger, the Los Angeles houseowner who is suing against Proposition 13. She paid \$170,000 for her house in 1988, fully expecting to pay

1%—\$1,700 a year—in property taxes. Now she wants the Proposition 13 overturned so that she will pay lower taxes. But does she plan to track down the person who sold her the house in 1988 and pay him the extra amount she would have paid had her property taxes been lower? Don't bet on it.

The simple fact of the matter is that the people hurt by Proposition 13 are those who sold their houses in the past few years. They were hurt because they received lower prices for their houses than if the property taxes on their houses had been lower. But there is a rough justice here. Proposition 13 did not just hurt them. It also helped them. Every year after 1978 that they owned their houses, Proposition 13 caused them to pay lower taxes than otherwise. But Ms. Nordlinger, and others like her—including my wife and me, who bought a California house in 1986—have no grounds for a suit. Proposition 13 hurts neither her nor us.

We bought a house in full knowledge of how Proposition 13 worked and the sellers got a lower price than they would have if property taxes had been lower. So if Proposition 13 were overturned, we would get a windfall.

But even if I did not care about fairness, I would not want Proposition 13 overturned. Why not? Because if Proposition 13 is overturned, property taxes are likely to rise. State and local governments in California have failed to hold down their spending. They would love to replace Proposition 13 with a property tax system that raises substantially more revenues. Without the restraining influence of Proposition 13, most people who bought houses in the past five years would likely pay more in property taxes, not less.

David R. Henderson is a research fellow at Stanford's Hoover Institution.

MONDAY, FEBRUARY 24, 1992

Unpleasant Tax Surprises Sneak Up for a Bite

YOUR MONEY MATTERS

By LYNN ANING

Staff Reporter of THE WALL STREET JOURNAL

When taxpayers pull out their 1991 tax forms and calculators, many are going to find that the federal government has been shipping away at some of their most treasured tax breaks. And the trim gets closer as their income goes up.

Add that to significant jumps in some state and local taxes, and chances are good that a lot of people are going to be unhappier than usual by the time April 15 rolls around.

"There is going to be pain," says Terrence G. Ferris, tax partner with the law firm Squire, Sanders & Dempsey in Cleveland. Those feeling it must will be upper-income individuals who find themselves hit by more than one of the new provisions.

Some of the changes are obvious. Tax rates, for instance, are up—with the top stated rate now 31%, compared with 28% for 1990.

changes are hidden in a bunch of computations that effectively raise that top tax rate. These "back-door" moves limit itemized deductions and phase out personal exemptions as income rises.

"Unless someone has been doing projections for you through the year," you may not be aware of these changes, says Michael B. Kennedy, tax partner in the Philadelphia office of Coopers & Lybrand.

Here's how they work. For couples or singles with \$100,000 or more in adjusted gross income (or \$50,000 for a married person filing separately), itemized deductions such as home mortgage interest, state and local taxes, charitable contributions and miscellaneous items are reduced by 3% of the amount over that threshold.

Only medical costs, casualty and theft losses, investment interest and gambling losses are exempt from the reduction. But no one can lose more than 80% of their total itemized deductions as a result of this change.

Take, for example, a couple with an adjusted gross income of \$200,000. They would lose \$3,000 of deductions, or 3% of \$100,000. That means their taxes are the same as what they would pay at a 32% top rate with deductions still intact, says Thomas P. Ochenschlager, a partner with Grant Thornton in Washington, D.C. The cost in additional taxes: about \$930.

Couples with more than \$150,000 of ad-

TAXES
1992
PART OF A SERIES

Bush Lifts Sanctions Against China In Expectation of Curb on Missile Sales

By GERALD F. SEB

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—After months of negotiations and deliberations, the Bush administration has lifted trade sanctions it imposed on China because of Beijing's role in exporting missile technology to the Third World.

The action clears the way for renewed U.S. sales of sensitive equipment to two Chinese government companies involved in military production and sales. It also lifts restrictions on U.S. sales to China of satellite parts and high-speed computers.

In return for the U.S. action, U.S. officials said, they expect China to announce that it will begin adhering to international guidelines limiting the export of ballistic missile technology.

Democrats Seek Briefing

The decision to lift sanctions sparked an immediate controversy. Congressional Democrats complained that the administration took its step despite intelligence information indicating China continues to negotiate missile sales to the Middle East. Sen. Joseph Biden (D., Del.) took the unusual step of asking Senate Majority Leader George Mitchell to schedule a closed-door briefing for the Senate so that all lawmakers could be briefed on the intelligence information. Aides said over the weekend that Sen. Mitchell plans to discuss the request with Senate Republican leader Robert Dole early this week before making a decision.

The controversy over missile technology also could exacerbate the debate about Bush administration policy toward Beijing on another front. The Senate is scheduled tomorrow to take up the final version of a bill that would demand that China improve its performance on human rights, trade freedom and arms control in order to continue receiving most favored nation trade status. That's the treatment the U.S. af-

fords trading partners who are in good standing.

The House already has passed the final version of the bill, which President Bush opposes. The Senate seems likely to pass the bill as well, but it isn't clear the measure will attract enough votes to override an expected presidential veto. A group of senators from both parties has worked with the administration to propose an alternative approach, in which Congress wouldn't formally impose conditions on China's trade status but President Bush instead would agree informally to seek improvements in China's behavior.

Mr. Bush must announce by early June whether he intends to grant China most favored trade status for another year. He is virtually certain to try to maintain China's trade position.

Refusal to Sign Pact

One persistent problem in U.S.-Chinese relations has been Beijing's refusal to sign the Missile Technology Control Regime, an international agreement controlling long-range missile technology. The problem reached a head in June, when U.S. officials slapped on trade sanctions largely because of alarm over China's reported shipments of missiles to Iran and indications Beijing was seriously negotiating similar sales to Syria.

The administration's announcement Friday that trade sanctions are being lifted didn't make clear whether China formally will accept the full missile-control agreement. The State Department said in a written announcement only that Chinese Foreign Minister Qian Qichen sent the U.S. a letter Feb. 1 confirming earlier verbal promises to abide by the international "guidelines and parameters."

This "written commitment" by China "is an important step forward in securing Chinese support for ballistic missile non-proliferation," the statement said.

There've Been Some Changes

Here are some of the major changes taxpayers will face as April 15 approaches.

TAX RATES

The top stated tax rate for 1991 federal returns is 31%, up from 28% for 1990. But many upper-income taxpayers will pay higher effective rates because of new limits on itemized deductions and a phase out of personal exemptions.

ITEMIZED DEDUCTIONS

Most deductions now have to be reduced by 3% of the amount of adjusted gross income over \$100,000 for singles or married couples filing jointly, or \$50,000 for a married person filing separately. Affected deductions include mortgage interest, state and local taxes and charitable contributions.

NO LONGER DEDUCTIBLE: Consumer interest, such as that paid on credit cards and car loans, and investment interest that exceeds total investment income.

STILL IN EFFECT: Rules limiting medical deductions to the amount exceeding 7.5% of adjusted gross income and limiting miscellaneous expenses to amounts exceeding 2% of adjusted gross income.

PERSONAL EXEMPTIONS

Personal exemptions are phased out for upper-income taxpayers. The threshold is \$150,000 for married taxpayers filing jointly (\$75,000 for a married person filing separately) and \$100,000 for single taxpayers. The exemption drops 2% for each \$2,500, or fraction of \$2,500 (\$1,250 if married and filing separately), by which adjusted gross income exceeds the threshold.

CAPITAL GAINS

The maximum rate on long-term capital gains now is 28%.

ALTERNATIVE MINIMUM TAX

The alternative minimum tax rate, which largely affects high-income taxpayers with significant tax-sheltered income, is now 24%.

STATE TAXES

Nine states had income-tax increases effective for the 1991 tax year. Most states have conformed with the new federal limits on itemized deductions, while 11 have conformed with the personal-exemption phaseout.

Unpleasant Surprises Sneak Up To Take an Additional Tax Bite

YOUR MONEY MATTERS

Continued From Page C1

justed gross income for singles with more than \$100,000 will see their effective rates go even higher. That's because their personal exemptions will be reduced 2% for each \$2,500 over the threshold. If that couple with \$200,000 of adjusted gross income had two children, they would be able to take only \$5,160 in personal exemptions, rather than the \$6,600 they would otherwise be entitled to. That's a loss of \$3,440 in deductions, or an additional tax of about \$1,066.

That would make the couple's tax bill equivalent to what they would pay at a 34% top rate with their exemptions and deductions untouched, says Mr. Ochenschlager.

Other potential pain: A jump to 21% from 21% in the alternative minimum tax rate, a tax that largely affects people with substantial tax-sheltered income. And you may be surprised to find earnings up to \$125,000 are now subject to the Medicare tax. If you are self-employed, that could amount to a tax increase of up to \$1,755.

When you layer them all, it starts to add up," says Dawn McMerney, accountant and financial planner at Cohen & Co. in Cleveland.

State-Local Shock

Painful as all these federal changes may be, however, the biggest surprise for many taxpayers may be in state and local returns. "The state and local tax laws have become almost as complicated as the federal laws," says Stuart Kessler, senior tax partner with Goldstein, Golub & Kessler in New York.

He points to Connecticut, which last year replaced its capital-gains and dividend tax with an income tax part way through the year. That means Connecticut residents pay the new tax for a third of the year and the old tax for two-thirds.

Not only are some state returns going to be more difficult, but the amount of the tax owed is going nowhere but up. Indeed, nine states had income-tax increases. "In some states, it is amazing," says Mr. Ochenschlager. "Some people in New Jersey are go-

ing to be paying twice as much as they were."

Residents of some states will find no money has been withheld for these new taxes, which were retroactive to January 1991. "People are going to have to pay the whole thing in April," says Steven Gold, director of the Center for the Study of States at the State University of New York in Albany. "So I would advise them to wait until April and not to be in a rush" to pay.

Even taxpayers whose state tax rates haven't gone up may find their state bills higher. That's because most of the states have conformed with the new federal limits on itemized deductions, while 11 have conformed with the personal-exemption phaseout. As a result, many people will get less benefit from these items on their state as well as federal returns.

Recessionary Complications

Hard economic times also mean new tax complications for some people. Unemployment-insurance payments, for example, are taxable, as is severance pay. But if you have been doing some consulting work while job hunting, you may be able to write off many of your expenses on Schedule C, the form used by the self-employed.

"The real important thing is that people see themselves as in business," says George E.L. Barbee, executive director of client services at Price Waterhouse, New York, noting that items such as stationery, phone calls and travel are legitimate expenses. But documentation is critical, particularly if you plan to take deductions for a home office.

"The home office is the most difficult of all Schedule C expenses to justify," says Mr. Barbee. Indeed, the Internal Revenue Service is adding a new form—number 829—specifically for the home office, and Mr. Barbee says these deductions will be looked at "under a microscope."

Although this year's changes may be history by the time April 15, 1993, rolls around, tax advisers say tax-preparation time provides a good opportunity to plan ahead. If you use your tax return as a financial-planning checklist, you may be in better shape next year.

"The rules of the game keep changing," says Mr. Barbee. "If you want to play the game to win, you have to make this a year-round game."

MONDAY, FEBRUARY 24, 1992

Card Confirmed by Senate For Transportation Post

By a WALL STREET JOURNAL Staff Reporter
WASHINGTON — The Senate confirmed Andrew Card, a top aide to former White House Chief of Staff John Sununu, to be transportation secretary.

Mr. Card succeeds Samuel Skinner, who took Mr. Sununu's place at the White House in December. Senate action was by voice vote.

Mr. Card, 41 years old, is a former Massachusetts state legislator who has little transportation experience, but he has been praised for his managerial abilities and down-to-earth style. His ties to President Bush go back more than a decade, and his appointment to the cabinet was seen as a reward for longtime personal loyalty.

He takes the transportation post at a time of turmoil and consolidation in the airline industry. One of his first duties will be to unravel a tangled mess concerning the job of Federal Aviation Administrator.

Late last year, the president nominated Jerry Curry, currently the head of the National Highway Traffic Safety Administration, to run the FAA. But the Senate Commerce Committee hasn't acted on his nomination and, in the meantime, Mr. Curry has had a series of run-ins with James Busey, the acting transportation secretary. Mr. Busey recently asked Mr. Curry to withdraw his name from consideration, but so far Mr. Curry has refused.

Stripped of Provision That Bush Opposed

By HILARY STOLT

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON — The Democratic-controlled Senate backed away from an election-year confrontation with President Bush over financial aid to college students, passing a higher education bill stripped of a provision the administration opposed.

The bill, approved by a 93-1 vote, increases federal grants and loans to middle-income college students and also cracks down on schools with high student loan defaults.

The Bush administration had threatened a veto over a version of the education bill that would have turned the Pell Grant program into an entitlement. As such, the grants, which are the federal government's basic financial aid program for college students, would have been made available to all financially eligible students, regardless of federal budget constraints. But that provision was dropped after closed-door negotiations last week. A number of Democratic senators worried that it would be too costly.

"All I can say is it's a lot better bill than we started out with," said Etta Fie-

lek, an Education Department spokeswoman.

The bill extends federal higher education programs through the fiscal year ending Sept. 30, 1997. Its estimated cost is \$17 billion in fiscal 1993 and about \$57 billion over five years. The lone senator voting against the bill was Jesse Helms (R., N.C.).

The legislation does expand the Pell Grant program to make it available to students with annual family incomes under \$42,000. The current ceiling is \$30,000. And it increases the maximum grant awarded to \$3,600 next year and \$4,800 in 1997 from the current \$2,400. The administration had proposed limiting the program to low-income people while giving them larger awards.

A more controversial bill is awaiting House action. Last fall the House Education and Labor Committee approved legislation that not only makes Pell Grants entitlements but revamps the Stafford loan program, which provides federally guaranteed loans to college students, to let students borrow directly from the government.

Tracking the Economy

Feb. 24, 1992

January durable-goods data will strongly influence the course of monetary policy, says Louis Crandall, chief economist at R.H. Whittison & Associates Inc. in New York.

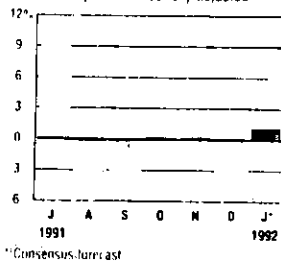
Mr. Crandall estimates durable-goods orders rose 1% last month after an "extremely disconcerting" 5.2% drop in December. Federal Reserve Board Chairman Alan Greenspan will need at least that kind of a rise to buttress his stand that the economy is improving. Mr. Crandall says, "A drop in orders would push the Fed to the brink" of an easing, he says.

February consumer confidence, on which a report is also due this week, will likely register 52%, "virtually unchanged from January's dismal 50.4%," Mr. Crandall forecasts. Burdened by job layoffs and "a broad range of social concerns, from homelessness on down... confidence seems to have remained extremely depressed."

When it is revised Friday, gross domestic product will likely show that the U.S. economy posted 1% annual growth in the fourth quarter of last year, up from the previously reported 0.3% expansion, Mr. Crandall says. Even with the

A Rebound in Durables?

Monthly percentage change in new orders for durable goods seasonally adjusted



upward revision, "that's very weak as far as the recovery goes. We clearly hit an air pocket at the end of the fourth quarter that's continuing into 1992."

The economist says stronger consumer spending, construction spending and inventories will basically account for the GDP revision.

—Andrew Sobel

Statistics to Be Released This Week

ECONOMIC INDICATOR	PERIOD	RELEASE DATE	PREVIOUS ACTUAL	MMS CONSENSUS FORECAST
Consumer Confidence	February	Feb. 25	50.4%	51.5%
New-Car Sales (ann. rate)	Mid-February	Feb. 25	6.4 million	6.3 million
Durable Goods Orders	January	Feb. 26	-5.2%	+1.0%
Initial Jobless Claims	Week to Feb. 15	Feb. 27	452,000	450,000
Money Supply: M1	Week to Feb. 17	Feb. 27	+\$5.4 billion	+\$5.5 billion
Money Supply: M2	Week to Feb. 17	Feb. 27	+\$9.5 billion	+\$4.8 billion
Money Supply: M3	Week to Feb. 17	Feb. 27	+\$5.5 billion	+\$9.0 billion
Real GDP (ann. rate)	4th qtr., revised	Feb. 28	+0.3%	+0.7%

Statistics Released Last Week

Consumer Price Index	138.1	Trade Deficit	\$5.93 billion
January	+0.1%	December	
Housing Starts	1,167,000		
January	+5.5%		

* Preliminary report for 4th quarter
Source: MMS International, NY, NY

Are the Japanese Burrowing From Without?

By JIM POWELL

Back in 1986, former Commerce Department official Clyde V. Prestowitz Jr. helped negotiate restrictions on shipments of Japanese semiconductor memories (DRAMs) to the U.S. Two years later, it was his misfortune to write a protectionist broadside, "Trading Places," which boasted about those restrictions and was published just as their unintended consequences hit home.

The restrictions contributed to a DRAM shortage and a more than doubling of DRAM prices, which undermined the competitiveness of DRAM users, especially American computer companies. In 1989, McKinsey & Co. estimated that during the previous year world-wide profits for the DRAM business exceeded \$2 billion; only about 5% of those profits were earned by U.S. producers.

Despite this embarrassment, Mr. Prestowitz raised protectionist money and launched the Economic Strategy Institute. It helped fund new broadsides, including Robert L. Kearns's recent "Zaibatsu America: How Japanese Firms Are Colonizing Vital U.S. Industries" (Macmillan/Free Press, 256 pages, \$22.95), which warns about the supposed menace of Japanese investment and argues in favor of zaibatsu-style protectionist cartels to maintain American competitiveness.

It is Mr. Kearns's misfortune to have his book published more than a year after the Japanese began pulling their money out of the U.S. During 1991, Japanese acquisitions of U.S. companies plunged 68%, mostly because our real interest rates are among the lowest in the world. Investors are seeking higher returns elsewhere. Moreover, the 40% plunge in the Japanese stock market, trouble in the Japanese property market and the declining fortunes of Japanese banks have made financing acquisitions more difficult.

Far from being a threat, foreign invest-

ment has been a tremendous boon to the U.S. Properties aren't being lost, stolen or given away—they're purchased. This means foreigners bring capital here. The more capital, the more jobs, and the higher those jobs pay. During the heyday of foreign investment in the late 1980s, jobs were being created fastest in the upper end of the wage scale. Foreign investment has always involved valuable know-how as well as capital.

There's nothing novel about any of this. For thousands of years, people have prospered to the degree they could cultivate contact with the outside world. Civilization developed along trade routes. In ancient

Bookshelf

"Zaibatsu America"

By Robert L. Kearns

Athens, most businesses were owned and operated by foreigners. Byzantium prospered largely because its markets were open to everyone—Jews, Russians, Tartars, Venetians, Arabs, English. In the 17th century, the Netherlands welcomed immigrants and foreign capital, and its prosperity was the envy of Europe. By the next century, Dutch investors provided an estimated quarter of the capital needed to finance the Industrial Revolution.

The British and Dutch subsequently helped finance economic development in North America, which was further energized by the arrival of tens of millions of immigrants. Although the U.S. had many high tariff rates in 1900, some 60% of imports came in duty-free, and there weren't any quantitative import restrictions. Japan boomed by privatizing government enterprises, importing foreign know-how and maintaining average tariffs around 5% for 40 years.

Mr. Kearns claims that Japan refutes all this experience and supports the theory that a nation can prosper by pursuing protectionist cartels. In fact, Japan's experience is consistent with what we've observed around the world. The most successful Japanese industries—consumer electronics, motorcycles and automobiles—have been the least protected, least subsidized and most intensely competitive, while the most heavily protected and subsidized industries have performed the worst.

More Japanese government benefits have gone to agriculture than any other sector, and it's painfully backward. Japanese food prices are often several times higher than world levels. National, prefectural and city governments have done much to protect small business. The most conspicuous result is the backward distribution sector. Subsidies for Japanese coal mines didn't produce world-class competitors. The subsidized Japan National Railway, now being privatized, was long among the most notoriously overstaffed in the non-communist world. The government provided enormous benefits for the shipbuilding industry, yet it declined for years. The Ministry of International Trade and Industry showered six aluminum producers with special breaks, but the run-up of oil prices in the 1970s turned this policy into a source of horrendous losses.

Industrial policy for petrochemicals backfired similarly. The Japanese government subsidized steel, contributing to a costly glut in the 1980s. Heavy regulation of Japanese financial markets brought cartels, sky-high commissions and corruption, but didn't prevent a stock market crash.

"Zaibatsu America" is just another clump of the xenophobic mud that Republicans and Democrats alike are heaving during this year's political campaigns.

Mr. Powell writes on international business and economic policy.

MONDAY, FEBRUARY 24, 1992

Beware: Low Inflation Isn't All Good News

WASHINGTON

Federal Reserve Chairman Alan Greenspan said last week that inflation is on the verge of falling to the lowest level in a generation. That's a legacy most central bankers can only dream about. Fed officials see a good chance that consumer prices will rise only 3% or so in 1992. The last time inflation was so low, without the help of plunging oil prices, was in 1972, the year Watergate became more than just the name of a pricey hotel.

On balance, reducing the inflation rate further probably would improve the U.S. economy—as long as the rate didn't fall too abruptly and the decline wasn't accompanied by a painful recession.

But a significantly lower inflation rate would take some getting used to. An economy in which prices rise at a 2% clip would feel different than one in which inflation hovers around 4%, as it has in the U.S. for the past few years.

Baby boomers grew up in an inflationary era and, almost without realizing it, have built it into their decisions. Millions of them bought houses with fixed-rate mortgages that were a little bit more than they could afford, counting on inflation to lift their wages while their monthly payments remained the same.

Businesses, banks and real estate developers have learned to expect inflation to steadily push asset prices up, sometimes masking big mistakes. Debtors have come to count on it. The federal government has become almost addicted to it, though not as much as it once was. A one-percentage-point drop in the inflation rate (without any offsetting decline in interest rates) would add more than \$120 billion to the federal deficit over five years.

"Inflation can be a way of spreading around the pain," says Frank Levy, an economist at the University of Maryland. "Low inflation concentrates the pain."

It may be premature to worry about the end of inflation. The Fed has a habit of talking tougher on inflation than it actually acts. Some private economists expect inflation to behave for a while, but warn that it could accelerate down the road, particularly if Congress cuts taxes and stimulates the economy just as it is beginning to grow again.

Georgia State University economist Donald Ratajczak fears inflation could be creeping up toward 4% before the year ends. But lately economists have been consistently wrong about inflation, predicting that prices will rise faster than they actually have. Mr. Ratajczak says the Fed's inflation forecast is plausible, particularly if wage increases remain modest.

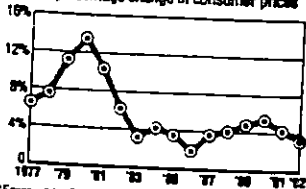
Only a handful of doomsayers are talking about deflation, a disruptive economic phenomenon in which the price of almost everything falls. Short of a depression, that's not in the cards. But pushing the inflation rate below the 3% barrier is at the very least a serious possibility.

Most economists say that would be great. Inflation distorts prices, the key to a free market economy. It creates uncertainty. Although it rewards people and companies holding physical assets, from houses to gold, it pinches others. Even at a 4% inflation rate, the purchasing power of a dollar—or a fixed pension—is cut in half in 10 years.

The case against double-digit inflation is easy to make. But a few economists caution

Inflation: Going Down

Annual percentage change in consumer prices



Forecast by Blue Chip Economic Indicators consensus
Source: Datastream International

that a very low inflation rate might not be all that it's cracked up to be. "Pinning down the exact benefits of 2% inflation vs. 4% inflation is very difficult," says Harvard economist Benjamin Friedman.

"Inflation is to some extent a social lubricant," says Lawrence Summers, the Harvard professor now serving as the top economist at the World Bank. In a functioning free market economy, he points out, some wages and prices must fall and others must rise. When computers make typewriters obsolete, wages in the typewriter factory fall. Workers are attracted to the higher wages at the nearby personal-computer factory.

At least that's how it works in textbooks. But as John Maynard Keynes observed, "Workers are disposed to resist a reduction in their money rewards." If inflation is running at a 5% clip and an employer gives a 1% wage increase, he actually has cut wages by 4%. To achieve the same effective wage reduction at 2% inflation, he'll have to actually put fewer dollars in every paycheck. That's less likely to happen, Mr. Summers notes. He fears the result will be that inflation-adjusted wages won't fall enough and fewer workers will have jobs.

Executives also have hidden behind the inflation illusion, pointing to profits that rose steadily on the charts but actually didn't climb enough to offset inflation. And, as the current real estate loan disaster demonstrates, bankers relied on rising asset values to cushion foolish loans. At 2% inflation, that'll be tough.

Counting on a relatively steady inflation rate has been a good strategy for the past several years. It may be the wrong bet for the next several.

—DAVID WESSEL

Today's debate is on **FUNDING THE ARTS** and how — or whether — the taxpayers' money should be used.

Let's stop playing politics with support for the arts

OUR VIEW Challenging the public's artistic taste is part of the job of the National Endowment for the Arts.

Friday's firing of National Endowment for the Arts Chairman John Frohnmayer fuels concern that art funding will be doled out by the taste police.

Reports say Frohnmayer, who OK'd support for some controversial artists, was forced out by a White House unnerved by conservative Pat Buchanan's strong New Hampshire showing.

By removing him, President Bush eliminates one reason for conservatives to flee to Buchanan.

If that approach extends much farther, principle and free expression will be the losers. Funding for arts — free of censorship — should continue.

Any arts chairman has to skate between extremes — a blue-nose fringe that objects to any sexually explicit art and a libertine wing that sees censorship in any consideration of public taste.

Tilt one way, and the most daring artists are squelched. Tilt the other way and public anger kills arts funding entirely.

The endowment shouldn't be allowed

to fall into hands that would strangle its most vital mission — bringing to the public works of artistic merit that might not otherwise be widely seen. Some of those are bound to be controversial.

They should be. Inspiring debate is part of art's function. Nothing can be set off-limits for funding simply because some consider the subject matter or the artist's lifestyle offensive.

Few new artistic approaches enjoy immediate acclaim: Picasso, Michelangelo and Walt Whitman all were deemed obscene or blasphemous at first.

At the same time, NEA needs to take public standards into account.

When assessing works such as Andres Serrano's crucifix in urine, it must deal with the controversy carefully and tolerantly, not instantly reject an entire exhibition or artist because of a single work.

That's a difficult balancing act that usually works well. Only about 10 projects out of more than 1 million funded have stirred up a flap.

The new NEA chairman shouldn't shrink from funding exhibits just because they're troubling. For artistic vision to grow, popular taste needs to be challenged.

Stop this support for 'art'

OPPOSING VIEW There's no good argument for tax-funding the arts — much less what's been funded.

Amazing! What power! Pat Buchanan hasn't won a primary yet, much less the Republican presidential nomination, and already he's cleaning up the mess in Washington. He's credited with having caused the firing — oops! — I mean the "voluntary resignation" of the head of the National Endowment for the Arts, John Frohnmayer, whom President Bush says brought "integrity and decency" to his job.

Decency?! On the contrary, Frohnmayer adamantly, and repeatedly, refused to be "the decency czar" at the NEA, as he sneeringly put it. And in his farewell address he proudly reiterated this refusal, citing his idiotic, immoral position as an achievement.



By John Lohon, a Laurel, Md., writer, newsletter publisher and former newspaper editor.

But Frohnmayer was the *indecent* czar at the NEA, presiding over and/or defending the federal funding of such sinful, sick, sleazy, sadomasochistic, sacrilegious, blasphemous, pornographic garbage as those hideous, wretched Mapplethorpe photos, the photo of a crucifix in a jar of urine, numerous dirty movies and filthy publications, and several toilet-tongued so-called "performance artists" whose acts would make a longshoreman puke.

But hey, said Frohnmayer, ad nauseam, you have to consider the context of this "art" to understand it. For example, he said the lines of an "emotional, intense and serious" federally funded "poem" which associates Christ with oral sex "must be read in their entirety."

But, hey, no I *don't*. No way. There is no context to excuse such garbage. None. Zero. Zip. Zilch.

In fact, there are no valid arguments as to why we should even have a federal agency to fund the arts — even if what it funded really were art.

Keep slugging, Pat! And we just might get rid of this entire agency, friend. That would be one down and all the rest to go.

MONDAY, FEBRUARY 24, 1992

In South Dakota, little debate, lots of sniping

By Adam Nagourney
USA TODAY

SIOUX FALLS, S.D. — A Democratic presidential debate turned into a prairie free-for-all Sunday as six candidates stumbled over each other vying for the support of farmers who, among others, will decide Tuesday's primary.

The candidates snarled and sniped at each other — particularly at Paul Tsongas, after his New Hampshire win.

The exchanges were more pointed than any heard during two months of campaigning in New Hampshire. That's because a primary that in other years might be inconsequential — only 15 delegates are at stake in South Dakota — will help shake up the emerging Democratic field.

Nebraska Sen. Bob Kerrey and Iowa Sen. Tom Harkin, who did poorly in New Hampshire last week, may face elimination from the race unless they win here.

Tsongas and Arkansas Gov. Bill Clinton could use a strong showing to overcome national-viability questions.

Kerrey and Harkin, both from neighboring states, attempted to show their agricultural expertise. Clinton kept referring to himself as a "farm state governor," a characterization he never shared with voters in New Hampshire.

Tsongas, under attack here for his lack of farm knowledge, said: "I know how to listen and learn," and asked Kerrey to "cut me some slack" on the issue.

He also diffused many of the attacks with easy-going humor: When asked about the suggestion that he thought a combine was a way of minding a martini, the dour Tsongas deadpanned: "What's a martini?"

But much of the time was spent by candidates clashing with each other and the moderator. Even former Irvine, Calif., mayor Larry Agran, in his first TV debate, joined the fray as he pummeled former California governor Jerry Brown for denouncing special interest contributions after having raised such money while in California.

Tsongas was attacked by Harkin and Clinton for supporting higher gas taxes, which he said are needed to make the United States less dependent on Mideast oil.

Clinton, looking into the camera, said: "Your income went down and your taxes went up in the 1980s, and senator Tsongas wants to (tax) you more. It's wrong."

Clinton was attacked for an adviser's plan to phase out farm subsidies. He said moderator Ken Bode of CNN should be "ashamed" for asking the question because the adviser, Robert Shapiro, "has never been on my payroll."

Clinton grew so agitated at Kerrey, who is running ads here ridiculing Shapiro's statement, that Kerrey grinned widely and told Clinton: "Easy, Bill."

► A draw in Maine, 1A; Bush denies moving to right, 4A

Maine takes to Brown's message

By Chet Lunnner

PORTLAND, Maine — Jerry Brown's just-folks, anti-nuclear power campaign struck a nerve Sunday in this no-nonsense state where sturdy L.L. Bean hunting boots are a fashion statement.

Experts had written off Maine to former Massachusetts senator Paul Tsongas. He had regional appeal as a New Englander, and Maine traditionally mimics the results from New Hampshire, where Tsongas won.

But Brown, who spent the most time campaigning here, aggressively attacked a "rotten and corrupt" political system and dismissed Tsongas and Arkansas Gov. Bill Clinton as "corporatists," his word for traditional politicians, too close to the rich and powerful.

He also vowed to shut down all nuclear power plants, a major issue among Maine environmentalists. Tsongas says he supports nuclear power until an alternative is found.

Former state Democratic Party chairman Harold Pachios said the message was more important than the image in Maine: "These guys are benefiting from this concern the public has about integrity, about giving it to us straight, about give us some substance and don't take us for fools. And I think Brown and Tsongas have tapped into that."

Chet Lunnner writes for Gannett News Service

MAINE		
Presidential caucus		
Precincts reporting	97%	
Democrats		
	Caucus delegates	Percent of vote
Larry Agran	14	(0%)
Jerry Brown	967	(29%)
Bill Clinton	515	(15%)
Tom Harkin	174	(5%)
Bob Kerrey	105	(3%)
Paul Tsongas	994	(30%)
Uncommitted	532	(15%)
Others	33	(1%)

Bush-Buchanan battle takes artistic turn

By Jessica Lee
USA TODAY

Vice President Quayle denied Sunday that President Bush is shifting hurriedly to the right to defuse charges by right-wing challenger Patrick Buchanan, who says the president is too liberal.

But Buchanan said he "punched a hole in this blimp," by bagging 37% of the GOP votes in the New Hampshire primary.

Quayle rejected charges that Buchanan's challenge prompted the abrupt weekend firing of John F. Frihlmayer, who as National Endowment for the Arts chairman enraged conservatives with support for art that they regarded as obscene.

Unfortunately, while in the political season, and returning Sunday from Camp David, he signaled he's confident of winning, but took no questions. A poll released Saturday in South Dakota showed Republican support for Bush only at 54%. In a state

every decision that the president makes is going to get this political interpretation," Quayle told NBC's Meet the Press.

Buchanan, in comments on ABC's This Week with David Brinkley, said that his guerrilla campaign is gathering steam.

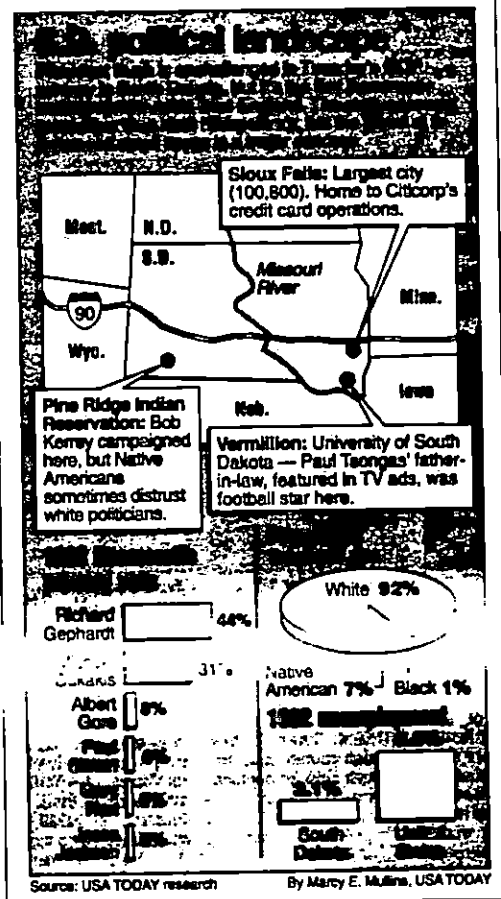
"If we punch a second hole in it in Georgia, the whole thing may go up. And I will have a fighting chance for the nomination," Buchanan said.

While Quayle defended Bush's conservative credentials, Bush remained above the fray Sunday and refused to take Buchanan on directly.

Returning Sunday from Camp David, he signaled he's confident of winning, but took no questions. A poll released Saturday in South Dakota showed Republican support for Bush only at 54%. In a state



By Dennis Cook, AP



► Main politics, 1A, 5A
► Today's debate, 6A



THE PRESIDENT

2-24-92

Ashie -

Got your note
on the OTC. Our
scheduler, Kathy Super, has
the request. It would be
great to get back to Houston
for that. Well see. All Best Amy

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

CC:
Rose Zamaria
(1 copy)

Mr. John B. Ashmun
Chairman of the Board and
Chief Executive Officer
Wainoco Oil Corporation
Suite 1500
1200 Smith Street, South
Houston, Texas 77002

THE WHITE HOUSE

WASHINGTON

February 24, 1992

Dear Justin:

Just a quick note to thank you for the "Dear Colleague" letter you sent to me. I was proud to be at your side in the ADA battle and yes there is much that remains to be done. I am grateful for your kind words.

My warm best wishes to you and Yoshiko.

Sincerely,



The Honorable Justin Dart, Jr.
Apartment 516-C
907 Sixth Street, SW
Washington, D.C. 20024

JAN'S

February 24

1992



OFFICIAL WHITE HOUSE PHOTOGRAPH 24 FEB 92 P29296-07 DV



OFFICIAL WHITE HOUSE PHOTOGRAPH 24 FEB 92 P29278-07 DV



Maryland
Kickoff





